

Governance of United Nations Development:

Recharging multilateral cooperation for the post-2015 era

Prepared for the German Development Institute

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Advance, unedited version

18 October 2014

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Abbreviations

CEB	Chief Executives Board for Coordination
CEO	Chief Executive Officer
CSD	Commission on Sustainable Development
CSOs	Civil society organizations
DaO	Delivering-as-one
DB	Development Board
DESA	Department of Economic and Social Affairs
DPGs	Domestic public goods
EBs	Executive Boards
ECA	Economic Commission for Africa
ECE	Economic Commission for Europe
ECLAC	Economic Commission for Latin American and the Caribbean
ECOSOC	Economic and Social Council
ESCAP	Economic and Social Commission for Asia and the Pacific
ESCWA	Economic and Social Commission for Western Asia
FAO	Food and Agricultural Organization
Fs/Ps	Funds and Programmes
DOCO	Development Operations Coordination Office
GA	General Assembly
GEF	Global Environment Facility
GPGs	Global public goods
G-77	Group of 77 and China
HLCP	High-Level Committee on Programmes
HLCM	High-Level Committee on Management
HLPF	High-Level Political Forum
JEB	Joint Executive Board
JIU	Joint Inspection Unit
IAEA	International Atomic Energy Agency
ICAO	International Civil Aviation Organization
IFAD	International Fund for Agricultural Development
ILO	International Labour Organization
IMO	International Maritime Organization
ITC	International Trade Centre
ITO	International Telecommunication Union
MDGs	Millennium Development Goals
NGOs	Non-governmental organizations
OCHA	Office for Coordination of Humanitarian Assistance
ODA	Official Development Assistance
OECD/DAC	Organization for Economic Cooperation and Development, Development Assistance Committee
OHCR	Office of the High Commissioner for Human Rights
OIOS	Office for Internal Oversight Services
RC	Resident Coordinator
Rio+20	United Nations Conference on Sustainable Development (2012)
SAs	Specialized agencies
SDGs	Sustainable Development Goals
QCPR	Quadrennial comprehensive policy review
UN	United Nations
UNAIDS	Joint United Nations Programme on HIV and AIDS
UNCDF	United Nations Capital Development Fund
UNCT	United Nations country team

UNCTAD	United Nations Conference on Trade and Development
UN Development	United Nations Development
UNDG	United Nations Development Group
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNEP	United Nations Environment Programme
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNEG	United Nations Evaluation Group
UNFPA	United Nations Population Fund
UN-Habitat	United Nations Human Settlements Programme
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UN-OAD	UN operational activities for development
UNODC	United Nations Office on Drugs and Crime
UNOPS	United Nations Office for Project Services
UNRWA	United Nations Relief and Works Agency
UNV	United Nations Volunteers
UN-Women	United Nations Entity for Gender Equality and the Empowerment of Women
UPU	Universal Postal Union
UNWTO	United Nations World Tourism Organization
WB	World Bank
WEOG	Western European and Other States Group
WFP	World Food Programme
WHO	World Health Organization
WIPO	World Intellectual Property Organization
WMO	World Meteorological Organization

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Acknowledgements

Kristinn would like to thank his parent organization, the United Nations Secretariat, as well as his supervisors, for granting him a sabbatical for several months to work on this paper. He would also like to thank the German Development Institute for hosting him for one month where he was able to engage in a substantive dialogue with a group of outstanding researchers led by Dr. Stephan Klingebiel. Both Kristinn and Timo would also like to thank Sophie Hermanns, an intern at the German Development Institute, for her excellent research support and stimulating discussions.

Disclaimer: The views expressed in this paper are solely those of the authors.

Executive Summary

The universal post-2015 development agenda, to be adopted by the General Assembly in September 2015, will constitute a significantly different mission for United Nations Development than the current one driven by the Millennium Development Goals, both in terms of strong focus on the integration of the economic, social and environmental pillars of sustainable development but also because of the increased emphasis on global challenges. The responsibility for achieving the MDGs, in comparison, was primarily located at the domestic level of developing countries with international support.

At the outset of the post-2015 era, the distinction between country and global level development challenges has also become less-and-less obvious. The world has seen an increasing trend in recent years of environmental, health and financial disturbances in one geographical area being cascaded over national borders and amplified into systemic risks for everyone. Development cooperation is increasingly called upon to help developing countries to benefit from globalization, as well as to mitigate its negative impact by supporting the development of policies and institutions to build resilience.

As the functions of UN Development change in the post-2015 era, the organizational model and governance capacity of the Organization will need to be adapted to meet the new requirements. A shift from the present organizational model of specialization to one characterized by greater emphasis on integration in response to the demands of the post-2015 development agenda, for example, will require UN Development to develop stronger capacity for horizontal governance and coordination at the intergovernmental and inter-agency levels. This poses several challenges with implications for governance:

Firstly, the post-2015 development agenda with significant focus on the integration of country and global development action will require innovations in the application of the principles of sovereignty and global responsibility in governance of UN Development;

Secondly, UN Development will increasingly have to work as one in an environment characterized by growing diversity of both national development experiences and sources of financing. This will require UN Development to develop strong governance capacity for internal and external coordination;

Thirdly, in the post-2015 era, UN Development will need to develop an organizational capability anchored in integrated approaches that reduce duplication and fragmentation and enable entities to exploit opportunities for synergy in programming and operations.

The current governance system of UN Development, which reflects the original functional and specialized design of the Organization, is not equipped to respond to these challenges. Governing bodies of UN Development entities operate in almost total isolation from each other. Decisions and policies of entities in one area are generally not known to, or seen as important for those operating in another. The ability of agency-specific governing bodies to provide regular, detailed guidance on operational activities is also affected by the significant variation in their size and meeting frequency. Furthermore, central governing bodies are not able to hold entities accountable for the implementation of system-wide mandates established by the General Assembly or ECOSOC.

In addition, the high fragmentation of the governance system has reduced the ability of UN Development entities to capitalize on opportunities for synergy in programming and

operations. Institutional processes such as those relating to programming, operations, management, reporting and evaluation involved in the delivery of voluntarily-funded operational activities are identical across all UN Development entities, and, if effectively regulated, could generate major synergy and cost savings. The quadrennial comprehensive policy review resolution of the General Assembly currently performs this regulatory role of operational activities to a limited extent only. It is estimated that the potential synergy resulting from reduction in duplication across UN entities could amount to some 20 per cent of total operational activities for development.

This paper argues that the shift in the functions of UN Development as the result of the post-2015 development agenda will require rebalancing of the authority of agency-specific and system-wide governing bodies in the governance system. The objective would be to make decision-making more of a collective responsibility of Member States. The legitimacy of the governance system could also be further enhanced by refining the criteria for representation in governing bodies and by reform of their working methods.

The adoption of constituency-based approaches and “variable geometry” may be particularly important innovations in the selection of members in governing bodies in the post-2015 era when Member States will need to find a new balance between the principles of equity and effectiveness and sovereignty and global responsibility in representation and decision-making in governance of UN Development entities.

In the post-2015 era, it will be especially important to strengthen the capacity of the governance system and inter-agency coordination bodies to achieve policy coherence and interoperability in programming and operations across entities. The need for enhanced synergy in the delivery of operational activities, coupled with the high cost of maintaining so many governing bodies, provides an argument for consolidating governance functions of entities as part of broader strategic repositioning of UN Development in the new era.

Establishing a single, fulltime Development Board for the management and control of the operational activities only of the 19 funds, programmes and other entities reporting to the GA and ECOSOC and for which the QCPR resolution of the Assembly is formally applicable, is an attractive option to strengthen system-wide coherence, accountability for implementation of agency-specific and system-wide mandates and transparency and cost-effectiveness in governance. Merging the four Executive Boards of the funds and programmes in a fulltime Joint Executive Board is another good option for consideration of Member States. Either option could significantly enhance the quality of governance of operational activities and allow entities to capitalize on opportunities for synergy.

The Secretary-General could also consider establishing a High-level Panel to propose a vision for the role of UN Development in the implementation of the universal post-2015 agenda, including providing recommendations on necessary reforms in areas such as financing and governance of operational activities. The Secretary-General, in consultation with the UNDG Chair, could also consider establishing a Post-2015 Change Management Team to analyze the system-wide implications of the new agenda on: (a) functions, (b) capacity, (c) financing, (d) governance, (e) organizational arrangements and (f) partnerships requirements of UN Development, with a view to facilitating informed discussions on the strategic positioning of the Organization as a whole.

1. Introduction

United Nations Development (UN Development) is the largest multilateral partner of OECD/DAC countries, which is an important indicator of the significant role played by the Organization in international development cooperation. UN Development is composed of the 34 entities that receive contributions for operational activities for development (see list in Box 1). Operational activities include both development-related activities as well as those with a humanitarian assistance focus. In 2012, the operational activities of the UN system amounted to some \$24 billion and accounted for nearly two-thirds of all system-wide activities of the Organization.

This paper argues that the current governance arrangements of UN Development impose a major constraint on the effectiveness of the Organization in the post-2015 era, where the global norm- and standard-setting functions and operational activities at the country level will increasingly need to be delivered in an integrated manner. By making the governance of UN Development “fit-for-purpose”, Member States would fundamentally “recharge” multilateral cooperation, whose appeal is withering, despite the reality of growing interconnectedness, complexity and uncertainty in today’s globalizing world.

Deliberations on reform of UN Development are a regular occurrence. During the last 70 years, Member States and other stakeholders have commissioned a large number of studies and reports on options for strengthening the effectiveness of UN Development. An overview of key governance-related recommendations and brief synthesis of common messages of those reports and studies can be found in Annex 1 and Box 2 respectively.

The most recent round of intergovernmental deliberations on the effectiveness of UN Development came in the wake of a report commissioned by Secretary-General Kofi Annan in 2006 on system-wide coherence. In 2012, the General Assembly also adopted an important resolution (GA 67/226) on the quadrennial comprehensive policy review of operational activities for development of the UN system, following extensive intergovernmental deliberations. More recently, in July of this year, the Economic and Social Council decided to launch an inclusive and transparent process on the longer-term strategic positioning of the UN development system with governance as one of the areas of focus.

The renewed momentum on enhancing the effectiveness of governance of UN Development is timely. The post-2015 development agenda, to be adopted in September 2015, is bound to fundamentally impact the role, functioning and shape of UN Development (Jenks/Jones 2012, Wennubst/Mahn 2012). The expectations are that the post-2015 development agenda and the subsequent need for strategic repositioning of UN Development will further exacerbate and bring to the fore the deficiencies in the present governance arrangements.

Against this background, it is surprising how little academic and applied research exists specifically on governance of UN Development. This paper aims to address this gap, in particular, by attempting to present a comprehensive overview and analysis of the current state of governance of UN Development, and on that basis, develop an outlook for how this critical function may need to change in the post-2015 era. The value-added of the

paper stems in large part from the significant amount of original data and information it contains on the governance of UN Development – information which has previously not been easily available to Member States and other stakeholders.

More specifically, the paper aims to respond to the following question:

What changes in the governance of operational activities for development of the UN system would enhance the contribution of the Organization in the realization of the post-2015 development agenda with focus on sustainable development.

The paper is organized around six main parts:

Chapter 1 explains the objective of the paper, its analytical framework and the key terms used. The current governance system including the key challenges it faces is described in Chapter 2. The changing functions of the UN system in a post-2015 era are discussed in Chapter 3, with the emerging governance requirements of the post-2015 development agenda examined in Chapter 4. Based on this analysis, Chapter 5 examines the pros and cons of four options that Member States could consider to strengthen governance of UN Development. Chapter 6 brings the analysis together in the form of conclusions and recommendations.

Analytical framework

One way to analyze the evolution of the governance of UN operational activities is to use the concept of the ‘strategic triangle’ developed by the Harvard Kennedy School Professor Mark Moore and discussed in a recent influential publication of Jenks and Jones.¹ According to this concept, a healthy political economy of an organization or system, is characterized by high degree of convergence between the expectations of an *authorizing environment*, the *mission* (or public value), motivated and legitimized by the authorizing environment, and the operational *capacity* to deliver on the mission.

The purpose of the strategic triangle is to focus the attention of decision-makers on these three dimensions before committing to a particular course of action, which if applied to governance of UN operational activities would involve responding to questions such as the following:

Firstly, what “public value” is the governance system expected to provide?

Secondly, “what sources of legitimacy or support” would be relied upon to authorize the governance system to take action and provide the resources necessary to sustain the effort to create that value?

Thirdly, what “operational capabilities” (including new investments, innovations and alliances) would the governance system rely on to deliver the desired results?

The challenge is to bring these three dimensions into alignment in order to ensure well-functioning governance of UN operational activities. The mission should be an effective response to the challenges found in the authorizing environment. The operational capacities should be adapted to the proposed mission to ensure its effective realization. The authorizing environment, in turn, must enable the necessary changes in the operational capacities.

¹ Jenks and Jones (2013).

The strategic triangle concept is further explained in Figure 1.

The debate on governance of UN Development should therefore start with a clear articulation of the functions or the “public value” that Member States want the Organization to fulfil in the post-2015 era. This is because the form and shape of the governance arrangements will inevitably have to respond to those “public value” expectations of Member States.

To facilitate further debate among Member States and other interested stakeholders, the paper reviews the advantages and disadvantages of four governance options: *firstly*, maintaining the status quo, or no change in the governance system, *secondly*, empowering ECOSOC to serve as a system-wide governance mechanism, *thirdly*, creating a fulltime Joint Executive Board of the funds and programmes, and, *fourthly*, establishing a fulltime Development Board governing the operational activities only of the 19 funds, programmes and other entities that report to the GA or ECOSOC.

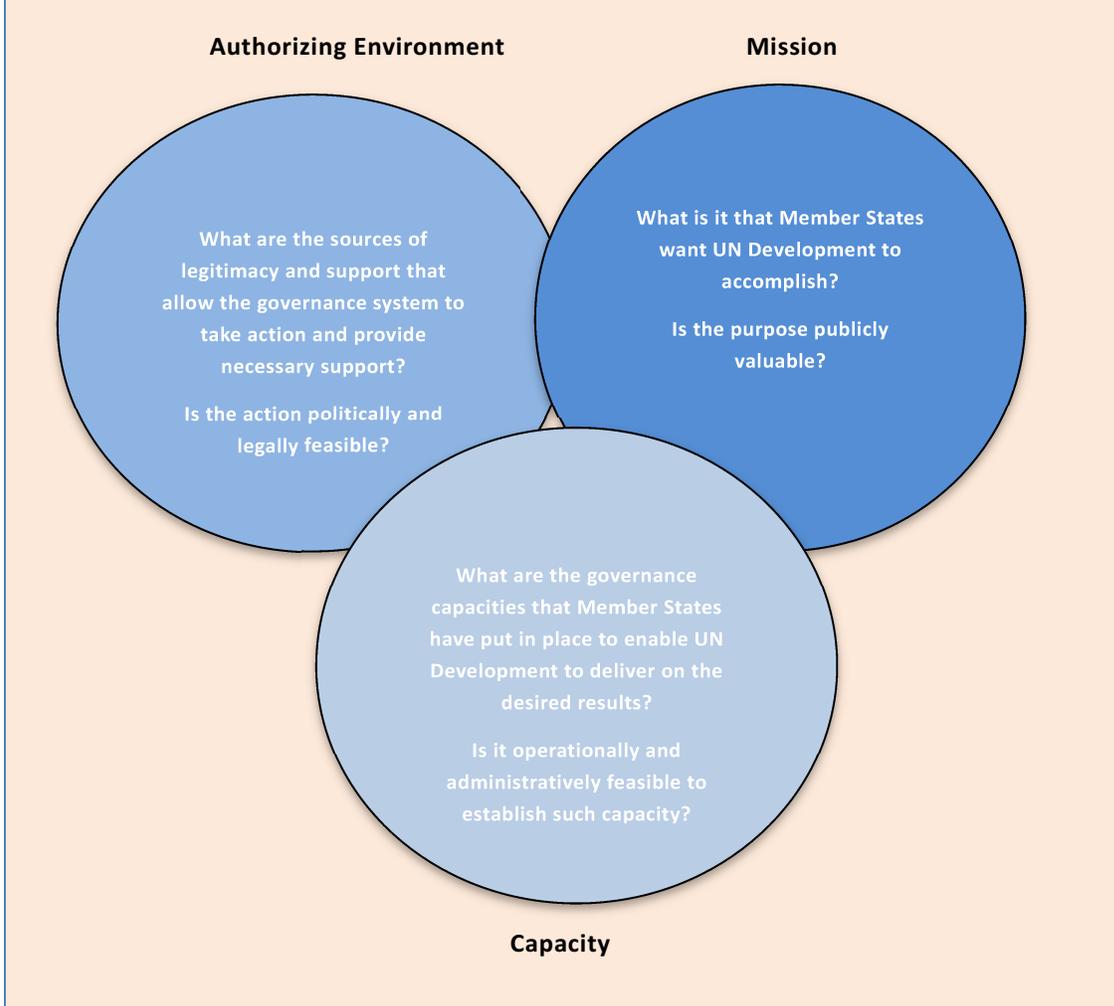
Definition of governance

The governance of UN Development is unique when compared to other organizations due to its double-layered structure consisting of both agency-specific and system-wide governing bodies. The term “governance” relates to the complex array of governing bodies at both agency and system-wide levels used by Member States to steer and oversee UN operational activities for development. At the heart of governance lies the separation of ownership and control. In the case of UN Development, this would constitute the relationship between governing bodies and the executive management of the respective entities. In addition, collaboration and coordination among UN entities is facilitated through several inter-agency bodies.

The roles and responsibilities of governing bodies are described in Chapter 2 and the functions of the Executive Boards of the funds and programmes more specifically in Box 3. The roles and responsibilities of inter-agency coordination bodies are described in Box 5.

Figure 1: Analytical framework - the strategic triangle concept

According to Harvard Kennedy School Professor Mark Moore, the term ‘public value’ constitutes the “combined value of the public of what they regard as valuable”. In the context of UN Development, the mission would reflect what Member States collectively consider to be the desired public value of the Organization. The model suggests that Member States should not look at the governance of UN Development in isolation, but rather in conjunction with the mission of the Organization as well as the broader political context that legitimizes the mission. The model suggests that the mission needs to be substantially valuable in the sense that it responds to the expectations of Member States, which means that UN Development must continually generate legitimacy and funding for its operations. Inherent to the model in the context of governance is the notion of both ‘input’ and ‘output’ legitimacy of governing bodies. In the case of agency-specific governing bodies, the lack of participation of many Member States in the governance process, particularly the funds and programmes, undermines their ‘input’ legitimacy. Chapter 4 discusses how ‘input’ legitimacy in governance of UN Development could be strengthened. System-wide governing bodies, on the other hand, it can be argued, suffer primarily from ‘output’ legitimacy. Chapter 4 discusses how the ‘output’ legitimacy of such bodies could be enhanced with particular focus on their role in furthering policy coherence and interoperability among UN Development entities, two functions which will be critical for the Organization in the post-2015 era with focus on sustainable development. Finally, there is an inherent tension between the principles of equity and efficiency in the composition of governing bodies. The analysis presented in Chapter 4 is therefore complemented by special focus on cost-efficiency in governance, an issue of long-standing interest to Member States.



Box 1: UN Development

United Nations Development (UN Development) is defined as the entities that receive contributions for operational activities for development.

In 2012, the following 34 entities engaged in operational activities for development.

Funds and programmes: UNDP (incl. UNCDF, UNV), UN-Women, UNFPA, UNICEF, WFP, UNHCR, UNAIDS, UNCTAD (incl. ITC), UNEP, UN-Habitat, UNODC, UNRWA

Specialized agencies: FAO, IAEA, UNESCO, ICAO, ILO, IMO, ITU, UNIDO, UPU, WIPO, WHO, WMO, UNWTO

Regional commissions: ECA, ECE, ECLAC, ESCAP, ESCWA

Secretariat departments: OCHA, DESA

Other entities: IFAD, OHCHR

Legislative mandates established in the *QCPR resolution* of the GA on operational activities for development are formally binding for those entities that report to the Assembly and ECOSOC. In 2012, these were 27 entities (30 if UNCDF, UNV (part of UNDP) and ITC (part of UNCTAD) are counted as specific entities):

- 12 funds and programmes: UNDP (including UNCDF, UNV), UNICEF, UNFPA, WFP, UNHCR, UNODC, UNCTAD1 (including ITC), UNRWA, UN-Women, UNEP, UN Habitat, UNAIDS;
- 6 research and training institutions: UNICRI, UNIDIR, UNITAR, UNRISD, UNSSC, UNU (although none of them is involved in operational activities);
- 5 regional commissions which formally report to ECOSOC: ECLAC, ESCWA, ESCAP, ECA and ECE;
- 2 Secretariat departments: OCHA and UNDESA, and
- 2 other entities: UNISDR and UNOPS (UNISDR doesn't engage in operational activities and UNOPS only implements operational activities initiated by other entities).

Of the above 27 entities, 19 engaged in operational activities in 2012. The 8 entities that did not engage in such activities were: 6 above research and training institutions and UNISDR and UNOPS. Together, the 19 entities accounted for some 75 per cent of total operational activities for development in 2012 and the specialized agencies for the remaining 25 per cent.

Box 2: Selected messages from earlier reports on reform of UN Development

Starting in the 1960s, a series of external and internal reports and studies have addressed governance reform of UN Development (See Annex 1 for further details).

Many reports have called for stronger *leadership and policy guidance* from the General Assembly (GA) and the Economic and Social Council (ECOSOC). Proposals to achieve this objective range widely: some calling for more efficient working methods, e.g. through streamlining of agenda-setting in order to avoid overlap in the work of GA and ECOSOC (Brandt (1980); Bertrand (1985); Beattie (2004)), or through more frequent and better prepared ECOSOC sessions (Group of Experts (1975), UNGA (1977)). Other proposals suggest a substantial restructuring of ECOSOC's subsidiary machinery, giving the Council greater authority under the Charter (UNGA (1997)), larger membership or closer involvement of technical experts from Member States or UN organizations. Some reports have even gone as far as to propose an entirely new body, such as, an 'Economic Security Council' to replace ECOSOC (The Commission on Global Governance (1995)). Others have called for a complementary high-level forum, such as, a 'Summit of Leaders', 'International Development Council' or 'Global Leaders Forum' to review and provide guidance to United Nations Development (Independent Commission of the South on Development Issues / Nyerere (1990); Nordic UN Project (1991); UN (2006)).

Concerning *substantive coordination*, a single governing body to consolidate control and management of all operational activities has been proposed repeatedly (e.g. UNGA (1977); The Group of the High-Level Intergovernmental Experts "The Group of 18" (1986); UNGA (1997)). As early as 1975, the Gardner Report called for a single *Operations Board* to replace the existing boards of operational funds. Other reports envision one unified development agency (Bertrand (1985)) or a consolidated governing body with regional subsidiary bodies (Childers / Urquhart (1996)). The benefits of a single governing body would particularly include enhanced internal coordination and coherence, as well as greater accountability and more effective implementation of system-wide mandates such as those relating to the QCPR.

Many reports have also addressed the question of who should participate in governing bodies. There have been repeated calls for closer involvement of the Executive Heads of UN entities as well as Heads of States and ministers in ECOSOC to improve coordination (Bertrand (1985)). Moreover, some reports have also argued for more inclusiveness, for example greater participation of policy-makers from developing countries in ECOSOC and the governing bodies of the specialized agencies (Group of Experts (1975); UNGA (1997)) or using voting groups to include more countries in decision-making in the Executive Boards of the operational funds and programmes without increasing the number of seats (The Commission on Global Governance (1995)). Reports have also suggested a greater role for experts and non-state stakeholders in governance, for example through an advisory board that could provide information for other governing bodies as well as periodic policy review (Group of Experts (1975); Brandt (1980); UNGA (1997)).

2. Current governance system of UN Development

This chapter describes the role of both system-wide and agency-specific governing bodies in the current governance system of UN Development. It also identifies key challenges facing the governance system at both agency-specific and system-wide levels.

The General Assembly, the Economic and Social Council, the Executive Boards of the operational funds and programmes and the governing bodies of the specialized agencies and other entities reporting to the GA or ECOSOC, in accordance with their respective mandates, constitute a two-tiered intergovernmental policy-making and oversight system for UN Development.

At the Rio+20 Conference in 2012, Member States also decided to create a High-level Political Forum on Sustainable Development of the GA to ensure policy coordination and coherence of the sustainable development agenda. More recently, the role of ECOSOC has been reviewed at the intergovernmental level, leading, inter alia, to the establishment of an Integration Segment charged with fostering integration of the three pillars of sustainable development in the work of the UN and beyond.

In addition to the two-tiered formal policy-making and oversight system for UN development operations, governance also takes place at the country level through various policy coordination mechanisms involving the respective Government and heads of UN entities, where, inter alia, country priorities are determined and implementation assessed.

2.1 System-wide

General Assembly

The GA, through the *quadrennial comprehensive policy review* (QCPR) establishes key system-wide policy orientations for the development cooperation and country-level modalities of the UN system. The QCPR focuses, in particular, on crosscutting and coordination issues on the operational side of UN Development. The QCPR is applicable to all funds and programmes and other entities that are under the direct mandate of the GA (see Box 1). The GA has also requested the funds and programmes and encouraged the specialized agencies to align the respective strategic planning cycles to the timing of the QCPR.²

The GA also provides policy guidance to the UN system in a range of substantive areas, from macroeconomic and financing for development issues to social development and the advancement of women, including follow-up to the outcomes of major UN conferences.

High-level Political Forum on Sustainable Development

The High-level Political Forum will play a key role in setting normative policies for UN Development. The mandate of the HLPF is to: provide political leadership and recommendations for sustainable development, follow-up and review progress in implementing sustainable development commitments, enhance the integration of economic, social and environmental

2 UNGA (2009).

dimensions of sustainable development, have a focused, dynamic and action-oriented agenda, consider new and emerging sustainable development challenges. The HLPF meets: every four years at the level of Heads of State and Government under the auspices of the General Assembly, every year under the auspices of the Economic and Social Council - for eight days, including a three-day ministerial segment. The forum adopts negotiated declarations. It replaces the Commission on Sustainable Development.

Economic and Social Council

ECOSOC is mandated to provide *coordination* and guidance to the UN system, including monitoring of QCPR implementation. As specified in the UN Charter “the Council may coordinate the activities of the specialized agencies through consultation with and recommendations to such agencies and through recommendations to the General Assembly and to Member States of the United Nations”.

Operational Activities for Development Segment

The role of ECOSOC in coordinating and monitoring the implementation of policy guidance established by the GA is primarily discharged through its Operational Activities for Development Segment. The key functions of the OAS are the following³:

- Provide the UN system with cross-sector coordination and overall guidance on a system-wide basis, including objectives, priorities and strategies, in the implementation of the policies formulated by the GA in the field of operational activities for development;
- Monitor the division of labour between and cooperation within the bodies of the UN system, in particular the development funds and programmes, to include the conduct of field-level coordination, and make appropriate recommendations to the GA, as well as to provide guidance, where appropriate, to the system;
- Review and evaluate the reports on the work of the development funds and programmes, including the assessment of their overall impact, with a view of enhancing the operational activities of the UN on a system-wide basis;
- Undertake preparatory work for the quadrennial comprehensive policy review of operational activities by the GA;
- Review the operationally relevant recommendations of the subsidiary bodies of ECOSOC and other relevant bodies in the light of policies established by the GA, in order to incorporate them, as appropriate, into the operational activities of the UN;
- Provide orientations and recommendations to the relevant inter-agency coordination mechanisms and to support and enhance their role.

Integration Segment

ECOSOC has been tasked to promote the integration of the economic, social and environmental dimensions of sustainable development both within the UN system and beyond. To this end, the Integration Segment will serve as a platform to:

³ UNGA (1993)

- Consolidate the inputs of Member States, the subsidiary bodies of the Council, the UN system and other relevant stakeholders;
- Promote the balanced integration of the three dimensions of sustainable development by engaging policy makers from various ministries;
- Bring together the key messages from the Council system on the main theme and develop action-oriented recommendations for follow up.

The segment will address the interplay of the three dimensions of sustainable development and crosscutting issues such as gender, science and technology, trade and finance, particularly in relation to policy options and their implications. The work of the segment will also facilitate the transmission and incorporation of policy guidance by governing bodies of the United Nations funds, programmes and specialized agencies.

2.2 Agency-specific

Executive boards of funds and programmes

The Executive Boards of the major operational funds and programmes (UNDP, UNFPA, UNOPS, UNICEF, WFP, UN-Women) are responsible, inter alia, for providing intergovernmental oversight of the respective entities in accordance with the overall policy guidance of the GA and ECOSOC, and for ensuring that they are responsive to the needs and priorities of recipient countries.⁴ Box 3 provides further details on the specific functions of the EBs of the major operational funds and programmes.

Members of the EBs are elected by ECOSOC. The Executive Heads of the funds and programmes are appointed by the Secretary-General, following consultation with the respective EB, and confirmed by the GA. The EBs are subject to the authority of ECOSOC and expected to bring to the Council's attention issues requiring its guidance.⁵ GA resolution 48/162 of 1994 states that "Boards are subject to the authority of the Council" (Article 21) but are mandated "to implement the policies formulated by the Assembly and the coordination and guidance received from the Council" (Article 22).

Since 1998, the EBs of UNDP/UNFPA/UNOPS, UNICEF, WFP, and now UN-Women, have convened an informal joint meeting of the boards once a year to discuss selected priority issues of common concern.

Governing bodies of specialized agencies

The specialized agencies are separate, legally autonomous organizations with their own policy-making and executive organs, secretariats and budgets. The executive heads of the specialized agencies are elected by the membership of the respective entity. The detailed functioning of the relationship of the specialized agencies with the UN is defined by the terms of special agreements established with ECOSOC and subsequently approved by the GA.

⁴ UNGA (1993)

⁵ UNGA (1996)

Article 63 of the UN Charter stipulates that the Council may coordinate the activities of the specialized agencies through consultation with and recommendations to such agencies and through recommendations to the GA and to Members of the UN. In Article 64, ECOSOC is authorized to take appropriate action to obtain regular reports from the SAs. ECOSOC may also make arrangements with the Members of the UN and with the specialized agencies to obtain reports on the steps taken to give effect to the Council's recommendations and to recommendations falling within its competence as established by the GA.

To complement the review of the existing governance system, Box 4 provides a brief historical overview of the establishment of important system-wide coordination mechanisms in the UN system, with Box 5 describing the key functions of the main inter-agency bodies.

2.3 Country-level

Over the years, the funding architecture of UN Development has changed significantly, with contributions to entities increasingly shifting from core to non-core (earmarked).⁶ Today, almost three-fourths of all contributions for operational activities are earmarked, where the destination and substantive focus are largely determined by donors and therefore only indirectly managed and overseen by the respective governing body. As a result, an Executive Board of a fund or programme now only has direct control over a relatively small share of the overall resource envelope, of which a significant part is already earmarked to cover the core institutional costs of the respective entity.

Programme priorities are also primarily determined at the country level through consultations between the respective Government and UN entities, particularly in the United Nations Development Assistance Framework process. Country programmes of the funds and programmes, derived from priorities established in the UNDAF process, are subsequently formally approved by the respective Executive Board. In the approval of a country programme document, an Executive Board only takes note of the planned non-core resources mobilization target of the respective fund or programme. For the specialized agencies, on the other hand, there are generally no requirements for a country programme document being tabled for governing body review. Projects funded from extra-budgetary resources are therefore only subject to review by the management of the respective specialized agency.

A significant part of non-core resources for development-related activities are now mobilized by UN entities from donors directly at the country level in support of national

⁶ UN operational activities are funded by a combination of so-called core and non-core resources. Core resources are those that are commingled without restrictions and whose use and application are directly linked to the entities' multilateral mandates and strategic plans that are approved by the respective governing bodies as part of an established intergovernmental process. In contrast, and as determined by the contributors, non-core resources are mostly earmarked and thus restricted with regard to their use and application. There is therefore not necessarily a direct link between activities financed by non-core resources and the multilateral mandates and strategic plans approved by governing bodies. In some instances governing bodies formally approve the use of core resources while "taking note" of the use of non-core resources.

development priorities and in close consultation with the respective Government. The substantive focus and financing of country programme documents are therefore largely determined at the country level with minimum involvement of the respective governing body. The management and oversight role of governing bodies of funds, programmes and agencies, as a result, has significantly changed over the years.

Box 3: Functions of Executive Boards of the funds and programmes

General Assembly resolution 48/162

The current governing bodies of the United Nations Development Programme/the United Nations Population Fund and the United Nations Children's Fund shall be transformed into Executive Boards. These Boards shall be responsible for providing inter-governmental support to and supervision of the activities of each fund or programme in accordance with the overall policy guidance of the General Assembly and the Economic and Social Council, in accordance with their respective responsibility as set out in the Charter, and for ensuring that they are responsive to the needs and priorities of recipient countries. The Boards will be subject to the authority of the Council.

The functions of the Executive Boards were established as the following:

- a) To implement the policies formulated by the Assembly and the coordination and guidance received from the Council;
- b) To receive information from and give guidance to the head of each fund or programme on the work of each organization;
- c) To ensure that the activities and operational strategies of each fund or programme are consistent with the overall policy guidance set forth by the Assembly and the Council, in accordance with their respective responsibility as set out in the Charter;
- d) To monitor the performance of the fund or programme;
- e) To approve programmes, including country programmes, and projects with respect to the World Food Programme, as appropriate;
- f) To decide on administrative and financial plans and budgets;
- g) To recommend new initiatives to the Council and, through the Council, to the Assembly as necessary;
- h) To encourage and examine new programme initiatives;
- i) To submit annual reports to the Council at its substantive session, which could include recommendations, where appropriate, for improvement of field-level coordination.

Box 4: Historical overview of establishment of key system-wide mechanisms

As operational activities grew in importance in the work of UN Development, Member States realized that the design of the Organization along functional, specialized lines, made it difficult to coordinate cross-sector development work, at the intergovernmental level. This led to a series of steps to establish system-wide coordination mechanisms or instruments. Many of these mechanisms were established in response to findings and recommendations of major studies and reports on the effectiveness of UN Development (see Box 1 and Annex 1 for more details on the findings of these reports and studies).

The key coordination mechanisms that have been created since 1945 are the following:

- 1946 Chief Executives Board for Coordination
- 1965 United Nations Development Programme charged with coordinating technical assistance provided by UN system
- 1978 Director-General for Development and International Economic Cooperation (post abolished in 1992)
- 1997 United Nations Development Group
UNDP Administrator as UNDG Chair
United Nations Development Assistance Framework
Common Country Assessment
Common UN Houses
Executive Committee on Humanitarian Affairs
Department of Economic and Social Affairs
Deputy Secretary-General
- 2007 Delivering-as-One pilots
- 2010 UN-Women (merger of four gender-related entities)
- 2012 Independent system-wide evaluation mechanism (UNEG, JIU, OIOS, OCHA, DESA) and pilots

Box 5: UN inter-agency coordination mechanisms

The limited coordination undertaken at the intergovernmental level, has led to the creation of a number of instruments and processes to foster collaboration within the UN system. These instruments and processes are briefly described here below:

National

The United Nations Development Assistance Framework is the collective, coherent and integrated programming and monitoring framework linking the normative and operational work of the UN system at the country-level. The resident coordinator system encompasses all organizations dealing with operational activities for development of the UN system in a programme country. The RC, supported by the UN country team, has a central role in coordination of UN development operations at the country level. The RC system is managed by UNDP with guidance provided by an UNDG/Advisory Group, composed of members from 14 UN system organizations at Assistant-Secretary-General/Assistant-Director-General level.

Regional

The regional coordination mechanisms established by ECOSOC resolution 1998/46 and led by the Regional Commissions serve to improve coordination among work programmes of UN organizations. The United Nations Development Group Regional Director Teams have been tasked with providing coherent technical support to RCs and UNCTs; performance management of RCs and UNCTs; and quality assurance of UNDAFs/UN programmes.

Global

The Chief Executives Board for Coordination, under the leadership of the Secretary-General, furthers coordination and cooperation on a whole range of substantive and management issues facing UN system organizations. CEB is supported by three high-level committees: (a) High-level Committee on Programmes, (b) High-level Committee on Management and (c) the United Nations Development Group, which has been incorporated in the CEB subsidiary machinery. UNDG, with support of the Development Operations Coordination Office, has a key role to play in translating GA and ECOSOC guidance into actionable guidelines for UN country teams. HLCM/CEB has two main functions, firstly, system-wide follow-up of intergovernmental decisions, and, secondly, scanning and identification of emerging programme issues requiring a system-wide approach. The Bretton Woods Institutions are members of the CEB, including the HLCM/CEB, and the World Bank participates as observer in the UNDG/CEB. HLCM/CEB is responsible for ensuring coordination in administrative and management areas across the UN system.

UNDESA provides substantive support to the GA and ECOSOC in delivering coherent and effective policy guidance to the operational activities of the UN system at the country level. Other thematic internal coordination bodies and networks include the Executive Committee of Economic and Social Affairs, the Executive Committee on Peace and Security, the Executive Committee on Humanitarian Affairs, the Secretary-General's Policy Committee and the UN Evaluation Group. Other such groups include the Inter-Agency Standing Committee, which involves key UN and non-UN humanitarian partners, and the Environment Management Group.

2.4 Major challenges

This section reviews some key challenges facing the current governance system of UN Development building on more detailed information contained in Annex 3.

Although from a legislative point of view, the UN system would seem to have in place a fully coherent governance system, a more disaggregated analysis reveals a number of capacity deficits at both the system-wide and agency-specific governance levels. These capacity deficits will need to be addressed if the organizational model of UN Development is to shift from specialization to greater emphasis on integration in the post-2015 era.

Some key messages that emerge from the analysis of both the authorizing environment and existing governance capacities of UN Development include the following:

Authorizing environment

1. There are important variations in the representation of the five regional groupings in governing bodies of UN Development entities with limited membership when compared to the share of each Group of the overall UN membership (see Annex 3 and Table 2);⁷
2. The exponential growth in non-core (earmarked) funding in the past decade has significantly changed the role of governing bodies in providing strategic direction and oversight of operational activities. The guidance and oversight role of governing bodies of non-core funding, which now constitutes some 75 per cent of total operational activities, is indirect at best. These funding trends have also contributed to power asymmetry between developed and developing countries in the governance of some entities, e.g. the Executive Boards of the funds and programmes;⁸
3. The current composition of the Executive Boards of the funds and programmes determined in General Assembly resolution 48/162 (1993) was based on a funding architecture that was significantly different from the present one;
4. No direct link can be observed between the share of regional groupings of seats on governing bodies of UN Development entities with limited membership and growth in contributions in the past decade (see Table 5);
5. Governing bodies of UN Development entities operate in almost total isolation from each other. Decisions and policies of entities in one area are generally not known to, or seen as important by those operating in another;
6. No governing body of UN Development entity adopts formal decisions assessing progress in the implementation of the GA resolution on the QCPR (see Section 6.3 and Annex 6 and 7);

⁷ For example, the share of the Group of Western European and Other States (WEOG) in governing bodies of UN Development entities with limited membership that engaged in operational activities in 2012 was 27 per cent while the Group represents 15 per cent of the overall UN membership.

⁸ In two recent negotiations on General Assembly and ECOSOC resolutions on operational activities, the Group of 77 and China has tabled proposals for review of governance of UN operational activities. This political development may be influenced by the changing composition of the G-77 which is currently as follows: high-income countries (12.2 per cent); lower middle-income countries (30.5 per cent); upper middle-income countries (31.3 per cent) and low-income countries (26 per cent).

7. The governance of key coordination institutions and instruments such as the resident coordinator system, the UN Development Assistance Framework and business operations that foster interoperability across entities is left to voluntary agreements established through inter-agency bodies such as the UNDG, which operate on the basis of consensus, with the final outcome often heavily dictated by the specific mandates and business models of the individual agencies;
8. UNDG, as the main inter-agency coordination mechanism in UN Development cannot be held formally accountable to central bodies for the implementation of system-wide mandates, as the Group has not been established as a legal entity with a direct reporting relationship to a system-wide governing body;
9. The quality of system-wide statistics, analysis and reporting to facilitate governance review by central bodies needs further improvement in order to strengthen the accountability of UN entities for the implementation of system-wide mandates;

Capacity

10. The ability of agency-specific governing bodies to provide regular, detailed guidance on operational activities is affected by the significant variation in their size and meeting frequency. Some governing bodies only meet every two years, while others report to policy-making bodies, not designed to provide guidance on operational activities. Only the Executive Boards of the funds and programmes were specifically designed for governance review of operational activities;
11. Central governing bodies are not able to hold entities accountable for the implementation of QCPR mandates despite explicit GA directives to all entities in this regard including requests for yearly progress reports (see also Annex 6 and 7);
12. The participation in central governing bodies is seldom by officials from capitals in charge of operational activities at the country level, which weakens the ability of such bodies to provide strategic system-wide guidance to UN Development;
13. Central governing bodies do not have the capacity to further policy coherence and interoperability in programming and operations across UN Development entities, which weakens their legitimacy in the governance process;
14. The multiplicity and size of agency-specific governing bodies has increased the cost of governance of UN Development (see Section 6.4 and Table 8). Fragmentation of the governance of the funds and programmes has also meant that major cost items are all multiplied by the number of Executive Boards;⁹
15. The most significant cost of the high fragmentation of governance of UN Development is the reduced ability of entities to capitalize on opportunities for synergy in programming and operations (see Section 6.4). It is estimated that reduction in duplication across entities could amount to some 20 per cent of total operational activities for development.

⁹ Such as translation/interpretation services; travel and daily subsistence allowances and time spent by delegates preparing for and attending large number of formal and informal meetings; and the preparation of significant volume of background documentation by the management and staff.

3. The changing functions of UN Development

This chapter examines how the evolving development landscape, particularly the post-2015 development agenda and the growing diversification of development needs and sources of financing, are redefining the objectives of development cooperation and the likely implications of these changes for UN Development.

The post-2015 agenda, to be adopted by the General Assembly in September 2015 will constitute a significantly different mission for UN Development than the current one driven by the MDGs, both in terms of strong focus on the integration of the economic, social and environmental pillars of sustainable development but also because of the increased emphasis on global challenges. Addressing global challenges, for example, will require greater emphasis on thematic, or cross-sector, funding than has been the case in the implementation of the MDGs. Such changes in the funding of operational activities will require different governance capacity in UN Development.

According to Jenks and Jones (2013), the major changes taking place in the broader development environment call for the strategic repositioning of UN Development in global development cooperation.¹⁰

During the last 70 years, UN Development has been successful in positioning the Organization for growth in the area of operational activities for development in response to major geopolitical events. As shown in Box 6, the mission of UN Development has gone through three main transformational phases during this period. The adoption of a post-2015 agenda with focus on the integration of the economic, social and environmental pillars of sustainable development is expected to constitute the fourth major transformational phase of UN Development.

The impact of the post-2015 agenda and the ongoing diversification of development needs and sources of financing on both the objective of global development cooperation and the functions of UN Development will now be further examined.

¹⁰ Jenks and Jones (2013).

Box 6: UN Development and strategic positioning

When the UN was established in 1945 it was not envisaged that the Organization would become a major actor in the delivery of operational activities at the country level. The work of UN Development has since gone through several transformational periods in response to major geopolitical events, which are briefly highlighted here below. A post-2015 agenda with focus on sustainable development is expected to constitute a fourth major transformational phase of UN development operations. Further details on the historical evolution of UN Development in the past 60+ years are also provided in Annex 1.

1. Decolonization and state-building (1950s-60s)

The success of assistance programmes in post-war Europe fuelled the belief among many policy-makers that the UN system could have an important role to play in advancing socio-economic development in the newly independent states during the decolonization period, which ultimately affected more than 100 developing countries. UN Development, as a result, became a major actor in the provision of support to the newly independent states. The overarching objective of development cooperation was to promote economic convergence between developed and developing countries.

2. Cold War era (1960s-80s)

At a time of growing geopolitical tension and superpower rivalry during the Cold War, UN Development was considered to be a neutral platform for providing technical assistance to developing countries. By the end of the 1960s, a wide range of UN bodies such as specialized agencies, funds, programmes, regional commissions and Secretariat entities were engaged in operational activities. The overarching objective of development cooperation was to strengthen the political and economic relationship of the countries concerned.

3. Global conferences and Millennium Development Goals (1990s-)

A series of major UN conferences and summits held during the 1990s and early part of the 21st century defined a set of objectives for UN Development, culminating in the Millennium Summit in 2000 and the adoption of the Millennium Declaration, which became the basis for the Millennium Development Goals. The MDGs have since led to a period of very high rate of growth in both global development cooperation and operational activities of the UN system. The overarching objective of development cooperation was to promote human progress in developing countries.

4. The post-2015 development agenda with focus on sustainable development (2015-)

A universal post-2015 development agenda is expected to mark a major new departure in the work of UN Development. Since the adoption of the MDGs in 2000, both the capacity of many programme countries and the nature of development challenges have evolved significantly. While the core challenge of alleviating poverty remains at the centre of development cooperation efforts, others resulting from the process of globalization and increasing interdependence of countries have grown in importance at the outset of a new era. The overarching objective of development cooperation in the post-2015 era is expected to be the promotion of sustainable development in all countries.

3.1 A universal post-2015 development agenda

At the United Nations Conference on Sustainable Development (Rio+20) in 2012, Member States agreed that sustainable development, enabled by the integration of economic growth, social justice and environmental stewardship, must become the guiding global principle and operational standard. The Rio+20 Outcome also stipulated that a post-2015 development agenda should be universal, i.e. applicable to all countries while taking account of differing national circumstances and respecting national policies and priorities.

Sustainable development, as agreed at the 2002 World Summit on Sustainable Development, comprises three overarching objectives: (a) poverty eradication, (b) changing consumption and production patterns, and (c) managing the natural resource base for economic and social development.¹¹ The first objective recognizes that eradicating poverty remains the greatest challenge facing the world community and an indispensable requirement for sustainable development; the second objective acknowledges that outcomes in terms of poverty eradication and other economic, social and environmental issues are not independent, but are largely determined by the overall dynamics of the socio-economic system; and the third objective encompasses the management of the commons such as the atmosphere, biodiversity, water, land, oceans and forests.

The growing interdependence of country and global development action

Development challenges are sometimes divided between those that are *common* to all countries and those that are *collective*. Examples of common challenges include providing basic services for human development in areas such as education, health, water and sanitation, or core domestic public goods, normally thought of as country-level development challenges. Global development challenges such as climate change, migration, food security and illegal trade in drugs, arms and people, on the other hand, affect every country and require collective action and are sometimes referred to as global public goods.

The distinction between country and global level development challenges has become increasingly blurred in the past decade as the process of globalization and interconnection among countries has accelerated. As a result, the world has seen an increasing trend of environmental, health and financial disturbances in one locality being cascaded over national borders and amplified into systemic risks for everyone.

This has meant that small places and single individuals can become globally significant, just as global events can have major consequences for the most remote locality or community. Development cooperation, as a result, can increasingly be expected to help developing countries, particularly the least-developed countries and those in vulnerable situations, to benefit from globalization as well as to mitigate its negative impact by supporting the development of appropriate policies and institutions to build resilience.

The role of development cooperation in supporting governments in managing the growing interdependence of issues and countries is likely to be significant in the post-2015 era, particularly until the capacity of global governance has been adapted to the needs of an

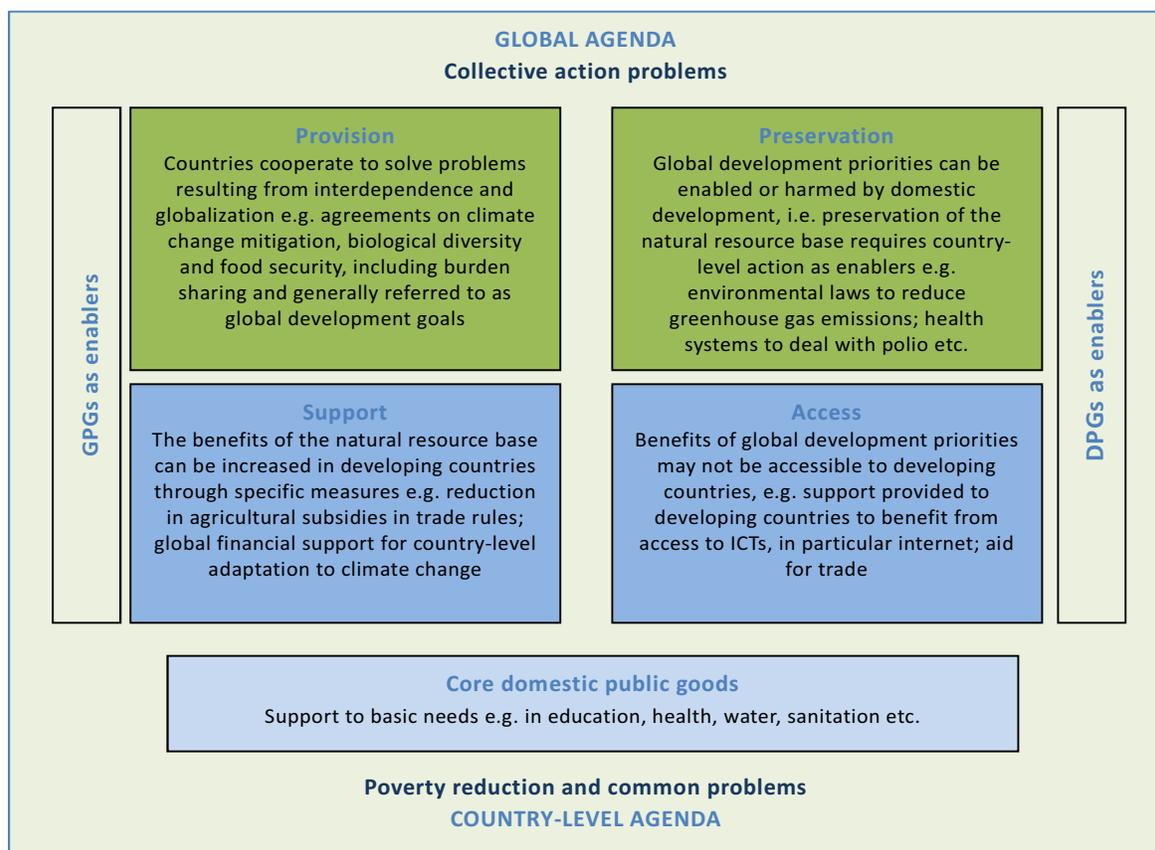
¹¹ United Nations, 2002, Johannesburg Declaration on Sustainable Development (paragraph 11).

increasingly globalizing world. Development cooperation will therefore have an important role to play in helping to ensure that all countries benefit from globalization and have the capacity to respond to its negative impacts in an effective manner.

Figure 2¹² explains how domestic public goods and global public goods can be both *enablers* and *goals* of development. The *vertical axis* demonstrates that solutions to development problems can have either a domestic public goods character (e.g. poverty eradication) or a global public goods character (e.g. climate change). The *horizontal axis* distinguishes whether development goals are enabled primarily at the domestic or the global level.

Figure 2 also illustrates the growing interdependence of country and global development action inherent in the broadening of a post-2015 development agenda.

Figure 2: The interdependence of domestic & global agenda for sustainable development



While continued strong provision of assistance for basic needs in areas such as education, health, water and sanitation in the least-developed countries and others in vulnerable situations will be at the heart of a post-2015 development agenda, those countries will also increasingly need *support* to allow them to benefit from globalization (e.g. reduction in agricultural subsidies in developed countries), as well as enabling them to deal with

¹² Adapted from Paulo (2013).

collective action problems (e.g. adaptation to climate change), while also improving their *access* to domestic public goods that enhance their development process (e.g. reduction in the digital divide).

Improvements in the natural resource base for economic and social development will also require countries to agree on the *provision* of important global public goods (e.g. mitigation of climate change and protection of biological diversity) including the *preservation* of those goods through country-specific action such as environmental legislation and/or strengthening of national institutions. In many developing countries, these domestic public goods will need to be financed through development cooperation.

The proposed sustainable development goals of the Open Working Group on Sustainable Development Goals of the General Assembly illustrate well this growing interdependence of country and global development action. For example, the proposed Goal 1 *End poverty in all forms everywhere* establishes the income level of \$1.25 per day as a basic need, or minimum standard, for everyone, which should be accomplished by all countries by 2030, including through domestic public goods enablers (i.e. social protection systems, target 1.3) as well as global action to enhance the resilience of the poor and those in vulnerable situations and reduce their vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters (target 1.5).

International support for the realization of both common and collective development challenges therefore becomes intertwined in an increasingly interdependent world, particularly in the least-developed countries and others in vulnerable situations. Over time, international assistance to those countries can be expected to shift from the provision of support for basic needs to enabling those countries to effectively address global development challenges and benefit from economic and other globalization processes.

The middle-income countries also face many complex development challenges that require international support. The needs of many middle-income countries in the post-2015 era, however, are likely to be different from those of the least-developed countries and others in vulnerable situations. Middle-income countries, for example, are generally not aid-dependent and are likely to seek international support to be better able to adapt to global challenges and to benefit from economic and other globalization processes, particularly with regard to policy coherence, capacity- and institution-building and leveraging of private finance, including with a view to enabling those countries to escape the so-called 'middle-income trap' in the interconnected global economy.

Middle-income countries may particularly require international support in a post-2015 era to improve the supply of domestic public goods as enablers for the preservation of global public goods, e.g. legislative and regulatory improvements, strengthening of national institutions and systems in different areas and infrastructure development. Another priority could include increased international support to strengthen country-level supply of certain global public goods, e.g. for the adaptation to climate change and the protection of biological diversity.

3.2 The changing purpose of development cooperation

The purpose of development cooperation constitutes a critical underpinning of the expectations of the authorizing environment of UN Development. Since 2000, the understanding of development underlying the MDGs approach has focused on meeting the basic needs in developing countries. The responsibility for achieving these goals has primarily been located at the domestic level of developing countries that can be supported by development cooperation. A notable exception was MDG6, which targets communicable diseases and other health challenges that transcend borders and is therefore of a global public goods nature. MDG8 on developing a global partnership for development addresses also the international framework conditions such as by developing “further an open, rule-based, predictable, non-discriminatory trading and financial system.”

In a post-2015 era, the broadening of the development agenda from the earlier focus on economic convergence and human progress to renewed emphasis on changing consumption and production patterns and the effective management of the natural resource base for economic and social development will transform the purpose of development cooperation. The least-developed countries and others in vulnerable situations will continue to need substantial development assistance to meet basic needs while also requiring increased support to address global challenges and to benefit from globalization processes in a more equitable manner.

This shift towards greater focus on the management of interdependence among countries including global public goods, changes the purpose of development cooperation and therefore the mission of UN Development. This role of UN Development also builds on the comparative advantage of the Organization due to the normative and operational expertise that resides within its various parts.

The Brookings Institute has estimated that if either an *essential services budget gap* or *dollar value of extreme poverty gap* approach is used, traditional official development assistance can be expected to decline by some 40 per cent by the year 2030.¹³ This means that over time, developing countries are likely to advocate for increased supply of ODA to enable the international community to address issues that relate to the management of interdependence, including global public goods.

Already in 2009, Severino and Ray argued that a revolution has taken place in the objectives of development cooperation, citing three: (a) accelerating economic convergence, (b) providing for basic human welfare (MDGs), and (c) providing for global public goods.¹⁴ The tasks envisaged, they argue, therefore go beyond traditional ODA and development cooperation has become a global policy. A recent paper by Paulo (2014) also argues that a credible post-2015 development agenda will require close integration of country-level action and global public goods.¹⁵

13 McArthur (2014)

14 Severino / Ray (2009)

15 Paulo (2014)

3.3 Diversification of development financing

The financing for global development cooperation has changed dramatically since the adoption of the Millennium Development Goals in 2000. One major trend has been an exponential increase in the number and type of public and private development cooperation providers. Increased share of official development assistance dedicated to address global public goods such as climate change is another trend that has created tension between developed and developing countries in the recent past. Generally, it can be said that for most Member States, except the least-developed countries, the relevance of official development assistance is decreasing relative to other sources and flows of development finance. Domestic resource mobilization and private international financial flows now play a much bigger role in the overall financing of development in developing countries.

A new group of enormously wealthy foundations has also emerged, led by the Bill and Melinda Gates Foundation, which have provided a new source of funding and perhaps more importantly have infused development cooperation with a new entrepreneurial spirit. There has also been a major growth in the past decade in development cooperation of private companies and non-governmental organizations. South-South development cooperation among governments has also come to the fore as a prominent force in global development cooperation. A number of emerging economies have established significant South-South development cooperation programmes in the past decade which conceptual underpinnings have often been considerably different from those of the traditional donors.

In the post-2015 era, it will become particularly important that development financing from all sources - domestic, international, public or private – is effectively aligned with the implementation of the new development agenda.

3.4 Implications for UN Development

UN Development is well positioned to become a major actor in supporting Member States in addressing the new development challenges due the Organization's neutrality and wealth of normative and operational expertise that resides in the various entities. The need to capitalize on these unique strengths of UN Development vis-à-vis other development cooperation actors in the post-2015 era provides an important rationale why governance reform should be accorded high priority by Member States. This issue will be further discussed later.

When the UN was established in 1945, it was envisaged that development challenges would be primarily addressed at the sector level, as discussed earlier. No one foresaw at the time the economic, social and environmental changes that increased globalization and interconnection among countries would bring about in the ensuing years.

A shift to a universal development agenda focusing on the integration of the economic, social and environmental pillars of sustainable development calls upon UN Development to go beyond the aid paradigm and encompass a broader range of forms of cooperation with stronger focus on partnerships with public and private actors.

This is in contrast with the MDGs compact, where the focus was placed on setting goals and targets associated with human development in the poorest countries and regions.

The development aid system was the main instrument to attain the desired goals and translate them from aspiration to action.

A universal agenda also means that UN Development needs to move beyond the silos of 'developing' and 'industrialized' countries and identify means of engagement and implementation that allow the Organization to have a universal response. This will require UN Development to develop capacity to work with countries at different levels of development. It will also require the Organization to diversify its resource base through greater emphasis on establishing partnerships with emerging economies as well as other important development cooperation actors. The increased involvement of non-state actors in operational activities of the UN system, however, may over time have implications for governance, including the composition of governing bodies of entities.

In the post-2015 era, many developing countries will require continued strong country-level support in addressing basic development needs, or core domestic public goods, but other Member States will primarily rely on the Organization to play a role in providing and preserving global public goods, with the balance of work gradually shifting over time to the latter.

In conclusion

As both the expectations of the authorizing environment and the mission of UN Development change in the post-2015 era with focus on sustainable development, the governance capacity of the Organization will need to be adapted to ensure alignment of the three dimensions, as discussed earlier.

For example, a shift from an organizational model of specialization to one characterized by greater emphasis on integration in response to the new functions, including an important role for UN Development in supporting the international community in managing interdependence among countries, will require stronger capacity for horizontal governance and coordination at the intergovernmental and inter-agency levels.

This poses several challenges with implications for governance:

Firstly, a post-2015 development agenda with significant focus on global, or collective, challenges, according to Kaul (2013), will require innovations in the application of the principles of sovereignty and global responsibility in governance, or what she refers to as 'responsible sovereignty'.¹⁶ It also requires Governments and States to be fully respectful of the sovereignty of other nations so as to fulfil agreed policy outcomes. 'Responsible sovereignty', according to Kaul, is necessary for the efficient delivery of global public goods that are relevant for the management of interdependence and the achievement of global sustainable development. The practical application of this principle in governance of UN Development is further discussed in the next chapter.

Secondly, UN Development will increasingly have to work as one in an environment characterized by growing diversity of both national development experiences and sources of financing. This will require UN Development to develop strong governance capacity for internal and external coordination.

¹⁶ Kaul (2013)

Thirdly, in a post-2015 era, UN Development will need to develop an organizational capability anchored in integrated approaches that reduce duplication and fragmentation and enable entities to exploit opportunities for synergy in programming and operations.

4. Governance requirements for a post-2015 era

This chapter analyzes the governance requirements of UN Development in the post-2015 era. While recognizing that there are a number of deficiencies that predate the current debates, these inherited conditions are now coupled with new governance requirements arising from the emerging post-2015 development agenda.

Inherent to the ‘strategic triangle’ model introduced in the first chapter (see also Figure 1) is the notion of both ‘input’ and ‘output’ legitimacy of governing bodies. The lack of participation of Member States in the work of agency-specific governing bodies, for example, can be expected to weaken their ‘input’ legitimacy. This chapter discusses how such ‘input’ legitimacy can be strengthened in governance of UN Development, inter alia, by adopting more precise criteria for participation in governing bodies.

Earlier it was argued that system-wide governing bodies suffer primarily from ‘output’ legitimacy. This chapter therefore focuses on how the role of such bodies in enhancing policy coherence and interoperability among UN Development entities can be further enhanced. Both functions are expected to be especially important for UN Development in the post-2015 era. In addition, there is an inherent tension between the principles of equity and efficiency in the composition of governing bodies of UN Development. The analysis presented in this chapter is therefore complemented by special focus on cost-efficiency in governance, an issue of long-standing interest to Member States.

When the work of the 34 funds, programmes and specialized agencies that engaged in UN operations in 2012 and constitute UN Development¹⁷ is examined more closely, they can be broadly divided into three main *functional groupings* (see Table 1, Box 2):

1. Entities with operational focus (10);
2. Entities with normative focus and significant operational programmes (11); and
3. Entities with normative/analytical focus (13).

Table 1: UN Development functional groupings

Entities with operational focus (10)	Entities with normative focus and significant operational programmes (11)	Entities with normative/analytical focus (13)
UNDP, UNFPA, UNICEF, WFP, UN-Women, UNHCR, UNAIDS, UNRWA, OCHA, IFAD	UNIDO, WHO, FAO, UNESCO, ILO, UNEP, UN-Habitat, UNODC, IAEA, ICAO, OHCHR	IMO, ITU, UPU, WIPO, WMO, UNWTO, UNCTAD ¹⁸ , DESA, ECA, ECE, ECLAC, ESCAP, ESCWA

¹⁷ There are 34 UN entities that currently engage in UN development operations and constitute United Nations Development. This includes 19 funds, programmes and other organizations that report to the GA or ECOSOC, 13 specialized agencies and 2 other entities (IFAD, OHCHR).

¹⁸ The operational activities of UNCTAD in 2012 were some \$36 million. In addition, the ITC, which is part of UNCTAD engaged in operational activities amounting to some \$54 million. For this reason, it could be argued that UNCTAD is a normative entity with significant operational programme.

The effective governance of UN Development, as discussed earlier, requires an alignment between three dimensions: (a) the authorizing environment, (b) the mission and (c) the capacity of governing bodies. This would mean, for example, that the *form, composition, size* and *participation* in a governing body should be aligned with the functions of an entity. An operational fund or programme with a mandate to support specific countries and relying exclusively on voluntary contributions, for example, will need a governing body of a different nature than an entity with a global norm- and standard-setting role.

The governance needs of the three groups of entities vary accordingly. For example, entities with operational focus and significant financial disbursements need strong guidance from governing bodies on issues related to resource use, efficiency and accountability. The countries with most direct stake in the effective governance of entities in this group are often a sub-set of the overall UN membership. Participation in governing bodies of these operational entities would also not need to be from substantive line ministries due to the strong focus on issues relating to resource use.

The normative entities with significant operational programmes require governance with a twin focus: firstly, strong capacity for substantive and intellectual leadership, and, secondly, ability to provide effective operational guidance due to the significance of such programmes in the overall work of these agencies. Entities belonging to this group would also need to be active participants in the implementation of system-wide mandates such as those established through the QCPR process, the High-level Political Forum and the Integration Segment and Operational Activities for Development Segment of ECOSOC.

Governing bodies of many entities in the second group are of strong universal interest to Member States, while the core stakeholders of others may be more narrowly defined. The participation in governing bodies in this category would generally be from substantive line ministries due to the technical nature of the functions of the respective entities. The challenge though would be to ensure that issues related to operational activities are given sufficient attention at the level of governance.

In comparison, the governance of entities with a primary normative and analytical focus would generally be expected to be more technically-oriented with strong emphasis on norm- and standard-setting, monitoring of trends and sharing empirical data and knowledge and the provision of high quality analysis. Such norm- and standard-setting bodies often attract universal interest among Member States with participation predominantly from substantive line ministries or specialized departments or agencies.

4.1 A post-2015 agenda and emerging governance demands

The post-2015 agenda with focus on the integration of economic growth, social justice and environmental sustainability at both country and global levels will change the functions of UN Development as discussed in the previous chapter, which, in turn, will impact the role and strategic priorities of governing bodies. For example, governing bodies of entities may no longer be able to operate in isolation from each other but will need to engage in more coordinated decision-making in order to ensuring adequate integration of the three pillars of sustainable development, underpinned by high degree

of policy coherence and interoperability in programming and operations across UN entities.

The present specialized form of governance in UN Development is not well equipped to deal with the integrated requirements of the post-2015 agenda where development challenges are increasingly either thematic or global, or both. This shift in the functions of UN Development, in particular, a growing role in supporting Member States in managing interdependence, will require rebalancing of the authority of agency-specific and system-wide governing bodies. The objective of such rebalancing would be to make decision-making more of a collective responsibility of Member States where, as mentioned earlier, the principles of sovereignty and global responsibility are both effectively considered, or what Kaul has called 'responsible sovereignty'.

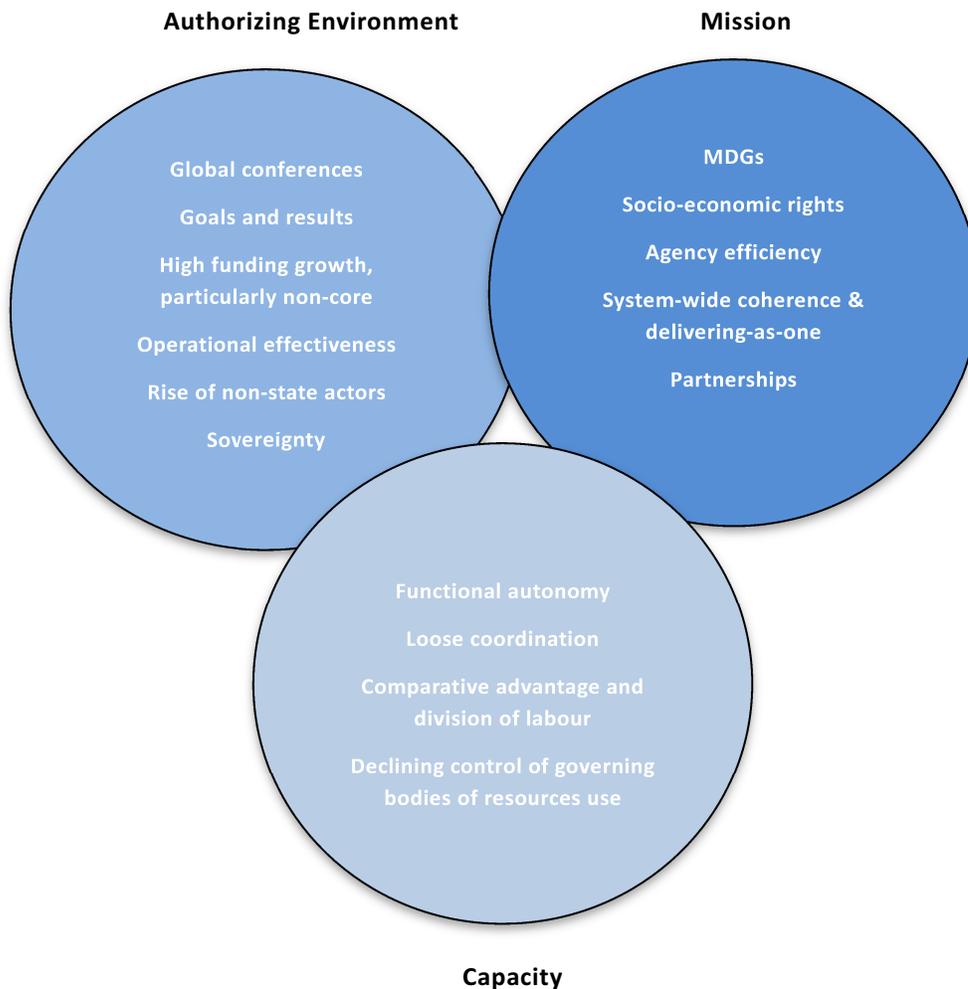
This will require Member States to rethink the role and mandates of agency-specific and system-wide governing bodies in the post-2015 era.

Moreover, the growing calls of developing countries for greater participation in decision-making on strategic priorities at the agency level will require Member States to further refine the criteria for selecting representatives in governing bodies, as well as to reform their working methods, with a view to enhancing both 'input' and 'output' legitimacy in governance. This demand for enhanced participation of developing countries in the institutions of global governance has now been endorsed in the outcome document of the Open Working Group on Sustainable Development Goals of the General Assembly (see Proposed Goal 16, Target 8).

One way to examine the governance requirements of UN Development in the post-2015 era is to use the concept of the 'strategic triangle' developed by the Harvard Kennedy School Professor Mark Moore (see Introduction and Figure 1). According to this concept, a healthy political economy of an organization or system, is characterized by a high degree of convergence between the expectations of an *authorizing environment*, the *mission* (or public values), motivated and legitimized by the authorizing environment, and the operational *capacity* to deliver on the mission.

Figure 3 first uses the strategic triangle concept to analyze the alignment of the three dimensions in the era of the MDGs, which is the period 2000 to 2015.

Figure 3: Governance of UN Development in era of MDGs



As can be seen from Figure 3, there has been considerable degree of alignment between the three dimensions in the era of the MDGs, except with regard to the promotion of system-wide coherence. A rights-based agenda has been at the heart of the work of the Organization in this period, fostering division of labour among entities and competition for resources, primarily non-core, as a way of encouraging enhanced efficiency and results-orientation. This period has also been characterized by strong focus on promoting operational effectiveness, or agency efficiency, and the development of strategic partnerships with providers of funding.

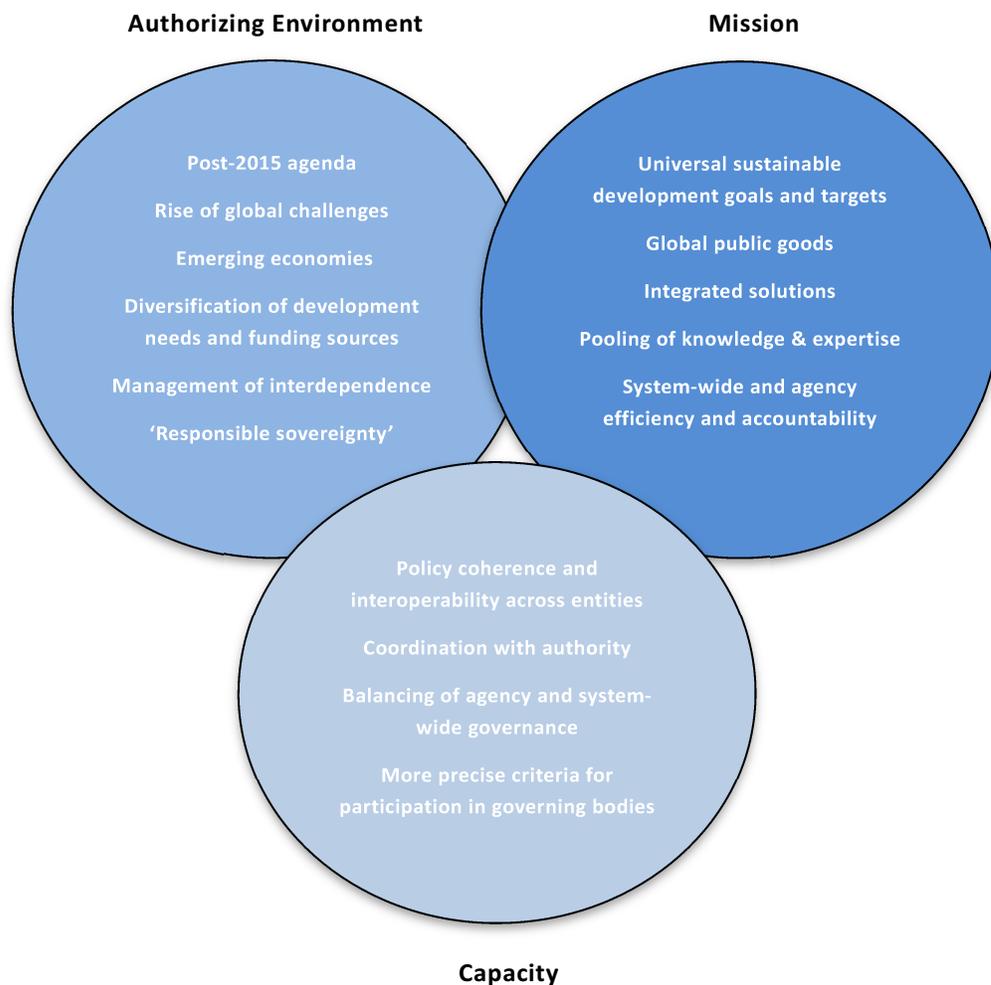
The system-wide coherence agenda, originally launched in a report of the Secretary-General in 1997 (“Programme of Reform”), however, was not consistent with this overarching mission of UN Development, as the authorizing environment did not create the necessary capacity for horizontal governance and coordination of operational activities, while funding also increasingly became non-core (earmarked) in nature.

Figure 4 examines the likely evolution of the expectations of the authorizing environment, the mission and the governance capacity of UN Development in a post-2015 era with focus on sustainable development at both country and global levels.

Following extensive intergovernmental dialogue on current development priorities and the impact of major globalization processes, the General Assembly will adopt in September 2015 universal sustainable development goals. The SDGs will constitute the new mission of UN Development in the post-2015 era. The new agenda will be composed of both country and global level priorities and require extensive cross-sector collaboration among agencies as well as with external partners.

A post-2015 agenda with focus on sustainable development therefore signals new expectations from Member States for UN Development to deliver greater public value to the international community through more complex and integrated set of development services. The new demands at the same time will require corresponding agreement among Member States to align the capacity and means of implementation of UN Development with those expectations, including in the area of governance.

Figure 4: Governance of UN Development in post-2015 era



For example, the focus on universal SDGs and global public goods will require strengthening of the capacity of UN Development entities to further policy coherence and interoperability in programming and operations. Continued heavy reliance on non-core

funding for operational activities is also not compatible with the needs of an integrated and universal post-2015 agenda with focus on sustainable development. In addition, the adoption of the post-2015 agenda would require Member States to revisit the principles underpinning governance of UN Development, in particular, with a view to rebalancing the authority of agency-specific and system-wide governing bodies.

As the broad contours of the post-2015 agenda begin to emerge, it becomes important for Member States to discuss what changes are required in the governance capacity of UN Development if the new mission is to be effectively realized.

No governance system is legitimate unless it can generate authoritative outcomes that result in buy-in from Member States and UN entities alike. So far, only agency-specific governing bodies have been able to demonstrate that capacity to a sufficient extent. In the post-2015 era, reaffirming the authority of system-wide governing bodies to set rules and enforce compliance will also be critical for enhancing the legitimacy of governance of UN Development. Eliminating any legal ambiguity that may exist relating to the authority of system-wide bodies in governance will be important in this regard.

The realization of the emerging mission of UN Development in the post-2015 era, as highlighted in Figure 3, will require the development of new governance capacities, which in turn must be enabled by the authorizing environment, or Member States at the intergovernmental level. The development of such capacities will require in-depth dialogue among Member States on what constitutes legitimacy in governance in the post-2015 era. Of particular importance in this regard will be revisiting the issue of legitimacy of representation, which is the focus of the next section, followed by a review of the specific governance capacities that are likely to be critical if UN Development is to deliver on its new mission in the post-2015 era.

4.2 Authorizing environment

Representation is critical to effective governance in at least two respects: firstly, the composition of governing bodies needs to be equitable, accountable and transparent in order to give legitimacy to policy decisions adopted at the intergovernmental level, and, secondly, participation has to be such as to ensure their effective functioning.

There is often an inherent tension, or trade off, between the principles of *equity* and *effectiveness* in the composition of governing bodies. Considering the large membership of the UN (192 countries)¹⁹, including all Member States in all decisions (one country, one vote) is likely to result in a cacophony and the lowest common denominator. Selective representation, on the other hand, runs the risk of privileging the most powerful Member States or excluding others from the decision-making process.

Finding a balance between the principles of equity and effectiveness and sovereignty and global responsibility in the composition of governing bodies is therefore at the heart of the debate on governance needs for the post-2015 era.

¹⁹ The number of UN Member States has since increased by one to a total of 193.

The issue of representation in governing bodies of UN entities is further complicated by the fact that development challenges are changing. The post-2015 agenda is likely to include significant commitment to global development challenges, requiring greater emphasis on collaborative action and a forward-looking, inter-generational perspective among Member States in decision-making. This emerging shift in the purpose of development cooperation requires corresponding changes in the principles that underpin governance of UN operational activities. For example, when addressing common challenges of great significance, Member States will need a governance system that fosters substantive debate, consensus-orientation and holistic review of issues.

Another issue likely to influence the future debate on representation in governing bodies in UN Development is the growing importance of partnerships with NGOs, foundations and other actors in the financing and delivery of development cooperation. Should such non-state stakeholders be represented in governance of UN Development in the future, and, if so, how could such participation be accommodated, most effectively?

This section will examine whether the legitimacy of governing bodies in UN Development can be further enhanced through the development of more precise criteria for selecting members, with particular focus on the following: (a) equitable geographical distribution, (b) income groupings, (c) expenditure level, (d) contributions, (e) constituency representation and (f) “variable geometry”.

Legitimacy is defined here as the extent to which a governing body is seen by stakeholders to embody the following characteristics: (a) equity and effectiveness in representation and decision-making, (b) relevance, (c) accountable and (d) transparent.

a) Equitable geographical distribution

For a long time, the principle of *equitable geographical distribution* has underpinned the composition of governing bodies with limited membership in UN Development. According to this principle, seats in governing bodies are distributed to regional groupings on the basis of their share of the overall membership of the Organization. Each regional grouping then decides how its quota is allocated among its members in the respective governing body. Within each regional grouping, the concepts of ‘contribution’ and ‘power’, therefore, can become important in selecting representatives in the various governing bodies.

However, as the development experiences of countries have become more diverse in the past two decades, some observers have begun to question the efficacy of the regional groupings as the principal unit for distributing seats in governing bodies and called for the adoption of more precise criteria to guide the selection process.

The current composition of the regional groupings is presented in Table 2 along with their percentage share of the composition of all governing bodies with limited membership in UN Development (see also Annex 4 for further details).

Table 2: Regional group representation in governing bodies²⁰

Regional grouping	Countries	UN membership	Governing bodies
African Group	54	28%	24%
Asia-Pacific Group	53	28%	21%
Eastern European Group	23	12%	12%
Latin American and Caribbean Group	33	17%	16%
Western European and Other States	29	15%	27%
Total	192	100%	100%

Table 2 shows that despite the principle of equitable geographical distribution, the Group of Western European and Other States (WEOG) accounts for a significantly higher number of seats in governing bodies in UN Development with limited membership than the Group's share of the overall UN membership would suggest, or 27 versus 15 per cent.

The findings of Table 2 therefore suggest that the principle of equitable geographical distribution is not being realized in governance of UN operational activities at present and that the development of more transparent and precise criteria would help in this regard.

b) Income groupings

The legitimacy of governing bodies can be enhanced if the composition reflects the development profile of Member States. Countries at similar income levels, for example, can be expected to have many common development experiences.

Table 3 shows how the membership of the regional groups is distributed according to the income level of countries. The income profile of Member States has changed significantly since the adoption of the Millennium Development Goals in 2000. There are currently 36 low-income Member States when the World Bank classification system is used, compared to 66 countries ten years ago. Three-fourth of low-income countries are currently based in Africa. In Asia-Pacific, 85 per cent of countries are either in the middle- or high-income category, while in the Eastern European Group more than 80 per cent of countries are either in the upper middle- or high-income category, with no Member State in that region classified as low-income.

²⁰ The number has since increased by one to 193 UN Member States.

Table 3: UN membership by income grouping

Regional grouping	Income grouping			
	Low-income	Middle-income		High-income
		Lower	Upper	
African Group	27	16	10	1
Asia-Pacific Group	8	19	15	11
Eastern European Group	0	4	10	9
Latin American and Caribbean Group	1	7	18	7
Western European and Other States		0	1	28
Total	36 (19%)	46 (24%)	54 (28%)	56 (29%)

(Based on World Bank classification of income groups)

The legitimacy of governing bodies, it can be argued, could be further enhanced if the application of the principle of equitable graphical distribution is further refined to include additional criteria relating to the income distribution among countries in the respective regional grouping.

c) Expenditure level

Table 4 below shows that almost half of all country programmable operational activities are delivered in the Africa region alone. Together, Africa and Asia-Pacific account for some 85 per cent of all operational activities delivered at the country level. Some 98 per cent of core resources for low-income countries are also allocated to Africa and Asia-Pacific, with the latter region also accounting for 65 per cent of core financed expenditures in lower middle-income countries. Moreover, Asia-Pacific accounts for some 56 per cent of expenditures financed from core resources in upper middle-income countries.

Countries in the Africa and Asia-Pacific regions have therefore become the primary recipients of UN operational activities for development. As a result, the two regions, Africa and Asia-Pacific, have most at stake in the effective and efficient delivery of operational activities of the UN system. An argument can therefore be made that the importance of UN operational activities for a region should be reflected in the composition of governing bodies if the objective is to enhance legitimacy in governance.

Table 4: Regional grouping share of UN membership and development operations

Regional grouping	UN membership in %	Share of UN development operations in %						
		Total	Low-income		Middle-income			
			Core	Non - core	Lower		Upper	
					Core	Non-core	Core	Non-core
African Group	28	49	75	66	27	40	15	14
Asia-Pacific Group	28	36	23	29	65	50	56	20
Eastern European Group	12	3	0	0	3	3	9	11
Latin American and Caribbean Group	17	12	2	5	5	7	21	55
Western European and Other States	15	NA	NA	NA	NA	NA	NA	NA

for the year 2011

d) Contributions

One reason why a regional grouping might be overrepresented in governing bodies with limited membership could be that Member States from that geographical jurisdiction provide a disproportionate share of resources to entities that rely exclusively on voluntary funding. The findings of Table 5, however, suggest there is weak correlation between the representation of the Western European and Other States Group in governing bodies with limited membership and the average annual real rate of growth in core and non-core contributions to UN Development entities. For example, governing bodies with larger representation of WEOG members do not necessarily experience higher growth in contributions to the respective entities.

Other factors than WEOG representation may better explain the growth, or decline, in contributions to UN entities such as the perceived effectiveness of management and the importance attached to the substantive focus of the respective organization etc.

It would seem that earlier governance decisions to award one regional grouping a significantly higher share of seats in governing bodies with limited membership with a view to promoting increased core and non-core contributions to the respective entities, have not been altogether successful. The development of more precise criteria to select members of governing bodies with limited membership on the basis of contribution level, e.g. along the lines adopted for UN-Women, may therefore be needed.

Table 5: WEOG representation in governing bodies and contribution level

Entity	#Seats on governing body	#WEOG seats	WEOG % share	Average Annual growth in funding (2002-2012)		Average Annual growth in funding (2002-2007)		Average Annual growth in funding (2007-2012)	
				Core	Non-core	Core	Non-core	Core	Non-core
Funds and programmes									
UNAIDS-PCB	22	7	32%	3.9	-3.3	11.8	-1.7	-3.4	-5.0
UNICEF-EB	36	12	33%	1.0	9.4	1.9	13.6	0.2	5.4
UNDP-EB	36	12	33%	-1.9	1.3	3.2	2.8	-6.7	-0.2
UNFPA-EB	36	12	33%	1.5	13.7	3.7	12.9	-0.7	14.5
WFP-EB	36	12	33%	-2.8	4.0	-13.0	2.2	8.7	5.7
UNEP-GC	58	13	22%	-5.4	-7.1	-11.3	-22.7	0.9	11.7
UN Habitat	58	13	22%	11.4	15.7	38.6	31.0	-10.4	2.2
UNCTAD-TDB	193	29	15%	-3.6	-2.2	-21.6	-1.4	18.6	-3.1
UNODC-CND21	53	14	26%	-3.0	20.1	-2.3	36.4	-3.6	8.4
UNODC-CPJ	40	7	17.5%						
UNHCR-EC	93	23	25%	5.0	6.1	0.0	1.6	10.1	10.7
Specialized agencies									
FAO-Council	49	10	20%	0.3	11.1	-3.8	21.2	4.5	1.9
ICAO-Council	36	10	28%	N/A	7.4	N/A	23.4	N/A	-6.5
IFAD	36	16	53%	12.9	6.3	12.8	32.0	13.1	-14.3
ILO	28	7	25%	0.2	4.5	-1.1	6.1	1.6	2.9
IMO-Council	40	16	40%	N/A	-2.4	N/A	-8.7	N/A	4.4
ITU-Council	46	11	24%	N/A	2.8	N/A	-17.6	-3.0	28.4
UNIDO-P&B	27	8	30%	-0.8	3.5	-1.6	2.7	-0.1	4.2
UNESCO	58	9	15.5%	7.4	0.9	14.6	2.2	0.5	-0.3
WHO-EB	34	5	15%	-2.9	7.4	-10.6	18.8	5.6	-2.8
WIPO-CC	83	22	26.5%	N/A	5.9	N/A	6.1	24.2	5.7
WMO-EC	37	11	30%	N/A	3.5	N/A	-25.8	6.6	44.3
UNWTO-EC	31	4	13%	N/A	1.0	N/A	-8.2	N/A	11.2

e) Constituency representation

Of the 34 entities that engaged in UN operational activities in 2012, six have adopted criteria- or constituency-based approaches in the composition of governing bodies: UNAIDS, ICAO, ILO, IFAD, IMO and most recently UN-Women. In addition, the Global Environment Facility, a joint undertaking of UNDP, UNEP and the World Bank, has also adopted a constituency-based approach to governance. The establishment of the Executive Boards of UNDP/UNFPA/UNOPS, UNICEF and WFP in 1993, with 12 seats distributed to WEOG, on the basis of the Group's significant voluntary contribution to the

21 Contributions to UNODC in 2002 are not available. Instead 2003 data was used.

respective entities, was also influenced by the principles underpinning a constituency-based approach.

Table 6 provides further details on the approach used to elect members in different constituency-based bodies in UN Development. The general thrust of a constituency-based approach is to try to ensure that stakeholders with significant interest in the work of an entity are adequately represented in the governing body. The purpose is therefore both to improve equity and effectiveness in representation and decision-making.

In the case of UNAIDS, UN entities that have major HIV/AIDS programmes and partner with UNAIDS are represented on the Programme Coordination Board (although not with a voting right), which also includes organizations representing the main beneficiaries. The assumption is that UNAIDS needs close working relationship with UN entities and beneficiary organizations, which justifies their membership, albeit non-voting, on the PCB.

In the case of UN-Women, Member States have recognized the importance of those countries that provide funding to an entity that relies exclusively on voluntary contributions for its operational activities in the design of specific criteria for the election of 'contributing countries' to the Executive Board.

A constituency-based approach in selecting representatives in governing bodies has a number of advantages. For example, it encourages those stakeholders that have significant interest in the work of an entity to seek representation in its governing body, which may contribute to more pragmatic and consensus-oriented decision-making. The adoption of transparent criteria for selection of representatives in a governing body may also reduce the influence of the more powerful countries that sometimes want to dictate which regional group members are elected.

Besides the entities reflected in Table 6, the experiences of WHO, GEF and the World Bank with constituency-based selection of representatives in governing bodies, are also discussed here below.

Table 6: Constituency representation in governing bodies within UN Development

Entity	Criteria used for selection of members of governing body
UNAIDS	<p>Programme Coordination Board (38 members) 22 Member States: Africa (5), Asia-Pacific (5), Eastern Europe (2), Latin America and Caribbean (3), Western Europe and Other States (7)</p> <p>11 UNAIDS Co-sponsors: UNHCR, UNICEF, WFP, UNDP, UNFPA, UNODC, UN-Women, ILO, UNESCO, WHO, World Bank</p> <p>5 NGOs/people living with AIDS: One each from Africa, Asia-Pacific, Europe, Latin America and Caribbean, North America</p>
UN-Women	<p>Executive Board (41) 35 Member States: Africa (10), Asia-Pacific (10), Eastern Europe (4), Latin America and Caribbean (6), Western European and Other States (5)</p> <p>6 Contributing Countries: Four seats will be selected by and from the top ten largest providers of voluntary core contributions to UN Women. The remaining two seats will be allocated to two developing countries not members of the Development Assistance Committee of the Organization for Economic Cooperation and Development (DAC/OECD). These two countries will be selected by the developing countries not members of the Development Assistance Committee among the top ten providers of voluntary core contributions to the entity.</p>
ICAO	<p>Governing Council (36) 11 States of chief importance to air transportation; 12 States that make the largest contribution to the provision of international civil air navigation; 13 States ensuring geographic representation: Africa (8), Asia-Pacific (8), Eastern Europe (2), Latin America and Caribbean (8), Western European and Other States (10)</p>
ILO	<p>Governing Body (56) 28 Member States: Africa (7), Asia-Pacific (5), Eastern Europe (3), Latin America and Caribbean (6), Western European and Other States (7)</p> <p>14 employers 14 workers</p>
IFAD	<p>Executive Board (36) As with the IFAD Governing Council the total number of votes in the Executive Board is calculated on the basis of both membership and contribution. Elected (18); Alternates (18)</p> <p>List A (Developed countries, all WEOG members (7 elected, 7 alternates) List B (Oil producing countries (4 elected, 4 alternates) Sub-list C-1: Africa (3 elected, 3 alternates) Sub-list C-2: Europe, Asia-Pacific (2 elected, 2 alternates) Sub-list C-3: Latin America and Caribbean (2 elected, 2 alternates)</p>
IMO	<p>Council (40) Category (a): 10 States with the largest interest in providing international shipping services: Category (b): 10 other States with the largest interest in international seaborne trade: Category (c): 20 States not elected under (a) or (b) above which have special interests in maritime transport or navigation, and whose election to the Council will ensure the representation of all major geographic areas of the world:</p>

Entity	Criteria used for selection of members of governing body
	Member States: Africa (5), Asia-Pacific (10), Eastern Europe (1), Latin America (8), Western European and Other States (16)

Proposal for Committee C in WHO

In the past few years, there has been a large increase in the number and variety of stakeholders participating in efforts to deal with global health challenges. Non-governmental organizations and philanthropic organizations such as the Bill & Melinda Gates Foundation, multilateral initiatives like the Global Fund to fight AIDS, Tuberculosis and Malaria as well as private sector and civil society organizations have become increasingly important in the global health landscape. While there are initiatives aimed at improving coordination between them, such as the International Health Partnership, there is as of yet no democratic and transparent coordination mechanism for these different stakeholders.

Committee C was a proposal to adapt governance of global public health issues to these changes and address the current coordination deficit by integrating a wider range of actors in the work of the World Health Organization. Committee C was envisaged to be a multi-stakeholder forum within the framework of the World Health Assembly, which would include Member States as well as a select group of major stakeholders such as international agencies, philanthropic organizations and civil-society groups. Committee C would serve as an interface between Member States and non-state actors and would make proposals for consideration by the WHA. It was envisaged that through resolutions adopted by the WHA, initiatives and commitments by non-state partners to global health challenges would be formally acknowledged.²² The proposal for Committee C, however, never gained sufficient political support from Member States, nor a later initiative for the establishment of a Global Health Forum at the WHA in 2011.²³

Constituency system in Global Environment Facility (GEF)

The GEF was set up in 1991 to help finance the incremental cost for developing countries of new environmental investments with global benefits. A joint undertaking of UNEP, UNDP and the World Bank, the Facility is an innovative arrangement that has provided an opportunity to develop new forms of governance. Especially interesting is the constituency system, by which GEF has attempted to combine equity and effectiveness in representation and decision-making.

Shortly after the establishment of the GEF in the wake of the 1992 Earth Summit in Rio, the Facility was significantly restructured. Two opposing visions competed in this process:

1. Developing countries, UN agencies and NGOs favored a governance structure similar to the UN system and values, i.e. with focus on transparency, accountability, democracy and universality;

²² Silberschmidt / Matheson / Kickbusch (2008).

²³ WHO (2011).

2. OECD countries and World Bank favored a governance structure similar to the Bretton Woods system, i.e. with focus on efficiency, cost effectiveness, effective management and executive abilities.

Table 7 shows the different positions of key stakeholder groups in the negotiations on the restructuring of the GEF. The final result, notably, was a compromise between the governance principles of the UN and the World Bank.

GEF has 183 Member States, but the GEF Council has only thirty-two, each representing a constituency: sixteen for developing countries, fourteen for industrialized countries, and two for economies in transition in Eastern Europe. The countries in each constituency choose a board member and an alternate. New GEF members join an existing constituency. Documentation is sent to all Member States. Each constituency determines its own process of consultation and decision-making. A Chairperson is elected at each session of the GEF Council, alternating between representatives from developed and developing countries. The GEF Council meets twice a year and is responsible for developing, adopting, and evaluating policies and programmes for GEF-financed activities.

An evaluation conducted in 2002 concluded that Member States generally considered the GEF Council effective. Developing and developed countries are actively involved in the governance of the GEF, although OECD countries still are felt to be more powerful in view of their financial leverage.²⁴

A comparative study that assessed democratization in global governance according to a model of deliberative democracy also identified the GEF as 'perhaps the most inclusive and open international organization'.²⁵

²⁴ Streck (2001)

²⁵ Bernstein (2005).

Table 7: The GEF as a bridge between the UN and Bretton Woods institutions

GEF restructuring process (1994)	OECD countries, World Bank	G-77 & China, UNDP, UNEP, NGOs	Restructured GEF
Legal status	Favoured establishment of GEF by resolution of WB Board for reasons of: (a) Pragmatism (b) Simplicity (c) Flexibility	Favoured establishment of GEF independent of WB by Inter-agency Agreement or Treaty for reasons of: (a) Democracy (b) Accountability	(1) Resolution by three agencies (2) Approved by governing bodies (3) Legally established as trust fund of WB (4) GEF without legislative personality
Participants		Universality	Abandoned the mandatory membership contribution
Representation	Constituency-based participation	“Universal” assembly	Constituency-based council General Assembly
Distribution of constituencies	Small council with balanced representation of OECD and G-77 countries	Majority of council members from G-77 countries	16 council members from G-77 countries; 14 from OECD countries and 2 from countries in economic transition
Decision-making	(1) WB model of 1\$=1 vote (2) Qualified majority necessary	(1) UN model of 1 country-1 vote (2) Simple majority	Mixed system: (1) Double majority (2) Qualified majority
Chairperson	CEO of GEF serving also as Chairperson	Chairperson elected by Council	Chairpersons: CEO and elected Chairperson
Management	Management within WB	Independent secretariat	“Functionally” independent secretariat

(Source: Streck (2001)).

Constituency-based governance in the World Bank

The experience from the World Bank (see Box 7) suggests that the design of constituency-based voting groups in governance should be carefully thought through. For example, a constituency-based group lacking in cohesion in terms of countries’ level of economic development, geography and value perspectives will make effective representation in a governing body difficult to realize. An important lesson learned from the World Bank and other institutions adopting a constituency-based approach is the need to try to ensure that such voting groups share similar development experiences so that common country positions can be more easily articulated at the level of the governing body.

Box 7: The Executive Board of the World Bank

The World Bank Group consists of five institutions, each with its own governance structure. At the system-wide level, a President and two governing bodies oversee the work of the Group. The Board of Governors consists of all Member States and meets once a year. The Board of Directors is made up of 25 Executive Directors. It meets several times a week to oversee the Bank's business, such as approving loans, borrowing and financial decisions, as well as new policies, country assistance strategies and interpreting the Articles of Agreement.

At the system-wide level, representation in the World Bank Group's governing bodies is based on two principles: voting groups and contribution-based voting shares.

Five seats on the Board of Directors are reserved for the five largest shareholders. By tradition, Russia, China, and Saudi Arabia also hold individual seats. The remaining 17 seats represent the general membership, with each Executive Director chosen from a voting group. An Executive Director representing a voting group holds the combined votes of the group's constituent members; the vote cannot be divided. While Member States can in theory choose which voting groups they want to belong to, changes are rare in practice and mostly occur when new groups are created. Within each group, a representative is elected by simple majority vote for a two-year term. Generally, representatives are those members with the largest voting share in their respective group.

Some groups lack a coherent design based on geography or level of development: Switzerland for example represents a group consisting of Azerbaijan, Kazakhstan, Kyrgyz Republic, Poland, Serbia, Tajikistan, Turkmenistan, and Uzbekistan. Groups like these, which include both creditors and borrowing countries, raise important questions about how Executive Directors can adequately represent the diverse interests of their constituency. Moreover, voting groups have widely different sizes: two of the three sub-Saharan groups have over 20 members each, making them the largest by far. Their Executive Directors thus face particularly complex coordination challenges.

Voting shares reflect the shareholding of each member in the Bank's capital. For the sake of smaller members who would otherwise have next to no votes, each member is allotted 250 basic votes and one vote for each share of capital subscription. However, while the Bank's capital and therefore the overall number of votes, has increased significantly since 1946, the relative weight of basic votes has declined drastically. While the Board of Directors uses simple majority votes for most decisions, it requires an 85 per cent majority to amend the Articles of Agreement. Since the United States holds over 15 per cent of all votes, it has a de facto veto power.

Through a series of reforms, the World Bank has been trying to address criticisms of its lack of inclusiveness. These 'voice reforms' have included the creation of a 25th Executive Director to represent sub-Saharan members, as well as an increase in the share of basic votes, which now constitute 5.55 per cent of total votes. Vote shares have also been re-organized to more closely reflect countries' standing in the world economy and a proposal has been passed to review the vote share every five years.

f) “Variable geometry”

More recently, Member States have introduced a constituency-based approach in the selection of representatives in the Open Working Group on Sustainable Development Goals. The 30-member Working Group of the General Assembly is mandated by the Rio+20 Outcome document to prepare a proposal on sustainable development goals for consideration by the Assembly at its 68th session (Sept. 2014 – Sept. 2015).

The OWG was established on 22 of January 2013 by a decision of the GA. The Member States decided to use an innovative, constituency-based system of representation that is new to limited membership bodies of the Assembly. This means that each seat in the OWG is shared by 1-4 Member States (rotational representation). Seventy Member States participate in this “variable geometry” arrangement. These self-organized country teams decide among themselves how they will be represented in the meetings of the OWG.

The composition of the OWG signals an important change in the composition of bodies established by the GA with limited membership. For the first time, Member States have agreed to innovate in the application of the principle of sovereignty by introducing shared decision-making in a governing body with limited membership and reporting to the GA. The advantage of “variable geometry” is that the size of a governing body can be kept smaller, which furthers effectiveness in governance, while equity in decision-making is advanced through rotational participation of Member States depending on the issue for discussion. The application of the “variable geometry” offers therefore a new and innovative approach to enhance legitimacy of governing bodies with limited membership.

4.3 Capacity

As discussed earlier, the adoption of the post-2015 agenda with focus on sustainable development will require rebalancing the authority of agency-specific and system-wide governing bodies in UN Development. More specifically, the focus on the promotion of sustainable development and management of interdependence in the new mission of UN Development in the post-2015 era will require the expectations of Member States to shift in a major way to strengthening governance capacity to achieve policy coherence and interoperability in programming and operations across entities.

a) Policy coherence

A universal post-2015 development agenda is expected to reflect the growing interconnectedness of development challenges and the need for integrated approaches in addressing them. For example, persistent inequalities and struggles over scarce resources are among the key determinants of situations of conflict, hunger, insecurity and violence, which in turn are key factors that hold back human development and efforts to achieve sustainable development. Addressing such interconnected challenges will not be successful unless the contributions of different UN Development entities are coordinated with a view to fostering synergy.

The sustainable development goals and targets proposed by the Open Working Group on Sustainable Development Goals for consideration of Member States reflect this integrated nature of contemporary development challenges. Translating the SDGs into concrete strategies, programmes and initiatives by UN Development entities will require an effective system for furthering policy coherence at both intergovernmental and system-wide levels with capacity to: (a) set and prioritize objectives, (b) coordinate policy and implementation and (c) monitor, evaluate and report.

All the necessary institutional elements for furthering policy coherence in UN Development in a post-2015 era are already in place. Figure 5 shows how these existing institutions could relate to each other in enhancing policy coherence at both the normative and operational levels. The capacity of the various elements of the governance system, particularly those at the central level, in furthering such policy coherence, will be critical in the post-2015 era.

The effective functioning of central bodies will also depend on the willingness of Member States to strengthen horizontal governance of UN Development through balanced application of the principles of equity and effectiveness and sovereignty and global responsibility in decision-making, as discussed earlier. This will require renewed political commitment to the creation of a balanced governance system in UN Development.

Setting and prioritizing objectives

The High-level Political Forum on Sustainable Development, created at the Rio+20 in 2012, will play a key role in setting normative policies for UN Development. The HLPF is also expected to build political commitment among Member States for effective implementation of the post-2015 agenda including with regard to the role of UN Development in that process. In response to the integrated nature of the post-2015

agenda, UN Development could be expected to develop for the first time a Global United Nations Development Assistance Framework, which could constitute a strategic and unifying framework where the vision, objectives, results areas and the outcomes the Organization aim to achieve over a five-year period in support of the post-2015 agenda, would be outlined.

A Global UNDAF could play a similar role at the central level as the current UNDAF document in programme countries. A key objective of a Global UNDAF would be to help ensure synergy in the work of UN Development in the implementation of the post-2015 agenda. A Global UNDAF could also become the basis for strategic planning at the level of individual entities. The High-level Committee on Programmes of the CEB could be made responsible for developing a Global UNDAF for endorsement by the HLPF. In addition, the undg could be responsible for developing a system-wide strategy for the implementation of the QCPR resolution of the GA for endorsement by ECOSOC at the Council's Operational Activities for Development Segment.

Coordinating policy and implementation

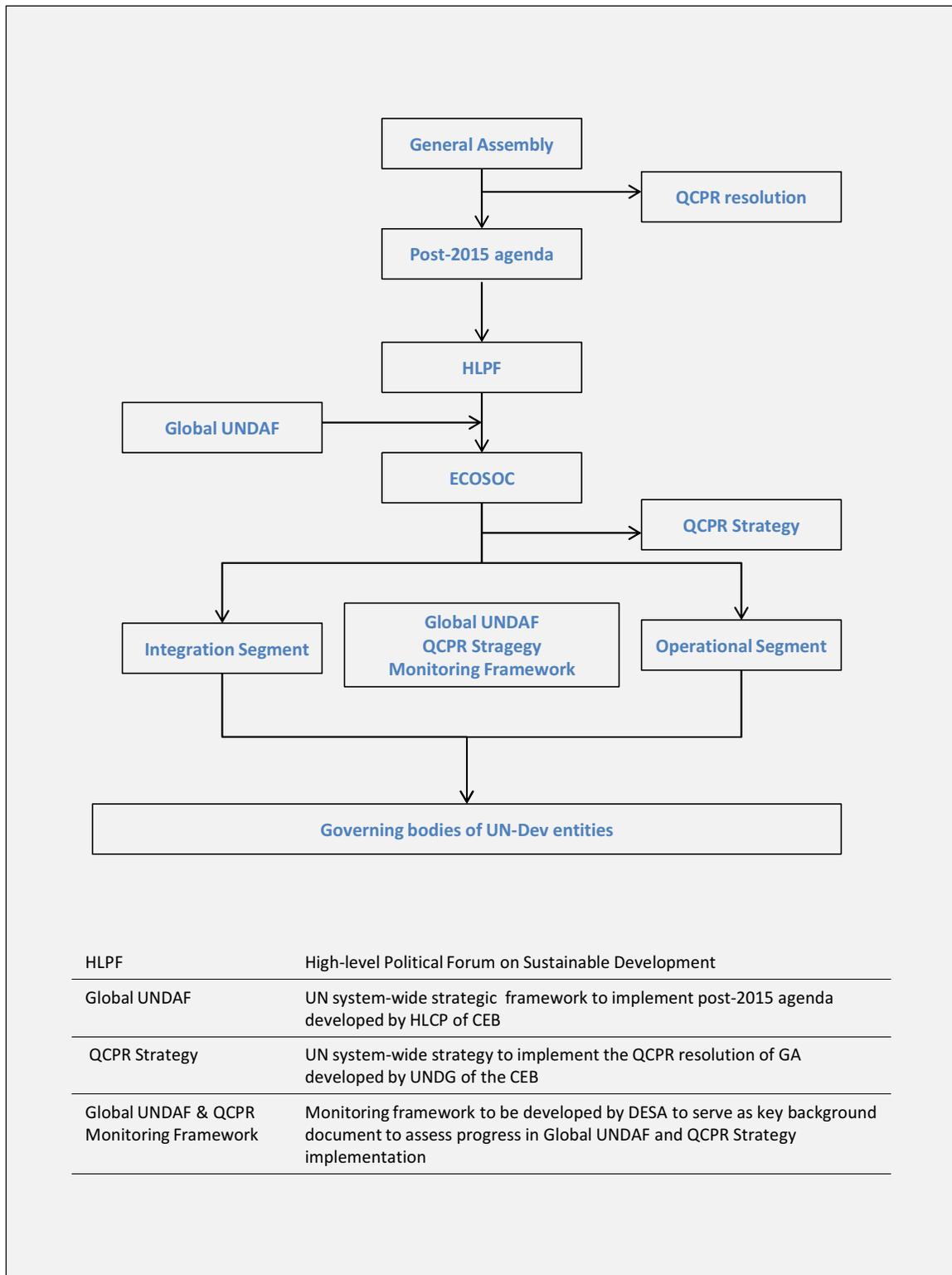
ECOSOC would be responsible for coordinating and reviewing progress in the implementation of both a Global UNDAF and a QCPR Strategy through the Integration Segment and Operational Activities for Development Segment respectively. At the UN Development level, the HLCP and undg could be formally accountable to the Council for the implementation of the Global UNDAF and QCPR Strategy. This would require strengthening of the capacity of these inter-agency bodies for internal coordination in UN Development. The role of HLCP and undg would be to link together the various policy sub-systems that exist within UN Development to ensure effective interaction and the avoidance of unnecessary incoherence in the implementation of the post-2015 agenda.

Monitoring, evaluation and reporting

ECOSOC could also be responsible for monitoring and evaluating the implementation of a Global UNDAF and QCPR Strategy through the Integration Segment and Operational Activities for Development Segment. To support the oversight role of the Council, DESA would develop a monitoring framework to assess policy coherence in UN Development in the implementation of both a Global UNDAF and QCPR Strategy. DESA could annually prepare a Secretary-General's report on policy coherence in UN Development in the implementation of the two strategy documents. In addition, the Council could commission annually an evaluation of selected aspects of the two documents from the recently established coordination mechanism for independent system-wide evaluation, composed of the JIU, UNEG, OCHA, OIOS and DESA.

The purpose of the monitoring, evaluation and reporting system could be to strengthen accountability of UN Development entities for the effective implementation of system-wide mandates emanating from the GA or ECOSOC.

Figure 5: Policy coherence in UN Development in a post-2015 era



b) Interoperability in programming and operations

The agency-specific governing bodies generally focus on issues of primary interest to a particular entity. System-wide governing bodies such as the GA and ECOSOC, on the other hand, address issues that promote interaction and interoperability among UN entities.

One objective of system-wide governance is to ensure that the sum total of UN Development is larger than the individual parts. This is particularly important as the functional and decentralized design of the UN system has meant that specific interoperability instruments are required to enable entities to exploit opportunities for synergy and greater collective effectiveness.

Over the past two decades, a number of such interoperability instruments and mechanisms have been created across the system.

On the *programming side*, the Common Country Assessment, the United Nations Development Assistance Framework, various forms of joint work plans, as well as initiatives to strengthen system-wide strategic planning, coherence and evaluation, aim to serve this purpose;

On the *management side*, there is the United Nations Development Group, the resident coordinator system including the UNDG regional teams and UN country teams, and a variety of measures to improve cross-entity guidance on programming and business practices;

On the *business operations side*, continuous efforts are being made within UN Development to simplify and harmonize business practices, as well as rules and regulations, with a view to promoting common services.

System-wide governance

There is, however, no direct link between these system-wide initiatives and a corresponding governance structure. For example, there is no governing body that is systematically and regularly involved in the oversight of these activities - that sets direction and assesses results. Instead, it is left to an inter-agency body - the UNDG - to regulate the functioning of such system-wide instruments and mechanisms. Further information on inter-agency bodies in the UN system, including UNDG, can be found in Box 5.

Using the United Nations Development Assistance Framework as an example, there is no single governing body that reviews the principles and guidelines for the UNDAF process applied by all UN entities in programme countries – as opposed to its agency-specific components, nor is there a single governing body to assess the results of the system as a whole. Furthermore, there is no single governing body that reviews and approves common country programme documents or provides general oversight of the delivering-as-one initiative. The regulation of these important system-wide functions is left to UNDG instead, as mentioned earlier.

The independent evaluation of the delivering-as-one initiative in 2011 revealed how difficult it is to achieve system-wide coherence in a fragmented governance system dominated by agency-specific considerations of UN Development and where the

concerned inter-agency bodies are not formal legal entities that can be held accountable by legislative bodies for the implementation of system-wide mandates.

While it could be argued that the GA fulfils this role through the quadrennial comprehensive policy review, the Assembly's ability to focus detailed attention on the governance of such technically complex issues is limited by the time frame of the QCPR, a general distance from operations and competing priorities for its own time.

The structure of UN Development does of course present additional limitations in this regard. The specialized agencies are independent by statute and even amongst those organizations reporting directly to ECOSOC such as the funds and programmes certain limitations are imposed by established brand loyalties and by the practical implications of a voluntarily funded system. While these limitations are real, however, they may not be insurmountable.

Implementation of system-wide mandates

It is on such programmatic, management and business operations issues that aim to advance the coherence of UN Development as a whole that the most obvious challenges of the present governance system emerge. These issues require extensive inter-agency cooperation to adopt new approaches. Within the broad subject area of coherence, it is noteworthy that requests related to the harmonization of rules and regulations, simplification of processes and procedures and the much greater use of common services have been present in every comprehensive policy review resolution of the General Assembly since the first one in 1981. The three areas thus provide a challenging sample for assessing performance in the implementation of system-wide mandates emanating from the QCPR resolution of the GA.

What can be said about success in implementing provisions of the earlier QCPR resolutions requiring extensive inter-agency cooperation? A first and obvious conclusion, since these requests have been repeated in every QCPR resolution spanning a period of more than 30 years, is that progress has been limited and slow at best. This is not to downgrade the many positive accomplishments (often entailing great effort) in a variety of areas, but by and large, progress has been incremental while the larger goals remain elusive.

In terms of simplification and harmonization, success has been achieved in a number of areas. For example, the formats for documents for presentation to the Executive Boards of the major funds and programmes have been largely standardized and progress has been made in establishing a central depository of information on operational activities. The major funds and programmes have also adopted a standardized cost recovery rate. There is also increased use of the Harmonized Approach to Cash Transfers and the implementation of the International Public Sector Accounting Standards by UN entities is making solid progress. Moreover, system-wide guidelines in areas such as procurement and information and communications technology have been developed, with some pilot projects underway.

However, simplification and harmonization of the intellectual base of UN Development – its rules, regulations and procedures – has remained an elusive goal. The primary obstacle to progress is identified as the differing mandates, governance arrangements, business models and funding modalities of the various agencies. However, little analysis has been provided so far on how to overcome these challenges. The lack of a standardized intellectual base for system operations, for example, means that in practical areas of potentially great cost savings, such as through expanded use of common services, progress has been limited, and mainly at the field level.

One possible explanation is that the implementation of system-wide mandates such as those relating to the QCPR still lies primarily in the hands of the staff and the Executive Boards of the funds and programmes who may not always look at the issues involved from the point of view of the general interest of UN Development as a whole.

Annex 6 and 7 review how QCPR implementation has been mainstreamed in the work governing bodies of the 34 entities that engage in operational activities. As can be seen, QCPR implementation is only regularly on the agenda of the New York-based funds and programmes. In the case of all the other entities, there is limited evidence that QCPR implementation is on the agenda of governing bodies or even reviewed as part of background documentation. There is also little evidence that entities measure their performance against QCPR indicators or that governing bodies adopt decisions on progress in the implementation process.

Role of analytical reporting in enhancing transparency

One general impression from review of reporting on implementation of system-wide mandates is that until the most recent substantive preparations for the 2012 QCPR, it tended to be too focused on the activities undertaken by UN entities for selected components of relevant QCPR provisions. Very long lists of actions taken, however, were seldom accompanied by sufficient analysis of what the actions represent in terms of meeting the desired objectives and, if progress is deemed challenging or inadequate, and the obstacles that must be overcome. In essence, many of these reports read more as activity scorecards than as analysis to aid both governance and management.

Particularly useful analysis of the real impact of the results achieved is instead often found in reports that were not specifically oriented to assessing QCPR implementation. As examples with special relevance to simplification, harmonization and common services, the background documents prepared for the 2012 QCPR in the areas of the functioning of the resident coordinator system, the role of the UN in transition countries, the review of system-wide business practices, as well as the delivering-as-one pilot country evaluation, all had various comments on the roadblocks being encountered and the implications of limited progress.

The key message is therefore that if Member States, through ECOSOC, are to effectively coordinate the work of UN Development, including monitoring of implementation of system-wide mandates, the Council needs to have at its disposal quality system-wide statistics analysis and reporting.

4.4 Cost-effectiveness

An issue that is seldom discussed in the context of governance of UN development operations is that of its costs. The original design of UN Development along functional lines has meant that the cost of governance of operational activities is significant. Most of the 34 UN Development entities have their own governing body although some report to central bodies such as the GA or ECOSOC (see Annex 5).

As a percentage of total expenditures of UN development operations, the cost of operating so many governing bodies may not seem too high. However, when the cost is compared against other institutions, whose level of expenditures for development cooperation is similar to UN Development, such as the International Development Association of the World Bank, the assessment is less favourable.

Cost of servicing agency governance

An order of magnitude estimate of the annual cost of servicing the four Executive Boards of the major operational funds and programmes (UNDP/UNFPA/UNOPS, UNICEF, UN-Women and WFP) is between \$30-35 million per year (see Table 8).²⁶

Some 30 staff members work fulltime for the secretariats of the four Executive Board secretariats. In the case of the Executive Board secretariat of UNDP, the number of staff is kept as low as possible with some support services outsourced instead. The secretariat with the largest number of staff servicing an Executive Board is that of WFP (see Table 8).

The largest cost item in the above analysis is the estimated staff and management time required to prepare Executive Board documentation. The direct and indirect cost of participation by Government representatives and delegates in the Executive Boards is also significant. The overall assessment from this high-level analysis is that the costs of servicing the governing bodies are considerable and should not be neglected in any review of governance of UN Development.

As discussed earlier, the functions of the four Executive Boards of the major funds and programmes are identical (see also Box 3). In addition, key institutional processes relating to programming, operations, management, reporting and evaluation, are almost identical across the funds and programmes, as well as for all UN Development entities. This suggests there could be opportunities for economies of scale by consolidating the governance functions of the funds and programmes, in particular.

Estimating the cost savings of consolidating the governance functions of the funds and programme with some degree of accuracy would require in-depth analysis that is beyond the scope of this paper. However, it is not unreasonable to assume that the establishment of a Joint Executive Board for the major funds and programmes, instead of the existing four, could reduce the governance costs by some \$13-15 million annually. For example, it is estimated that the total number of meeting days of the four Executive Boards could be

²⁶ Estimates in Table 8 are based on interviews with the secretariats of UNDP and WFP, as well as public information on the annual cost of running the Executive Boards. The annual costs of the Executive Boards of UNICEF and UN-Women were estimated to be proportional to the other entities based on the number of formal and informal meeting days.

halved from the current figure of almost 3 per week, with significant implications for costs. More specifically, the above figure assumes considerable savings in staff costs; moderate reduction in meeting/documentation services; very significant decrease in the cost of travel and delegates time; significantly less time spent on documentation preparation and review, partly due to standardization; and significant reduction in other costs.²⁷

The four Executive Boards of the operational funds and programmes meet in formal and informal sessions some 140 days per year (see Table 8). A review of the number of formal and informal meetings days of governing bodies of UN Development entities, other than the funds and programmes, suggests this figure is approximately twice as high, which, if applied to costs in the same ratio, would result in estimated expenditures of some \$60-70 million annually. An order of magnitude estimate for the total cost of governance of all UN Development entities would therefore be some \$100 million per year.

Other benefits of consolidating governance functions

Operational activities across entities share many identical institutional characteristics. This suggests there would be significant financial benefits for UN Development if full interoperability across entities in both programming and operations, could be achieved. For example, key institutional processes involved in the delivery of voluntarily-funded operational activities, namely those relating to (a) programming, (b) operations, (c) management, (d) reporting and (e) evaluation, are all regulated differently by different UN Development entities, as mentioned earlier. This makes it difficult for entities to harness opportunities for synergy through joint programming and work planning, common services and system-wide reporting and evaluation. Lack of harmonization of these institutional processes across entities also significantly increases transaction costs of UN operational activities for programme country governments.

A small group of knowledgeable UN observers contacted for the preparation of this paper estimated that achieving full interoperability in programming and operations of UN development operations across entities could generate synergy amounting to at least somewhere between 10 and 20 per cent of total expenditures. Besides this indicative figure, the 2006 High-level Panel of the Secretary-General on System-wide Coherence estimated that such savings could amount to some 20 per cent of expenditures on operational activities based on findings of background studies and consultations with stakeholders and experts. The annual cost savings from full interoperability across UN Development entities could therefore potentially be in the order of magnitude between \$2.4 and \$4.8 billion per year.

Through full interoperability, the Organization would be able to draw more effectively on the capacities of different entities, which could become a critical comparative advantage of UN Development in the post-2015 era.

Also, according to analytical scenarios undertaken for the Rio+20 Conference (2012), the broad pursuit of sustainable development is far superior in performance compared to a

²⁷ Considerable (40 per cent); moderate (20 per cent); very significant (70 per cent); significant (50 per cent).

strategy based on achieving single-issue objectives in isolation.²⁸ This means that the pursuit of sustainable development by UN Development through an integrated approach would improve development results and impact and cost-effectiveness.²⁹

The Intergovernmental Committee of Experts on Sustainable Development Financing has also highlighted the importance of exploiting opportunities for synergy across the economic, social and environmental dimensions of sustainable development. The Committee has pointed out that different sustainable development objectives often overlap and financing strategies should be designed to exploit opportunities for synergy and support policy coherence for sustainable development, while taking account of potential trade-offs.

Achieving sustainable food production, as an example, requires a host of inter-linked activities such as agronomic interventions to boost yields, investments in rural infrastructure, action to curb land conversion for agricultural products and greater efficiency in water use. Other similarly complex development challenges such as sustainable urban planning, biodiversity protection and the shift to low-carbon energy systems also require integrated approaches at country and global levels in order to exploit opportunities for synergy and greater cost-effectiveness. This means that the work of UN Development in the post-2015 era will become a significantly more complex undertaking compared to the MDGs.

Realizing such opportunities for synergy in UN Development, however, has proved an elusive goal for a long time. One of the main reasons cited for lack of progress in this area has been the different mandates and governance arrangements of UN entities.

UN operational activities are almost without exception exclusively voluntarily funded, which makes it even more difficult to justify why such activities should be regulated differently by the different entities.

The QCPR resolution of the GA is meant to play this regulatory role of UN operational activities. However, for reasons discussed in the previous section, the potential of the QCPR resolution in playing this role has so far been largely underutilized.

In a 2012 survey of programme countries conducted by DESA for the QCPR preparations, governments expressed strong concern about the high transaction cost of working with UN Development entities and called for major effort to simplify and harmonize rules, regulations, policies and systems in order to lower cost and increase resources for country-level programming.

²⁸ United Nations (2014).

²⁹ United Nations (2013).

Table 8: High-level estimates of annual cost of servicing agency governance

Entity	Governing body size	#Meeting days ³⁰		Estimated direct and indirect cost of Executive Boards of funds and programmes (\$ million, 2012) ³¹								
		F	I	Staffing	Meeting/documentation services			Travel and delegate time costs			Document preparation & review	Other (5%)
					Editing	Translation Interpret.	Printing	Programme countries	Field visits	Donor countries		
UNDP	EB (36)	20	40	1.2	0.1	1.25	0.1	0.1 ³²	0.2 ³³	0.65 ³⁴	2.0 ³⁵	0.3
UNFPA				0.75	0.4	0.75	0.05	0.05			1.5	0.2
UNOPS				0.75	0.05	0.75	0.05	0.05			1.0	0.2
UNICEF	EB (36)	12	10	2.2	0.05	1.25	0.1	0.1	0.1	0.45	2.0	0.3
WFP ³⁶	EB (36)	10	22	3.5	0.5	1.5 ³⁷	0.3	0.1	0.1	0.80 ³⁸	2.0	0.3
UN-Women	EB (41) CSW (45)	8 10	12	0.75	0.05	1.25	0.1	0.1	0.1	0.50	1.5	0.2
Total	149	60	84	9.15	1.15	6.75	0.9	0.7	0.5	2.4	10.0	1.5

29 F= formal; I=informal (meetings days)

31 For WFP, the number of formal (F) and informal (I) meeting days is based on 2013 figures. The UNDP/UNFPA/UNOPS EB met for some 50 days in informal sessions in 2013. However, 40 days is used as an average.

32 This includes travel/DSA cost of representatives of programme countries participating in EB meetings, e.g. in connection with approval of country programme documents. The Swiss Government has established a Trust Fund to facilitate participation of country-level representatives from least-developed countries.

33 The UNDP/UNFPA/UNOPS generally undertakes two study tours per year, each estimated to cost some \$100,000.

34 It is estimated that WEOG members on average send 2 officials each from capitals to attend UNDP/UNFPA/UNOPS EB meetings three times a year, with average ticket price \$3,000; daily subsistence allowance \$400 p/day and average daily salary cost of \$500 (Travel: \$216,000; DSA: \$192,000; estimated salary cost: \$260,000).

35 It is estimated that preparation of documentation for EB meetings will on average require an equivalent of 5 full-time staff per year.

36 Staffing: Management: 2 professionals (D-1, P-5), 1 GS; Language Service Unit: Chief (P-5), 4 Revisers (P-4); Documents Processing Unit: 6 local staff; Conference Services: 4 staff (1 P-4, 3 local staff – some 75 per cent of conference servicing staff time devoted to EB).

37 The average daily cost for interpretation and other conference services during formal sessions is some \$120,000. For informal meetings, the average daily cost is \$10,000.

38 In 2013, 38, 51 and 52 participants from capitals attended the three EB sessions that year, or an average of 47 (almost all from WEOG countries). Estimated travel cost: \$423,000; DSA (estimated \$300 p/day) \$140,000; estimated salary costs: \$235,000.

In conclusion

The overall conclusion from this review is that the legitimacy of governing bodies can be enhanced by the adoption of more precise criteria such as the ones discussed in this chapter, for the selection of members. The adoption of constituency-based selection and “variable geometry” may be particularly important innovations in the post-2015 era when Member States will need to find a new balance between the principles of equity and effectiveness and sovereignty and global responsibility in representation and decision-making in governing bodies. In the post-2015 era, it will also be critical to strengthen the capacity of system-wide governing bodies and inter-agency coordination mechanisms to ensure policy coherence and interoperability in programming and operations across entities. The growing need for policy coherence and interoperability in programming and operations, as well as the high cost of governance, also provide a strong argument for consolidating governance functions of UN Development entities as part of strategic repositioning of the Organization in the post-2015 era.

5. Options to strengthen governance of UN Development in a post-2015 era

Earlier, it was stated that the current governance arrangements impose a major constraint on the ability of the UN system to forge policy coherence and exploit opportunities for programmatic and operational synergy across entities in the post-2015 era, which is likely over time to be increasingly influenced by the language of global public goods rather than that of ODA. There is little joint decision- or policy-making in system-wide governance of UN Development. Furthermore, the coordination and oversight role of central governing bodies remains weak despite many efforts to revitalize ECOSOC. Whether these weaknesses can be ameliorated through incremental changes or if major recasting of governance and inter-agency coordination of operational activities for development of the UN system is required, is a question Member States will need to debate as they finalize the post-2015 development agenda.

The starting point for such debate should be the functions that Member States want the governance system of UN Development to deliver. If Member States want the UN system to be able to provide integrated normative, standard setting and technical support to countries at different stages of development in the post-2015 era, a major recasting of the governance system will be required. A proposal to do that was made in November 2006 by the High-level Panel of the Secretary-General on System-wide Coherence, but Member States rejected it at the time. However, there are signs that Member States may be willing to look at innovative governance practices with greater receptiveness.

For example, in 2013, Member States agreed for the first time to introduce “variable geometry” in the composition of the Open Working Group on Sustainable Development Goals, a governing body of the GA with limited membership. Member States have also shown greater receptiveness to the concept of ‘shared governance’ in negotiations on climate change where a range of public and private stakeholders now participate. The form of climate change negotiations today is very different from twenty years ago, involving many interest groups and political alliances, including the emerging economies.

This paper argues that governance reform will need to be a critical element of any strategic repositioning of UN Development in the post-2015 era with focus on sustainable development. To facilitate further deliberations among Member States, three options for reform of governance for UN operational activities are further considered and compared here below (see also Figure 6). The fourth option, namely maintaining the existing governance arrangements without any changes, remains, of course, an alternative course of action.

Option 1 – ECOSOC as system-wide governance mechanism

Upgrading the QCPR resolution of the GA into a *system-wide strategy*, with ECOSOC responsible for annual monitoring and UNDG accountable for implementation within UN Development. This would involve changing the legal status of UNDG in order to make the Group formally accountable to ECOSOC for the implementation of system-wide mandates established by the GA or the Council. Such system-wide mandates would emanate from the QCPR resolution of the GA, the High-level Political Forum, and the Operational Activities for Development and Integration Segments of the Council itself.

These mandates would be translated by the Secretary-General in a system-wide monitoring framework with indicators and targets, endorsed by an ECOSOC resolution. UNDG would be responsible for the implementation of the system-wide mandates in UN Development, with every entity reporting annually to the respective governing body on progress against the QCPR and other system-wide indicators. Governing bodies of UN entities would be expected to adopt decisions annually on progress in implementing QCPR and other relevant system-wide mandates, followed by periodic independent evaluations.

This approach assumes that existing governing bodies would be maintained but with accountability to ECOSOC for the implementation of system-wide mandates, significantly strengthened. This approach would also assume significant strengthening of three key instruments of the Council: (a) Secretary-General's annual monitoring report, (b) Operational Activities for Development Segment of ECOSOC and (c) the annual resolution of the Council on UN operational activities for development.

Option 2 – Joint Executive Board for funds and programmes (fulltime)

The four executive boards: UNDP/UNFPA/UNOPS, UNICEF, UN-Women and WFP, would be consolidated in a single Joint Executive Board. The JEB would be organized around segments for the individual entities and special sessions to regulate activities in areas of common concern. The JEB could be expected to meet for a day every week as a fulltime governing body. The composition of the JEB would be anchored in the principle of equitable geographical distribution, including “variable geometry”, but with strong constituency-based elements to help ensure that the Board membership reflects the income profile of Member States and the share of each region of UN operational activities for development. The UNDP Administrator and UNDG Chair would serve as the Development Coordinator vis-à-vis the JEB. The JEB would be able to establish sub-groups for specific issues, which recommendations would be tabled for consideration of the Board.

Furthermore, the five funds and programmes would be expected to simplify and harmonize all programming and business practices, rules, policies and regulations and ensure full interoperability of Enterprise Resource Planning systems for enhanced coherence and efficiency. A joint inter-agency planning unit/network would ensure that system-wide mandates are effectively integrated in the strategic plans of the respective entities. Board documentation would also be simplified and harmonized. The existing commissions on status of women and population and development would provide policy and normative guidance to the work of the JEB.

Option 3 – Development Board (fulltime)

Establishing a single, fulltime Development Board (DB) for the management and control of the operational activities of the 19 funds, programmes and other entities reporting to the GA and ECOSOC, namely UNDP (including UNCDF, UNV), UNFPA, UNICEF, WFP, UN-Women, UNEP, UN-Habitat, UNCTAD, UNHCR, UNAIDS, UNODC, UNRWA, the five regional commissions (ECA, ECE, ECLAC, ESCAP, ESCWA) and relevant Secretariat departments

(OCHA, DESA). This arrangement would elevate the development-related work of the UN system, with the Development Board having a status not far from that of the UN Security Council.

The existing Executive Boards of UNDP/UNFPA/UNOPS, UNICEF, WFP and UN-Women would be consolidated in the DB. The DB would also regulate the operational activities of other funds and programmes reporting to GA such as UNEP, UN-Habitat, UNCTAD, UNHCR, UNAIDS, UNODC and UNRWA, with their existing governing bodies focusing on policy, norm- and standard-setting, advocacy and public relations-related work. The DB would also regulate operational activities of the regional commissions and the relevant Secretariat departments. The fulltime DB could also include a segment for regular dialogue with the specialized agencies on issues of common concern, including QCPR implementation.

The UNDP Administrator and UNDG Chair would serve as the Development Coordinator vis-à-vis the DB. The DB would be able to establish sub-groups for specific issues, which recommendations would be tabled for consideration of the Board. A joint inter-agency planning unit/network would ensure that system-wide mandates are effectively integrated in the strategic plans of the respective entities.

Furthermore, with regard to operational activities only the member entities of the DB would be expected to simplify and harmonize all programming and business practices, rules, policies and regulations and ensure full interoperability of Enterprise Resource Planning systems for enhanced coherence and efficiency. Also, the administration of voluntary-funded operational activities of the 19 entities would follow the same rules, regulations and policies as currently applied by the funds and programmes to ensure coherence across entities. Board documentation would also be simplified and harmonized.

The commissions on status of women, narcotic drugs, crime prevention and criminal justice, population, science and technology and others, as relevant, would provide policy and norm-setting guidance to the DB.

The composition of the DB would be anchored in the principle of equitable geographical distribution, including “variable geometry”, but with strong constituency-based elements to help ensure that the Board reflects the income profile of Member States and the share of each region of UN operational activities for development. The DB could be expected to meet formally for a day and half every week operating as a fulltime governing body.

Figure 6: Options to strengthen governance of UN development in a post-2015 era

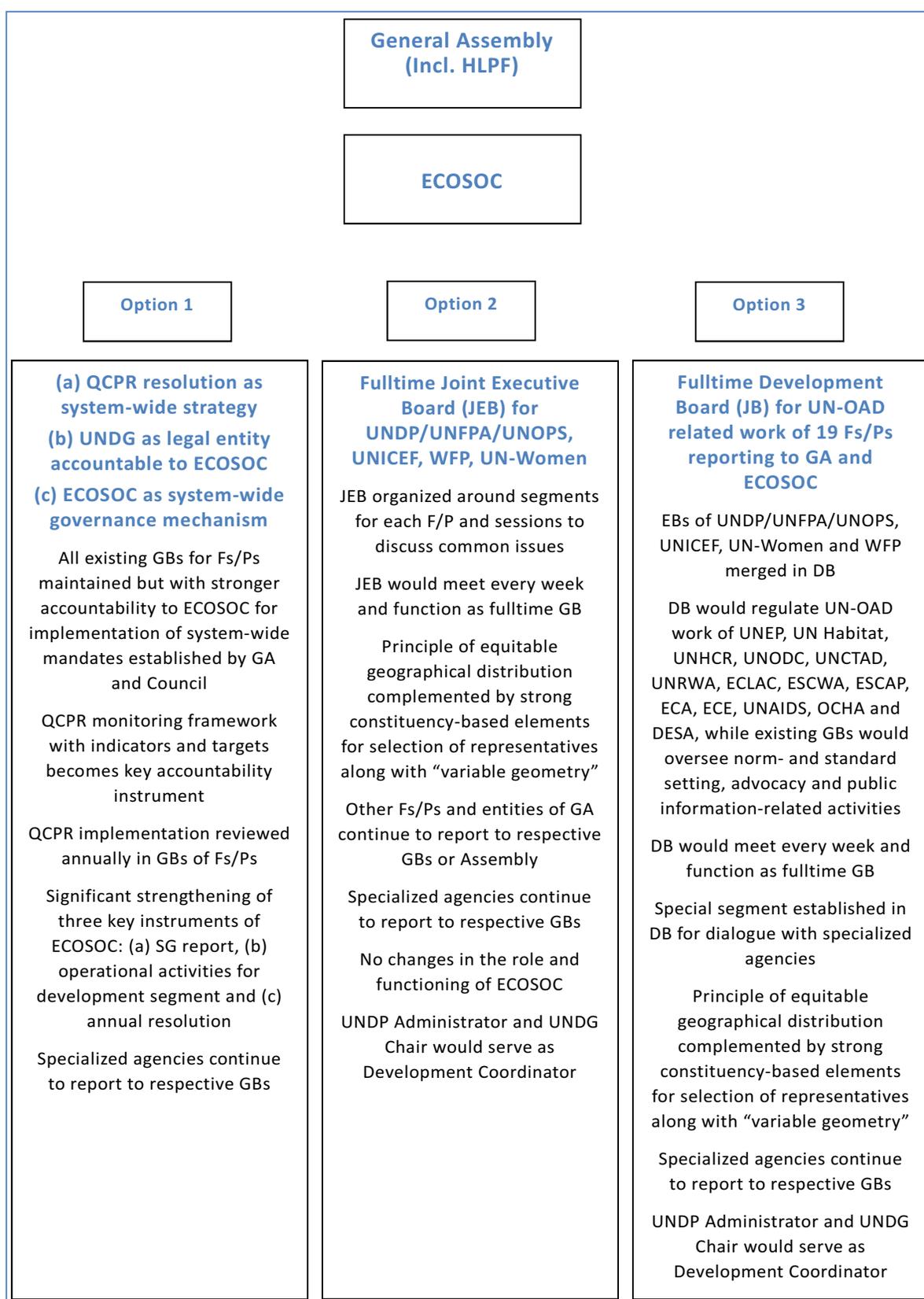


Table 9: High-level comparison of four governance options for operational activities in the post-2015 era

Possible options	Strategic, integrated approach to post-2015 development agenda (10 points)	Programmatic, operational synergy (10 points)	Agency-specific, system-wide governance (10 points)	Legal, political complexity (10 points)	Overall assessment (Total score)
<p>Option 0 No change in current agency-specific and system-wide governance system of UN-OAD</p>	<p>Low score Strategic, integrated approach to post -2015 development agenda (DA) difficult to realize due to agency-specific governance, weak coordination across GBs and limited coordination role of ECOSOC (2 points)</p>	<p>Low score The full potential of programmatic and operational synergy including leveraging of resources, assets and critical mass across UN entities difficult to realize under current vertical decision-making of GBs and inter-agency coordination mechanisms (2 points)</p>	<p>Low score Limited attention to UN-OAD in many GBs likely to continue due to limited time and attention to such issues System-wide governance role of GA and ECOSOC likely to remain limited High cost of governance due to multiple secretariats, translation, editing and printing of documents, participation of Member States in meetings of GBs (2 points)</p>	<p>High score No legal or other changes required in either agency-specific or system-wide governance (10 points)</p>	<p>Low score Existing agency-specific and system-wide governance not well suited for a post-2015 era with focus on sustainable development and greater need for integration of programme inputs and simplification and harmonization of programming and business operations across UN entities (16 points)</p>
<p>Option 1 GA resolution on the QCPR upgraded to a system-wide strategy with a strong monitoring framework; UNDG established as legal entity accountable to ECOSOC for QCPR strategy implementation; role of ECOSOC as system-</p>	<p>Medium-high score QCPR strategy and monitoring framework enhance coherence in implementation of system-wide mandates and advance strategic, integrated approach to post-2015 agenda to considerable extent Establishment of UNDG as legal entity along with</p>	<p>Medium score QCPR strategy and monitoring framework along with legal status of UNDG and stronger system-wide governance role of ECOSOC could strengthen implementation of initiatives aimed at fostering programming and operational synergy,</p>	<p>Medium-high score More coherent decision-making and implementation on crosscutting and coordination issues Higher costs as no change in existing agency-specific, system-wide governance Strengthened system-</p>	<p>Low-medium score GA resolution needed to upgrade QCPR to system-wide strategy and change legal status of UNDG Strengthened system-wide governance role of ECOSOC would require change in UN Charter GA resolution also</p>	<p>Medium score This option if effectively implemented could achieve many strategic objectives such as enhancing ability of UN system for integrated approach and greater synergy in programming and operations and enhance accountability for implementation of</p>

Possible options	Strategic, integrated approach to post-2015 development agenda (10 points)	Programmatic, operational synergy (10 points)	Agency-specific, system-wide governance (10 points)	Legal, political complexity (10 points)	Overall assessment (Total score)
wide governance mechanism strengthened	stronger monitoring role of ECOSOC could also facilitate strategic, integrated approach to implementation of post-2015 agenda (6 points)	but challenges associated with vertical decision-making of entities would continue to impede full leveraging of resources and assets, including critical mass, across entities (5 points)	wide governance role of ECOSOC would increase costs Multiple secretariats, translation, editing and printing of documents, participation of Member States in GB meetings would be maintained (6 points)	required stipulating, inter alia, the functions, reporting lines, meeting schedule, composition and decision-making process of ECOSOC This option may be less politically contentious than consolidation of GBs of entities (4 points)	system-wide mandates (21 points)
Option 2 Fulltime Joint Executive Board (JEB) for UNDP, UNFPA, UNOPS; UNICEF; WFP; UN-Women	High score Strategic, integrated approach to post-2015 agenda across five major operational Fs/Ps accounting for some 55-60 per cent of UN-OAD could be achieved (8 points)	High score Significant programmatic and operational synergy and leveraging of resources and assets, including critical mass, among five major Fs/Ps through simplification and harmonization of policies, rules, regulations and instruments could be achieved (8 points)	High score Fulltime JEB could enhance agency-specific and system-wide governance through greater attention to UN-OAD issues Secretariat, documentation & participation costs would decrease due to consolidation of Executive Boards Fulltime JEB could promote enhanced professionalism in governance (8 points)	Low-medium score ECOSOC resolution required stipulating, inter alia, the functions, reporting lines, meeting schedule, composition and decision-making process of JEB This option could be politically contentious (4 points)	High score This would be an effective option to enhance coherence and integration across five major operational Fs/Ps and to lower cost of governance (28 points)
Option 3	High score	High score	High score	Low score	High score

Possible options	Strategic, integrated approach to post-2015 development agenda (10 points)	Programmatic, operational synergy (10 points)	Agency-specific, system-wide governance (10 points)	Legal, political complexity (10 points)	Overall assessment (Total score)
Fulltime Development Board for UN-OAD related work of 19 Fs/Ps reporting to GA or ECOSOC	Strategic, integrated approach to post-2015 DA across 19 Fs/Ps and other entities reporting to GA or ECOSOC and accounting for some 75 per cent of UN-OAD could be achieved (9 points)	Major programmatic and operational synergy and leveraging of resources and assets, including critical mass, among 19 Fs/Ps and other entities reporting to GA or ECOSOC through simplification and harmonization of policies, rules, regulations and instruments could be achieved (9 points)	Fulltime DB could enhance agency-specific and system-wide governance through greater attention to UN-OAD issues Secretariat, documentation & participation costs would decrease significantly due to consolidation of GBs and greater economies of scale in governance Fulltime JEB could promote enhanced professionalism in governance (9 points)	GA resolution required stipulating, inter alia, the functions, reporting lines, meeting schedule, composition and decision-making process of single DB including details of complementary relationship with GBs of respective Fs/Ps and other entities This option could be politically highly contentious (4 points)	This would be effective option to enhance coherence and integration across 19 Fs/Ps and other entities reporting to GA or ECOSOC and also to lower cost of governance (31 points)

6. Conclusions and recommendations

The paper has so far examined the current governance system of operational activities for development of the UN system including the major challenges it faces; the changing functions of UN Development as the result of the post-2015 development agenda and the accelerating globalization and interconnectedness of countries; and the emerging governance requirements of the post-2015 era.

This analysis suggests that UN Development is at an inflection point where improvements in governance will be critical if the Organization is to maintain its relevance and importance in global development cooperation. The paper argues that the requirements of sustainable development for integration across sectors, as well as between country and global development action, call for the establishment of different governance capacities in UN Development.

The most important and politically sensitive change in the governance of UN Development at the outset of the post-2015 era will be to find a new balance between the principles of sovereignty and global responsibility. This will require Member States to consider innovations such as constituency-based governance and “variable geometry” to foster more collective decision-making in dealing with development challenges that are increasingly integrated and global in nature. This will require strengthening of horizontal governance and coordination at the intergovernmental and inter-agency levels.

At the outset of the post-2015 era, it becomes important for Member States to undertake a comprehensive review of the capacity of the UN system to effectively contribute to the realization of the new development agenda. This paper argues that a review of governance of UN Development should be accorded high priority in this work.

The key conclusions and recommendations of the paper are presented here below:

Table 10: Key conclusions and recommendations

Conclusions	Recommendations
The existing specialized form of governance of UN Development is not equipped to deal with the integrated demands of a post-2015 development agenda. A post-2015 agenda with significant focus on global challenges will require innovations in the application of the principles of equity and effectiveness and sovereignty and global responsibility in representation and decision-making in governing bodies of operational activities	In a post-2015 era, where the development agenda is universal and with a significant global focus, the composition of governing bodies of operational entities with limited membership, should be based on the balanced application of the principle of equitable geographical distribution, “variable geometry” and constituency-based selection of representatives
Establishing a single, fulltime Development Board for the management and control of the operational activities only of the 19 funds, programmes and other entities reporting to the GA and ECOSOC and for which the QCPR	ECOSOC to request the Secretary-General to commission an independent review of the costs and benefits of establishing either a fulltime Development Board for the 19 entities that report to GA or ECOSOC and for which the

Conclusions	Recommendations
<p>resolution of the Assembly is formally applicable, is an attractive option to strengthen system-wide coherence, accountability for implementation of agency-specific and system-wide mandates and transparency and cost-effectiveness in governance. Merging the four Executive Boards of the funds and programmes in a fulltime Joint Executive Board is another good option for consideration of Member States. Either option could significantly enhance the quality of governance of operational activities and allow entities to capitalize on opportunities for synergy</p>	<p>QCPR resolution of the Assembly is applicable, or a fulltime Joint Executive Board for the major operational funds and programmes, with a view to strengthening the management and control of operational activities at the intergovernmental level</p>
<p>In a post-2015 era, UN Development will increasingly have to work-as-one in an environment characterized by diversity of development experiences and financing. This will require UN Development to adopt new and more integrated and efficient ways of working together as a system along with strong focus on partnering with external actors</p>	<p>The legal status of UNDG should be enhanced with a view to strengthening the effectiveness of inter-agency coordination in UN Development as well as the accountability of the Group to ECOSOC for implementation of system-wide mandates</p>
<p>Key institutional characteristics such as programming, operational and management processes involved in the delivery of operational activities are almost identical across all UN Development entities. These common institutional processes, if effectively regulated, provide major opportunity for generating synergy in the work of UN entities. The QCPR resolution of the GA currently performs this regulatory role of operational activities to a limited extent only</p>	<p>GA to request Secretary-General to commission an independent review of the strengths and weaknesses of the QCPR process as a mechanism for furthering system-wide coherence across UN Development entities</p>
<p>Voluntarily funded operational activities of all UN Development entities should be subject to the same administrative rules, regulations and policies in order to lower transaction costs on programme countries and enable entities to capitalize on opportunities for synergy in programming and operations</p>	<p>GA to formally authorize all UN Development entities reporting to the Assembly to apply the administrative rules, regulations and policies currently used by the major funds and programmes, for the management and control of voluntarily funded operational activities only, as was decided for UN-Women in 2010</p>
<p>Governing bodies of UN entities have very different ability to provide regular, detailed guidance on operational activities. The form, composition and size of many governing bodies was not designed for governance review of operational activities</p>	<p>ECOSOC to request Secretary-General to commission an independent review of the ability of agency-specific governing bodies reporting to GA to provide regular, detailed guidance to UN entities on operational activities</p>

Conclusions	Recommendations
<p>Central governing bodies such as GA and ECOSOC have tended to address quite broad macro policy issues, leaving operational considerations almost exclusively to Executive Boards of the funds and programmes and the governing bodies of the specialized agencies</p>	<p>GA resolution to firmly recast the role of ECOSOC as the central coordination mechanism of UN operational activities for development, with further consideration given to the establishment of a smaller Advisory Committee of the Council to prepare decisions in this area. This should also involve restructuring of the system of subsidiary bodies of ECOSOC to ensure a hierarchical and reporting relationship to the Council</p>
<p>Quality of system-wide statistics, analysis and reporting is critical for the ability of GA and ECOSOC to provide effective guidance, coordination and oversight of implementation of system-wide mandates including those relating to QCPR</p>	<p>Secretary-General to continue to improve the quality of system-wide statistics, analysis and reporting on operational activities. The objective would be to further inform discussions on specific system-wide issues such as cost recovery, the overall efficiency of UN Development, as well as providing more disaggregated analysis on the volume, sources and destination of funding flows</p>
<p>Relationship between ECOSOC and the specialized agencies should be reviewed in order to enable UN Development to provide integrated support to the implementation of a post-2015 agenda</p>	<p>GA to set up an inter-ministerial conference to review the relationship of ECOSOC and the specialized agencies in a post-2015 era, including the participation of the specialized agencies in implementation of system-wide mandates such as those relating to the QCPR</p>
<p>Universal post-2015 development agenda with focus on the integration of the three pillars of sustainable development is expected to result in the transformation of the work of UN Development</p>	<p>Secretary-General to establish a High-level Panel to propose a vision for the role of UN Development in implementation of a universal post-2015 agenda, including providing recommendations on necessary reforms in areas such as financing and governance of operational activities</p>
<p>UN entities have demonstrated exceptional ability to adapt to change in response to major geopolitical developments over the past 60+ years</p>	<p>Secretary-General, in consultation with UNDG Chair, to establish a Post-2015 Change Management Team to analyze the system-wide implications of a new development agenda on: (a) functions, (b) capacity, (c) financing, (d) governance, (e) organizational arrangements and (f) partnerships requirements, with a view to facilitating informed discussions on the strategic positioning of UN Development as a whole</p>

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Annex 1: Key recommendations of earlier reports on improving the functioning of governing bodies of UN Development³⁹

Study/report	Working methods, representation, preparations	Intergovernmental governance
<p>1. Commission on International Development: partners in development – Pearson Report (1969)</p> <p>CID (1969)</p>		<p>Improve review of whole-of-United Nations system issues, including Bretton Woods institutions</p> <p>Institutionalize coordination among United Nations agencies, Bretton Woods institutions, multilateral agencies, regional development banks and coordinating bodies in order to:</p> <ul style="list-style-type: none"> • Further linkages between aid and development policies and those dealing with trade, monetary policy and private capital movements • Move towards standardized performance assessments across United Nations system, including Bretton Woods institutions • Establish authoritative estimates of development objectives and aid requirements • Provide balanced and impartial review of donor aid policies and programmes
<p>2. Report of Group of Experts on the Structure of United Nations system – Gardner Report (1975)</p> <p>Group of Experts (1975)</p>	<p>Working methods</p> <p>Convene well-prepared sessions of General Assembly or proposed Development Committee, rather than ad-hoc world conferences</p> <p>Organize Economic and Social Council work programme on biennial basis, with short and frequent subject-oriented sessions spread throughout year, in New York, Geneva or other cities such as Nairobi, depending on topic and secretariat location</p> <p>Devote initial substantive session of Economic and Social Council (presumably in January) to identification of themes and issues to be included in biennial work programme</p> <p>Design Economic and Social Council work programme so that all issues currently addressed by subsidiary bodies are discussed over two-year cycle, with one-week ministerial session (e.g. last week of June) devoted to overall policy review, followed by separate</p>	<p>General Assembly</p> <p>Strengthen central role of General Assembly in global policy-making</p> <p>Rename Second Committee to Development Committee charged with establishing overall global development policies</p> <p>Economic and Social Council</p> <p>Prepare meetings of proposed Development Committee</p> <p>Coordinate policy-making within United Nations system on development issues and operational activities for development, including monitoring of implementation</p> <p>Assume direct responsibility for work performed by subsidiary bodies except regional commissions and others of highly specialized nature (e.g. Statistical Commission)⁴⁰</p> <p>Establish small negotiation groups to facilitate consensus-building on</p>

39 Many of the reports and studies examined in this annex resulted in adoption of GA resolutions with significant implications for functioning of intergovernmental bodies governing UN development operations. The following GA resolutions are particularly relevant in this context: 45/204, 46/182, 50/227, 62/208 and 63/311. Additional reports that may be of interest include those submitted earlier by the Secretary-General to facilitate intergovernmental deliberations on such issues, including the most recent one entitled “strengthening governance of operational activities for development of UN system for enhanced system-wide coherence” (Apr. ’09).

40 With most subsidiary bodies discontinued, the report makes several proposals to make rules governing participation in work of ECOSOC more flexible.

Study/report	Working methods, representation, preparations	Intergovernmental governance
	<p>discussions, two weeks each, first, on programme budgets and medium-term plans of entire United Nations system, and, secondly, to review operational activities</p> <p>Representation Officials from capitals having the required expertise, flexible instructions and capacity to follow-up directly on implementation of agreed decisions would attend Economic and Social Council sessions, with travel support provided to developing country participants</p> <p>Promote active participation of specialized agencies in work of Economic and Social Council</p> <p>Preparations Restructure and strengthen central Secretariat so as to be able to provide intellectual direction on issues of system-wide concern</p>	<p>priority issues</p> <p>Review programme budgets and medium-term plans in economic and social fields with support of revitalized Committee on Programme Coordination⁴¹</p> <p>Governing boards of funds and programmes Consolidate governing boards of operational funds administered by United Nations into single Operations Board, reporting to Economic and Social Council, with membership small (18-27 countries)⁴²</p> <p>Evaluation Create small full-time body of independent experts to provide intergovernmental organs with information on programme management & execution and progress in achieving policy goals, with Joint Inspection Unit alternatively transformed into this entity</p>
<p>3. Ad-hoc Committee on the Restructuring of the Economic and Social Sectors of the United Nations system (1977)</p> <p>UNGA (1977)</p>	<p>Working methods Rationalize General Assembly working methods and procedures Improve coordination of 2nd and 3rd Committees with 5th Committee Organize Economic and Social Council work on biennial basis through shorter but more frequent subject-oriented sessions spread throughout the year Convene periodic Economic and Social Council meetings at ministerial-level to review major issues</p> <p>Preparations Prepare concise and action-oriented documentation for General Assembly and Economic and Social Council sessions</p>	<p>General Assembly Serve as principal forum for global policy-making</p> <p>Economic and Social Council Act as central forum for discussion of international economic and social issues of interdisciplinary nature Formulate policy recommendations addressed to Member States and United Nations system Monitor and evaluate implementation of General Assembly policy guidance Ensure overall coordination of activities of United Nations system Undertake comprehensive policy reviews of United Nations operational activities for development Assume, to maximum extent possible, functions of subsidiary bodies Improve consultative relationships with non-governmental organizations Consolidate planning, programming and coordination responsibilities in Committee for Programme Coordination</p> <p>Governing boards of funds and programmes</p>

41 Based on draft plans prepared by an inter-agency planning unit.

42 With operational funds maintaining fund-raising identity.

Study/report	Working methods, representation, preparations	Intergovernmental governance
		Consider establishing single governing body responsible for management & control of United Nations operational activities for development, replacing existing governing bodies
4. North-South: A Programme for Survival – Brandt Report (1979) Brandt (1980)	<p>Working methods Make agendas more purposeful and results-oriented, with better time management and more economical documentation</p> <p>Review present system of negotiations to see whether more flexible, expeditious and results-oriented procedures can be introduced without detracting from cooperation within existing groups⁴³</p>	<p>Create high-level Independent Advisory Body composed of 12 members, with one-third from developing and developed countries and individual experts respectively, serving in individual capacity and appointed by SG to:</p> <ul style="list-style-type: none"> • Advise Member States, General Assembly and its organs with a view to improving the effectiveness of United Nations and other international institutions engaged in development and international economic cooperation in achieving their global objectives⁴⁴ <p>Establish small negotiation groups on priority issues composed of countries of which respective issue is of most interest to facilitate consensus-building</p> <p>Convene occasionally summits of limited number of countries to forge commitment and advance consensus on high-priority issues as precursor for discussions in universal forums such as General Assembly</p>
5. Some reflections on reform of United Nations – Maurice Bertrand - Joint Inspection Unit (1985) Bertrand (1985)	<p>Working methods Reduce overlap in agenda of intergovernmental bodies</p> <p>Representation Involve technical ministries in intergovernmental deliberations on development issues with a view of influencing national policy-making</p> <p>Appoint Economic Ambassador, coming from Ministry of Finance and Economic Affairs, part of each delegation in NY, to participate in Economic Security Council</p> <p>Preparations Set-up inter-disciplinary secretariat to service Economic Security Council with team of economists, sociologists and other specialists of high qualifications</p>	<p>Establish Economic Security Council composed of 23 members, replacing Economic and Social Council and Trade and Development Board of UNCTAD</p> <p>Economic Security Council would play similar role as Security Council in area of peace and security</p> <p>Establish single governing body (and single development agency) for United Nations operational activities for development at regional-level</p> <p>Adopt constituency-based intergovernmental negotiations based on definition of interest groups whose composition and dimensions vary according to subject dealt with, and method of representation of these groups⁴⁵</p> <p>National level Enhance policy coherence of Member States in intergovernmental bodies</p>

43 The Commission on Global Governance (discussed later) also proposed establishing constituency-based system in executive boards of UN development agencies so as to facilitate more pragmatic decision-making.

44 The reports of the proposed Advisory Group would be made available to the public.

45 In order for negotiations to improve or alter world consensus, all participants need to agree on negotiation structures at the outset.

Study/report	Working methods, representation, preparations	Intergovernmental governance
<p>6. Report of Group of High-level Intergovernmental Experts to Review Efficiency of Administrative and Financial Functioning of United Nations – The Group of 18 (1986)</p> <p>The Group of the High-Level Intergovernmental Experts "The Group of 18" (1986)</p>	<p>Working methods Undertake comparative analysis of agenda, calendars and programme of work of General Assembly, Economic and Social Council and related subsidiary bodies</p> <p>Rationalize agenda-setting, procedures and methods of work of General Assembly and Economic and Social Council in order to reduce number of meetings and documentation</p> <p>Improve system of reporting from subsidiary bodies to principal organs with a view to reducing and minimizing duplication in documentation</p> <p>Adopt fewer and more strategic resolutions</p>	<p>Consider establishing single governing body responsible for management and control, at intergovernmental-level, of United Nations operational activities for development</p> <p>Improve intergovernmental review of reports of Joint Inspection United Nations</p> <p>Strengthen independent evaluation of United Nations operational activities for development</p>
<p>7. Report of Special Economic and Social Council Commission on In-depth Study of United Nations Intergovernmental Structures and Functions in Economic and Social Fields (1988)⁴⁶</p> <p>The Special Commission of the Economic and Social Council (1988)</p>	<p>Working methods Rationalize method of work of General Assembly in economic and social fields</p> <p>Improve prioritization of policy issues to be discussed in General Assembly each year</p> <p>Make representation in Economic and Social Council universal⁴⁷</p> <p>Eliminate overlap in General Assembly and Economic and Social Council agenda⁴⁸</p> <p>Convene 2nd and 3rd Committees for four weeks each year</p> <p>Hold 4-5 weeks annual session of Council in July/August each year, with high-level segment undertaking in-depth review of selected programme areas</p>	<p>General Assembly Establish overall strategies, policies and priorities for United Nations system in respect of international cooperation, including operational activities for development</p> <p>Serve as principal forum for policy-making and provision of policy guidance to United Nations operational activities for development</p> <p>Economic and Social Council Serve as central forum for substantive coordination of international economic and social issues of global and interdisciplinary nature and for formulation of recommendations to Member States and United Nations system</p> <p>Provide coordination of activities of United Nations system</p> <p>Monitor and evaluate implementation of General Assembly policies</p>

46 Chairman's text dated 4 May 1988 on the draft conclusions and recommendations of Special Commission.

47 In an informal paper presented by G-77 on 1 September 1987, six reasons were identified for the inability of ECOSOC to fulfil its mandate: (a) restricted membership, (b) expansion of its subsidiary machinery, (c) short duration of meetings, (d) inadequate secretariat support structure and (e) lack of recognition of Council's authority by other intergovernmental and inter-secretarial bodies of UN system.

48 The Special Commission proposed that GA and ECOSOC should establish a process of periodic review and evaluation of United Nations intergovernmental structure and functions in economic and social fields.

Study/report	Working methods, representation, preparations	Intergovernmental governance
	<p>Convene subject-oriented sessions of Council, as appropriate⁴⁹</p> <p>Representation Strengthen participation of executive heads of United Nations organizations in Economic and Social Council deliberations</p> <p>Preparations Improve and rationalize system of reporting to General Assembly and Economic and Social Council</p> <p>Perform periodic evaluation and appraisal of quality and content of reports prepared for Economic and Social Council</p> <p>Strengthen Secretariat support</p>	<p>Recommend to General Assembly overall priorities and policy guidance on operational activities for development – the Third (Programme and Coordination) Committee of Council would devote its deliberations to operational activities⁵⁰</p> <p>Discuss each year limited number of operational issues requiring coordination and harmonization of action among relevant United Nations system organizations</p> <p>Undertake comprehensive policy review of operational activities every three years</p> <p>Obtain regular reports from specialized agencies on steps taken to give effect to relevant recommendations of General Assembly and Council</p> <p>Governing boards of funds and programmes Exercise responsibility for formulation, appraisal, approval, monitoring and evaluation of programmes and projects</p>
<p>8. Challenge to the South – The Report of the South Commission (1990)</p> <p>Independent Commission of the South on Development Issues / Nyerere (1990)</p>		<p>Summit of Leaders Establish representative group of leaders of developed and developing countries under auspices of United Nations to periodically review world economic situation, prospects for development and environment</p> <ul style="list-style-type: none"> • Recommend guidelines for action by specialized agencies of United Nations and other major actors on the global scene
<p>9. The United Nations in Development: <i>reform issues in the economic and social fields – A Nordic Perspective</i> (1991)</p> <p>Nordic UN Project (1991)</p>	<p>Working methods Systematize General Assembly and Economic and Social Council agenda-setting</p> <p>Make greater use of groups with limited membership to deal with specific issues or sectors</p> <p>Minimize overlaps in General Assembly and Economic and Social Council mandates</p> <p>Preparations</p>	<p>Establish International Development Council, as high-level forum to discuss development issues and provide overall guidance to United Nations operational activities for development:</p> <ul style="list-style-type: none"> • Focusing on normative aspects of development, delegating administrative and managerial issues to system of Executive Boards • Absorbing policy functions of five boards (United Nations DP, United Nations ICEF, United Nations FPA, WFP and IFAD), while Executive Boards, composed of no more than 20 representatives, provide

49 In an informal discussion paper presented by Canada, universal membership of ECOSOC was proposed as well as organization of work programme along five main sectoral lines, which would be served by three Committees of the Council, with one focusing on UN operational activities for development.

50 In an informal discussion paper, Japan proposed the creation of sessional committee of Council to deal solely with coordination of operational activities for development.

Study/report	Working methods, representation, preparations	Intergovernmental governance
	Streamline reporting to Economic and Social Council	<p>policy guidance to senior management on continuous basis</p> <ul style="list-style-type: none"> • Replacing either Second or Third Committee of General Assembly, ensuring universal participation, or constituted as one segment of Economic and Social Council, with 54 members <p>IDC role would resemble that of Development Committee of World Bank</p>
<p>10. United Nations DP Human Development Report (1992)</p> <p>UNDP (1992)</p>		<p>Create Development Security Council, composed of 11 permanent members and 11 on basis of rotational election to⁵¹:</p> <ul style="list-style-type: none"> • Design broad policy for all development issues, ranging from food security to ecological security, from humanitarian assistance to development assistance, from debt relief to social development, from drug control to international migration • Prepare global revolving five-year budget of development resources flows • Provide policy coordination framework for smooth functioning of international development and financial institutions
<p>11. Renewing the United Nations System – Erskine Childers and Brian Urquhart (1994)</p> <p>Childers / Urquhart</p>	<p>Working methods Extend working periods of General Assembly and Economic and Social Council</p> <p>Explore ways to enhance negotiation and decision-making capacities of poorer countries in General Assembly and Economic and Social Council</p> <p>Improve traditions and timings of debate, traditional composition of resolutions and discipline in requesting reports including proscribing their length</p> <p>Introduce “Question time” in General Assembly</p> <p>Representation Promote more strategic composition of participants in Economic and Social Council deliberations</p> <p>Preparations Improve Economic and Social Council documentation, and make more strategic, in order to attract ministerial attendance</p> <p>Designate one focal point within Secretariat to plan, marshal and monitor quality, coherence and volume of socio-economic</p>	<p>Establish United Nations System Consultative Board, reporting to General Assembly, through Economic and Social Council, comprising Economic and Social Council bureau members, bureaus of executive governing bodies of major agencies, and one representative of each other agency to formulate common policy-approaches on all matters requiring system-wide effort</p> <p>Convene Board biennially to review progress in system-wide implementation of selected policies and programmes, including United Nations-wide reform efforts</p> <p>Establish General Committee, as standing capacity of General Assembly, to monitor & evaluate its discharge of responsibilities for coordination of policies and activities of agencies under Article 58 of United Nations Charter</p> <p>Establish single governing body for United Nations operational activities for development at regional-level, under auspices of respective Regional Commission</p> <p>Examine reports of regional governing entities in single global governing body for United Nations operational activities for development, providing overall global policy guidance and</p>

51 The report argued that size of ECOSOC makes it difficult for Council to exercise its coordination role.

Study/report	Working methods, representation, preparations	Intergovernmental governance
<p>13. A world in need of leadership: tomorrow's United Nations - A Fresh Appraisal – Erskine Childers and Brian Urquhart (1996)</p> <p>Childers / Urquhart (1996)</p>	<p>Representation Enhance strategy-negotiating and coordinating role of Economic and Social Council through more strategic composition of participants in Council's deliberations</p>	<p>Establish United Nations System Consultative Board comprising Economic and Social Council bureau members, bureaus of executive governing bodies of major agencies, and one representative of each other agency to formulate common policy-approaches on all matters requiring system-wide effort</p> <p>Establish single governing body for United Nations operational activities for development, with regional governing bodies for programmes in each region</p> <p>National level Enhance policy coherence of Member States in intergovernmental bodies</p>
<p>14. The United Nations in Development-Strengthening the United Nations through change: <i>fulfilling its economic and social mandate</i> – The Nordic United Nations Reform Project (1996)</p> <p>Nordic UN Project (1996)</p>	<p>Working methods Consolidate agendas of 2nd and 3rd committees of General Assembly Convene Economic and Social Council whenever necessary to address urgent developments in economic, social & related fields requiring guidance and coordination by Council Review subsidiary structure of Economic and Social Council in order to assess whether tasks can be absorbed by Council and other forums</p> <p>Preparations Improve preparations for substantive meetings of Economic and Social Council, with higher-quality reporting, focused agenda, and more active bureau Compile sectoral, operational and agency-oriented reports into consolidated Economic and Social Council report on development</p>	<p>Establish functionally-integrated governance system: General Assembly, United Nations conferences and treaty-making bodies Perform agenda, norm and standard-setting through dialogue and negotiations; policy-making; and oversight of subordinate bodies of United Nations system</p> <p>Economic and Social Council Provide policy guidance to all parts of United Nations system, including specialized agencies and regional commissions; coordination of intergovernmental, inter-agency and operational activities, particularly with respect to implementation of comprehensive policy review of General Assembly and integrated follow-up to United Nations conferences including assessment of analyses and data collection; priority-setting as regards resources and activities; and consolidation of medium-term plans and budgets Strengthen Economic and Social Council guidance of functional commissions and expert bodies</p> <p>Governing bodies of funds, programmes and agencies Undertake policy interpretation, preparation and application; strategy development; approval of programmes and budgets; oversight of operations management; and monitoring and evaluation</p> <p>Long-term vision Unified governance arrangement for consolidated United Nations development system</p>

Study/report	Working methods, representation, preparations	Intergovernmental governance
<p>15. Renewing the United Nations: programme for reform – Report of the Secretary-General (1997)</p> <p>UNGA (1997)</p>	<p>Working methods</p> <p>Conceptualize & organize General Assembly agenda around priorities of United Nations medium-term plan</p> <p>Consider holding Economic and Social Council segments at different pre-established periods during year, without affecting totality of Council meetings</p> <p>Extend duration of Operational Activities Segment to enable Council to provide effective policy guidance to work of different programmes and funds</p> <p>Adopt ex-ante, rather than ex-post, review by Council of work programme of functional commissions</p> <p>Convene meetings of Executive Boards of United Nations DP/United Nations FPA and United Nations ICEF back-to-back, with joint meetings, as appropriate, and with joint committees comprising members of both boards to review issues and matters of common concern</p> <p>Representation</p> <p>Economic and Social Council segments attended by ministers directly concerned with respective themes. Active participation of LDCs, beneficiaries of operational activities, is especially important in order to render dialogue more meaningful</p> <p>Establish trust fund to facilitate participation of ministers and/or high-level officials of LDCs in Operational Activities Segment</p> <p>Preparations</p> <p>Improve preparations for Operational Activities Segment so that policy issues arising from reports of Executive Boards of funds and programmes are effectively identified, and level of participation in Council that can give necessary political weight to policy prescriptions emanating from it, is promoted</p>	<p>Economic and Social Council</p> <p>Rethink role of Economic and Social Council, possibly providing it with greater authority under Charter</p> <p>Consolidate and re-configure Economic and Social Council subsidiary machinery</p> <p>Replace Committee on Development Policy by panel of experts on relevant policy issues set-up by Economic and Social Council on ad-hoc basis, with members appointed on recommendation of Secretary-General</p> <p>Promote closer integration of governance oversight of United Nations DP/United Nations FPA and United Nations ICEF, with consecutive and/or joint meetings of Executive Boards, and convene joint committees to review issues and matters of common concern</p>

Study/report	Working methods, representation, preparations	Intergovernmental governance
<p>16. The role of the Annual Joint Meeting⁵² of Executive Boards of funds and programmes – Informal note by Anthony Beattie, President of Executive Board of WFP (2004)</p> <p>Beattie (2004)</p>	<p>Working methods Adopt more strategic approach to agenda-setting, planning 2-3 years in advance Improve quality of debate Aim to achieve operationally useful conclusions Encourage discussions on outcome of Annual Joint Meeting, in the Executive Boards Invite Executive Boards to report back on implementation of conclusions of Annual Joint Meeting of Boards Exploit synergies by reflecting objectives and current concerns of Annual Joint Meeting of Boards in terms of reference for joint field visits</p>	
<p>17. Assessment of value-added of joint meetings of the executive boards of United Nations DP/United Nations FPA, United Nations ICEF and WFP – Report of Secretary-General (E/2004/60:2004)</p> <p>UNSG (2004)</p>		<p>Consider adopting more formal approach to Annual Joint Meeting of Boards, e.g. granting of decision-making authority Examine how empowered Annual Joint Meeting of Boards would advance system-wide coherence and agreed development goals, including recommendations of QCPR⁵³ Conduct periodic reviews of relevance and effectiveness of Annual Joint Meeting of Boards, including complementarity with Operational Activities Segment of Economic and Social Council</p>

52 The Annual Joint Meeting of Executive Boards of the four funds and programmes (UNDP, UNFPA, UNICEF and WFP) originates in GA resolution 52/12 of December 1997. The resolution “accepts that management of funds and programmes would be enhanced by greater integration of intergovernmental oversight, and requests ECOSOC, in the context of the next TCP, during its Operational Activities Segment of 1998, to consider arrangements for closer integration of the governance oversight of UNDP/UNFPA and UNICEF, with consecutive and/or joint meetings of the existing executive boards, bearing in mind the respective mandates of the Executive Boards of the funds and programmes.

53 Quadrennial comprehensive policy review of General Assembly.

Study/report	Working methods, representation, preparations	Intergovernmental governance
<p>18. The Economic and Social Council of the United Nations – An Issues Paper – Gert Rosenthal (2005)</p> <p>Rosenthal (2005)</p>	<p>Working methods Organize Economic and Social Council segments at different intervals throughout year Strengthen focus on Economic and Social Council core functions Reduce formality in Economic and Social Council proceedings</p> <p>Representation Assume present disconnect between Economic and Social Council natural constituency and national economic policy-making at country-level as “given”</p> <p>Preparations Improve technical quality of inputs to Economic and Social Council meetings</p>	<p>Economic and Social Council Reduce Economic and Social Council membership to 36 countries Achieve consensus on Economic and Social Council subsidiary status to General Assembly Serve as Council of Ministers for Economic and Social Affairs with authority to review medium-term plans, or equivalent, of all United Nations system organizations Coordinate follow-up to outcomes of United Nations conferences and summits Undertake in-depth policy debates in Council with decisions adopted by General Assembly Establish closer relationship with Security Council Strengthen partnership with Bretton Woods institutions and WTO in order to give Council better access to ministries of finance, trade and development Bring non-governmental and private sectors more fully into work of Council</p>
<p>19. Report of the Secretary-General’s High-level Panel on United Nations System-wide Coherence – <i>Delivering-as-One</i> (2006)</p> <p>UN (2006)</p>	<p>Working methods Establish clear lines of accountability among different governance mechanisms in order to promote robust oversight of United Nations system performance and results</p> <p>Representation Comprise Sustainable Development Board with senior officials from development, planning, finance and foreign ministries, with appropriate skills and competence</p> <p>Preparations Establish Development Policy and Operations Group, supported by Development Finance and Performance Unit, composed of talented officials from all parts of United Nations system to provide high-quality support to Sustainable Development Board</p>	<p>Establish Global Leaders Forum comprised of leaders of 27 countries rotating on basis of geographical representation, with participation of executive heads of major international economic and financial institutions:</p> <ul style="list-style-type: none"> • Provide leadership on development and global public goods-related issues • Develop long-term strategic policy framework to secure consistency in policy goals of major international institutions • Promote consensus-building among governments on integrated solutions for global economic, social and environmental issues <p>Create Sustainable Development Board, superseding Annual Joint Meeting of Executive Boards of funds and programmes⁵⁴ and meeting at ministerial-level, when required. The main tasks of SDB would be to⁵⁵:</p>

54 ECOSOC would establish the Board and determine its membership in line with experience gained from the composition of the Executive Boards of funds and programmes. The Board would comprise a subset of Member States on basis of equitable geographical distribution. Major NGOs with key role in international development cooperation architecture would be enabled to participate in meetings of Board.

Study/report	Working methods, representation, preparations	Intergovernmental governance
		<ul style="list-style-type: none"> • Endorse One Country programmes and approve related allocations • Maintain strategic overview of system • Review implementation of global normative and analytical work of United Nations in relation to One United Nations at country-level • Oversee management of funding mechanism for Millennium Development Goals • Review performance of Resident Coordinator System • Consider and comment on strategic plans of funds, programmes and specialized agencies • Commission periodic strategic reviews of One Country Programmes • Consider and act on independent evaluation, risk management and audit findings <p>Governing bodies of funds and programmes Consider issues requiring particular agency focus including those relating to multi-year funding frameworks</p> <p>National level Establish all-of-government approach in Member States to international development to ensure coordination in positions taken by their representatives in decision-making structures of all relevant organizations, including the Bretton Woods institutions</p>
<p>20. Bruce Jenks and Bruce Jones, United Nations Development at Crossroads, 2013</p> <p>Jenks / Jones (2013)</p>	<p>Working Methods Avoid internally driven and duplicative processes Maintain and strengthen the variety of different arrangements and legal instruments for decision-making processes Expand capacities to measure results in order to give more credibility to goal-oriented development agendas</p> <p>Representation Include non-state actors more extensively in consultations and decision-making processes</p> <p>Preparation Facilitators prepare outcome documents for UN conferences, so as to leave more room for consultation rather than negotiation Provide more system-wide data and analysis</p>	<p>Focus on structural reforms that align functions of entities and form of governance, rather than on creating intricate coordination mechanisms aimed at promoting internal coherence</p>

55 After three years, the effectiveness of Sustainable Development Board would be assessed. This assessment would also include consideration of scope for integrating boards of UNDP/UNFPA and UNICEF as segments of the Sustainable Development Board, rather than maintaining them as stand-alone boards.

Annex 2: Historical overview of evolution of UN Development

A recurrent theme in deliberations of Member States on UN Development over the past 60+ years has been how to make the individual parts of the system work together more effectively. This quest has become even more important as operational activities for development of the UN system have become an ever-larger part of the work of the Organization, now constituting nearly two-thirds of all system-wide activities. During this period, Member States have opted to establish several governance and inter-agency mechanisms to address the issue of system-wide coordination and coherence.

Annex 2 provides an overview of the evolution of the UN Development, including the various governance and inter-agency coordination-related aspects, with particular focus on the political factors that underpinned the decision-making process.

a) Origin and early years: 1945-50s

Functional approach applied to design of governance of UN in Development

Many of the “coherence” problems, which have arisen in later years, can be traced back to the founding of the Organization. A functional approach, rather than a federalist one, was seen as more responsive to the needs of Member States in different thematic or sector areas. Consequently, the UN system came to be organized around independent specialized agencies, whose relationship with ECOSOC was established by set of formal agreements. The relationship came to be contractual rather than hierarchical with new organizations, each with a distinct identity and not fitting a preconceived model, created as needs arose.⁵⁶

However, the United Nations rarely engaged in operational activities for development in the first few years after the establishment of the Organization in the aftermath of World War II. Neither did the predecessors of several of the current specialized agencies, established prior to the creation of the UN.⁵⁷ The General Assembly created UNICEF in December 1946 to provide food, clothing and health care to children. It was in 1948 that the GA, in resolution 200 (III), “authorized technical assistance to be carried out by the Secretary-General of the UN, in addition to the programme already undertaken by the Specialized Agencies.”

In response to this resolution, the Expanded Programme for Technical Assistance and the Special Fund were established in 1949 and 1958 respectively, both financed through annually pledged voluntary contributions. The specialized agencies became the main mechanism for resource allocations and delivery of UN support during the first several decades. An Advisory Committee on Coordination, the predecessor of the current Chief Executives Board for Coordination and consisting of the Secretary-General of the UN as Chair and the Executive Heads of the specialized agencies, was created in 1946.

The initial focus of work of the ACC was on the implementation of the relationship agreements with the specialized agencies. However, as new funds and programmes were established and their activities

⁵⁶ The term “specialized agencies” refers in this document to those agencies mentioned in article 57 of the UN Charter that have been brought into relationship with the UN under agreements approved by the GA. They are commonly grouped together with a few autonomous bodies who are not de jure specialized agencies, but who work in close cooperation with a UN organization (e.g. International Trade Centre (ITC), International Consultative Group on Food Irradiation (ICGFI), International Union for the Protection of New Varieties of Plants (UPOV) and World Trade Organization (WTO).

⁵⁷ The International Telecommunication Union (ITU) was established in 1865; the World Meteorological Organization (WMO) in 1873; and the Universal Postal Union (UPU) in 1874.

grew rapidly, the scope of the work of the ACC expanded to encompass whole range of substantive, management and coordination issues facing the UN system, including operational activities for development.

The launch of official development assistance and the impact of the Marshall Plan in Europe in the aftermath of WWII fuelled a strong belief among many policy makers in governments that development cooperation could have an important role to play in advancing state-building and socio-economic development in developing countries. The decolonization period that started in the late 1950s, and which eventually affected more than 100 developing countries, was a turning point in this regard. In 1963, the OECD/DAC was established as a forum for donor countries to discuss development cooperation policies and strategies.

b) The Cold War era: 1960-80s

Rapid expansion of UN in Development, coordination deficit, creation of UNDP

At a time of growing geopolitical tension and superpower rivalry during the Cold War, the UN system was considered to be a neutral platform for providing technical assistance to the newly independent states. This led to the creation of many new UN entities during the 1960s, including the World Food Programme (WFP) (1961), the United Nations Conference on Trade and Development (UNCTAD) (1964) and the United Nations Industrial Development Organization (UNIDO) (1967),⁵⁸ which added further complexity to the coordination of operational activities.

By end of the 1960s, a wide range of UN bodies such as specialized agencies, regional commissions and other Secretariat entities were engaged in operational activities for development. This rapid expansion of engagement in operational work led to calls for the creation of a new structure of system-wide nature that could promote greater synergy and coordination in operations and funding.

In 1965, the GA decided to establish the United Nations Development Programme (UNDP), a new body charged with coordinating the funding of technical assistance provided by the UN system. According to the new arrangement, development projects were generally executed by a UN entity, other than UNDP. The normative and specialized entities of the UN system therefore looked to UNDP to fund projects that allowed them to implement programme priorities established by the respective governing body.

However, in the 1970s, a major systemic change took place in the UN system when country-based systems became the main unit of resource allocation for operational activities for development instead of the specialized agencies.

By 1969, the landmark Jackson Report⁵⁹ already lamented the excessive fragmentation of UN development operations and called for major efforts to enhance system-wide coherence. Since that time, a large number of other studies and reports often commissioned by UN bodies and prepared by high-level officials from governments of Member States, have examined the effectiveness of the UN development system. Most of these studies have proposed institutional reform aimed at strengthening coordination of the operational activities of the UN system. A brief summary of common messages of these reports relating to governance of the UN system is provided in Box 2 with further details presented in Annex I.

58 UNIDO was established as a United Nations programme in 1967 with headquarters in Vienna, Austria, and became a specialized agency of the United Nations in 1985.

59 UNDP (1969)

The 1970s witnessed continued expansion of UN operational activities for development. To address the coordination deficit that had emerged, the GA, in resolution 32/197 in 1977, decided to authorize the Secretary-General to appoint a Director-General for Development and International Economic Cooperation. An important task assigned to the new Director-General was to ensure the provision of effective leadership to the various components of the UN system in the field of development and international economic cooperation in order to ensure a multi-disciplinary approach to the problems of development on a system-wide basis. Member States, however, did not provide the post with the kind of support structures that would lead to the establishment of a powerful new locus for policy coordination within the UN system. The Secretary-General abolished the function in 1992.

In the 1980s, funding for operational activities became increasingly earmarked for specific purposes, as donors attempted to exercise greater control over the direction and activities of the UN system. At the same time, and in the context of the Cold War, the UN system went through a major crisis of funding as some donors withheld contributions. This period also witnessed a growing sentiment questioning the ability of the UN system to deliver development support to programme countries in an efficient, effective and coherent manner.

Moreover, the system of execution by UN agencies came under further pressure in the late 1980s and early 1990s as programme countries opted for government and later national execution, instead of relying on the specialized agencies, as the preferred modality for delivering UN technical assistance. This was another major systemic change in the modus operandi of the UN development system at the time, in particular with regard to the role of the specialized agencies in delivering operational activities.

The centralized approach to funding was gradually abandoned in the early 1990s, culminating in yet another major systemic change in 1995, when UNDP transformed itself from a central fund to being primarily a substantive organization. Two years earlier, in 1993, the four major operational funds and programmes, including UNDP also went through a major change in governance when the size of the Executive Boards of these entities was reduced from 48 to 36 members and the WEOG group was granted 12 seats on each boards respectively (see discussion later).

The shift towards national execution of projects and programmes, instead of the previous modality of execution by the specialized agencies, also meant that those entities could rely much less on UNDP for funding for operational activities for development and became increasingly reliant on direct resources mobilization from donors.

This, coupled with gradual erosion in core funding for operational activities, led to significant growth in the share of extra-budgetary resources of overall contributions to specialized agencies from 1987 onwards. This agency-specific resources mobilization approach was a significant factor in accelerating fragmentation of the UN development system. The erosion in core contributions also weakened role of governing bodies in resource allocation of UN entities, as non-core funding is only indirectly reviewed and determined by such bodies.

c) [The system-wide coherence era: 1997 - present](#)

[Delivering-as-one, UN-Women and independent system-wide evaluation](#)

The latter half of the 1990s marked a step change in the approach pursued by Member States to promote enhanced coordination and coherence within the UN system. The institutional reform undertaken during the 1960s to 1970s had not resulted in marked improvement in coordination within the rapidly expanding UN development operations. The main reason was that these measures had not been complemented by initiatives to strengthen programmatic cooperation among UN entities.

Furthering programmatic cooperation and common approaches was therefore at the centre of the 1997 reorganization initiated by Secretary-General Kofi Annan, which, inter alia, led to the creation of the UN Development Group (UNDG), chaired by the Administrator of UNDP; the merging of three Secretariat departments into the new Department of Economic and Social Affairs (UNDESA); the creation of common UN houses at the country-level to facilitate enhanced cooperation and coherence; the introduction of the UN Development Assistance Framework (UNDAF)⁶⁰ and Common Country Assessment (CCA) as key instruments for joint programming and development analysis within the UN system; the creation of the post of Deputy-Secretary-General to help the Secretary-General in ensuring coherence and to support the incumbent in raising the profile and leadership of the UN in the economic and social fields; and the establishment of the joint meetings of the Executive Boards (JMBs) of the funds and programmes.

In addition, a series of major UN conferences and summits held during the 1990s and early part of the new century defined a set of objectives for the UN system and led to enhanced inter-agency cooperation in key areas. The decade of global conferences culminated in the Millennium Summit in 2000 and the adoption of the Millennium Declaration, which became the base for the Millennium Development Goals (MDGs).

However, as most donors reduced core funding to the UN development system in the new century, the MDGs became the main locus of non-core resource allocation for development cooperation at the global level. This led to exponential growth in non-core funding for operational activities and contributed to growing competition among entities for resources. This shift in the funding strategies of donor countries, often influenced by need for greater accountability to domestic constituencies, has been a key source of growing fragmentation of UN system.

Subsequent efforts to strengthen coordination within the UN system have largely been consistent with the general thrust of the 1997 reorganization. Since 2002, for example, there has been continued focus on improving field-level coordination of operational activities for development; further strengthening of both interagency cooperation through UNDG, whose membership was expanded to include virtually all UN organizations with a development mandate, including the abolishment of the UNDG Executive Committee, and of the resident coordinator system; greater emphasis on measuring field-level results; and the acceleration of the establishment of common UN houses in programme countries.

The “Delivering-as-One”, which started in eight pilot countries in 2007, has since become a flagship initiative of the system-wide coherence agenda, with approximately 40 countries now adopting this approach in some form. In addition, the GA, in resolution 64/289 (Jul. 2010) on system-wide coherence, decided to establish UN-Women, by merging four gender entities within the UN system and later in resolution 67/226 on the QCPR (2012), following extensive debate, decided to launch pilot independent system-wide evaluations of operational activities for development.

⁶⁰ When UNDAF was created, the idea was that this instrument would evolve into a common UN programme document.

Annex 3: Selected challenges in entity, system-wide and country-level governance

	Entity	System-wide	Country-level
Legitimacy	<p>Representation: there are concerns about equity in distribution of seats in some governing bodies (see Annex 4 and Table 5): Africa is under-represented; Asia-Pacific more significantly so; Latin America and Caribbean slightly under-represented; Eastern Europe maintains parity when compared against the group's share of overall UN membership. The Western European and Other States Group has some 27 per cent share of seats on governing bodies with limited membership in UN Development entities that engage in operational activities compared to 15 per cent of overall UN membership. Even in policy-making bodies such as ECOSOC, Statistical Commission and Commission on Narcotic Drugs, the share of WEOG is 24, 29 and 26 per cent respectively. In three of the Executive Boards of the Fs/Ps, the share of WEOG is 33 per cent, but 15 per cent in the governing body of UNCTAD and 17.5 per cent in the Commission on Crime Prevention and Criminal Justice, one of two governing bodies of UNODC. The share of WEOG in the governing bodies of UNWTO, WHO and UNESCO is 13, 15 and 15.5 per cent respectively, compared to 53 per cent in IFAD</p> <p>Participation: from capitals regular in most governing bodies</p> <p>Transparency: quality of information on operational activities for governance review is improving</p> <p>Accountability: of entities for implementation of agency-specific mandates is generally high. However, accountability is made more difficult by factors such as varying size and meeting frequency of governing bodies (see Annex 4 and 5). Some governing bodies, for example, meet only every two years (UNEP, UN-Habitat), while others report to policy-making bodies such as GA (OCHA, DESA, UNRWA) or ECOSOC (regional commissions)</p>	<p>Representation: large size of central bodies can make substantive review difficult. Member States often seek representation in ECOSOC in order to be eligible to elect members in other governing bodies with limited membership</p> <p>Participation: seldom by officials from capitals of Member States responsible for operational activities</p> <p>Transparency: quality of system-wide statistics, analysis and reporting to ECOSOC and GA has improved but varies considerably</p> <p>Accountability: as shown in Annex 6 and 7, the implementation of QCPR mandates of GA remains a formidable challenge in governance operational activities. The Executive Boards of major funds and programmes are the only governing bodies that engage in formal discussions on QCPR implementation despite explicit mandates in T/QCPR resolutions that all UN entities should take appropriate action for full implementation of the legislation including yearly progress reports (see OP183 in GA resolution 67/226)</p>	<p>Representation: an UNDAF Steering Committee composed of government and UN representatives generally oversees the implementation of the country programme</p> <p>Participation: line ministries generally participate in development of programme frameworks such as the UNDAF including relevant performance reviews.</p> <p>Transparency: through common budgetary frameworks, annual reports of the UN Resident Coordinator and other relevant documentation, national stakeholders and governing bodies are provided with information on the totality of programme activities at the country level</p> <p>Accountability: the UN country team is accountable to programme country government, including relevant line ministries for the implementation of programme activities. Periodic evaluations of country programmes also enhance accountability of entities to programme country government as well as the respective governing body</p>
Capacity	Capacity of governing bodies to provide regular, detailed guidance on UN-OAD varies significantly across entities. The size and meeting frequency of governing bodies also affects their ability to engage in	GA resolution 48/162 states that the "Boards of the funds and programmes) are subject to the authority of the	Government focal points in capitals for operational activities are generally very knowledgeable about the work of the

	Entity	System-wide	Country-level
	substantive discussions on operational activities	<p>Council". Despite such legislative mandates, the coordination role of ECOSOC of the funds and programmes has been limited, if any, and non-existent of the work of the specialized agencies. Moreover, as pointed out by Ocampo (2013), it is even debatable whether ECOSOC coordinates its own subsidiary bodies</p> <p>The resident coordinator system, UNDG including regional and country teams, delivering-as-one, principles and guidelines for the UNDAF and issues relating to the simplification and harmonization of business practices, are not subject to guidance and coordination by central governing bodies</p>	Organization at the country level
Cost-effectiveness	<p>An estimate of the annual cost of governance of the Executive Boards of UNDP/UNFPA/UNOPS, UNICEF, WFP and UN-Women ranges between \$30 and 35 million (see later). A daily cost of interpretation in four languages only and other conference-related services for a formal session of an Executive Board, is estimated by one entity at some \$120.000⁶¹</p> <p>The four Executive Boards of the funds and programmes meet for a total of 50 days in three formal sessions each every year. The Commission on the Status of Women, which provides normative guidance to the work of UN-Women, meets for another 10 working days annually, bringing the total to 60 days. In addition, the Executive Boards meet extensively in informal settings throughout the year. It is estimated that the four Executive Boards meet between 90 and 100 days per year in such informal sessions.⁶²</p>	Considering the limited influence of central governing bodies on policy development on operational activities, the cost of system-wide governance most likely exceed the benefits	The cost of governance at the country level is fairly limited

61 World Food Programme, 2013, Report on work of Executive Board (see website).

62 The EBs of UNDP/UNFPA/UNOPS and WFP, for example, met for some 50 and 22 days in informal sessions in 2013 respectively (Source: EB secretariats).

Annex 4: Composition of governing bodies of entities engaged in operational activities by regional grouping

Entity	Governing body & size	African Group	Asia-Pacific Group	Eastern European Group	Latin American and Caribbean Group	Western European and Other States Group
Funds and programmes						
UNDP UNFPA UNOPS	Executive Board (36)	8	7	4	5	12
UNICEF	Executive Board (36)	8	7	4	5	12
WFP	Executive Board (36)	8	7	4	5	12
UN-Women	Executive Board (41) (35 seats for Member States; 6 for contributing countries)	10	10	4	6	5
	Commission on Status of Women (45)	13	1	4	1	4
UNHCR	Executive Committee (93 Member States and the Holy See) Standing Committee (10)	28	15	17	10	23
UNAIDS	Programme Coordination Board (38) (22 Member States; 11 UNAIDS Co-sponsors; 5 NGOs)	5	5	2	3	7
UNCTAD (Incl. ITC)	Trade and Development Board (194, universal membership) 3 Commissions 1 Working Party	54	53	23	33	29
UNEP	UN Environmental Assembly (universal membership)	54	53	23	33	29
UN-Habitat	Governing Council (58)	16	13	6	10	13
UNODC	Commission on Narcotic Drugs (53)	11	11	6	10	14
	Commission on Crime Prevention and Criminal Justice (40)	12	9	4	8	7

Entity	Governing body & size	African Group	Asia-Pacific Group	Eastern European Group	Latin American and Caribbean Group	Western European and Other States Group
UNRWA	General Assembly (192) Advisory Committee (25)	54	53	23	33	29
Average share in % ⁶³		24.6	21.2	11.8	15.0	27.5
Specialized agencies						
FAO	Council (49)	13	14	3	9	10
IAEA	Board of Governors (35)	6	8	4	6	11
ICAO	Council (36) ⁶⁴	8	8	2	8	10
ILO	Governing Body (56) (28 Member States; 14 employers; 14 workers)	7	5	3	6	7
IMO	Council (40)	5	10	1	8	16
ITU	Council (46)	13	11	5	6	11
UNESCO ⁶⁵	Executive Board (58)	18	14	7	10	9
UNIDO	Programme and Budget Committee (27)	6	6	3	4	8
UPU	Council of Administration (41)	12	12	3	6	8
WIPO	Coordination Committee (83)	19	19	8	15	22
WHO	Executive Board (34)	9	10	5	5	5
WMO	Executive Council (37)	8	9	2	7	11
UNWTO	Executive Council (37)	10	7	5	5	4
Average share in %		24.4	24.3	9.5	17.4	24.4

63 The averages only take into account governing bodies with limited membership. For entities with more than one governing body, only the principle body has been taken into account. Shares are calculated relative to the seats of other regional groups, not to non-state members.

64 The composition of the ICAO Governing Council is criteria-based: (a) states of chief importance to air transportation (11); states that make the largest contribution to the provision of international civil air navigation (12); states ensuring geographic representation (13).

65 The current UNESCO Executive Board includes 6 Arab States as one of its regional groupings. Those six countries have been distributed in accordance with GA groupings.

Entity	Governing body & size	African Group	Asia-Pacific Group	Eastern European Group	Latin American and Caribbean Group	Western European and Other States Group
Regional commissions						
ECA	ECOSOC	14	11	6	10	13
ECE						
ECLAC						
ESCAP						
ESCWA						
Secretariat departments						
OCHA	General Assembly (192)	54	53	23	33	29
DESA						
Other entities						
IFAD	Executive Board (36) (Elected 18; alternate 18)	8	4	7	5	19
OHCHR	Human Rights Council (47)	13	13	6	8	7
Average share in %		23.1	18.5	14.5	14.3	29.5
Total Average Share across all entities in %		24.1	21.3	11.9	15.6	27.2

Annex 5: Entities reporting to GA/ECOSOC and engaged in operational activities in 2012

Entity	UN-OAD (2012)	Governing body	#Members	Annual meeting frequency
Funds and programmes				
UNDP (incl. UNCDF, UNV)		UNDP/UNFPA/UNOPS Executive Board	36	3 sessions per year, 20 days
UNFPA				
UN-Women		Executive Board	41	EB – 3 sessions per year, 8 days
		Commission on Status of Women	45	CSW – 10 days
UNICEF		Executive Board	36	3 sessions per year, 12 days
WFP		Executive Board	36	4 sessions per year, 11 days
UNHCR		General Assembly	192	Ex-Com, annual session, 5 days Standing Committee, 3 sessions per year, 9 days
		ECOSOC	54	
		Executive Committee - Standing Committee	87	
UNAIDS		Programme Coordination Board	22 Member States 11 UNAIDS Co-sponsors 5 NGOs	PCB, 3 sessions per year, 6 days
UNCTAD (incl. ITC)		Trade and Development Board 3 Commissions 1 Working Party	194	TCB, one session per year, 10 days WP, 3 sessions per year, 9 days TDC, one session, 5 days IEDC, one session, 5 days STD (ECOSOC), one session, 5 days
UNEP		United Nations Environmental Assembly Committee of Permanent Representatives	All Member States	UNEA, biennial session, 5 days
UN-Habitat		General Assembly	192	Governing Council, biennial session, 5 days
		ECOSOC	54	
		Governing Council Committee of Permanent Representatives	58	
UNODC		Commission on Narcotic Drugs - Normative Segment - Operational Segment (UNODC Governing Body)	53	CND, one annual session, 5 days
		Commission on Crime Prevention and Criminal	40	CCPCJ, one annual session, 5

Entity	UN-OAD (2012)	Governing body	#Members	Annual meeting frequency
		Justice (UNODC Governing body, approves budget of UNCPCJ Fund)		days
UNRWA		General Assembly Advisory Committee AC – Sub-committee	192 25	GA Fourth Committee Advisory Committee, two sessions per year AC-Sub-committee meets more regularly
Regional commissions				
ECA		ECOSOC	54	ECOSOC holds annual half-day dialogue with Executive Secretaries of regional commissions at the start of Council's substantive session
ECE		ECOSOC	54	
ECLAC		ECOSOC	54	
ESCAP		ECOSOC	54	
ESCWA		ECOSOC	54	
Secretariat departments				
OCHA		General Assembly	192	GA committees review programme of work and budget
DESA		General Assembly	192	

Annex 6: Mainstreaming of QCPR in work of governing bodies of Fs/Ps reporting to GA or ECOSOC⁶⁶

Entity	Agenda & documentation	Agency-specific reporting against QCPR indicators	Decision-making	Periodic evaluation
Funds and Programmes				
UNDP/UNFPA/UNOPS	<p>Operationalization of QCPR decisions was on agenda of Joint Meeting of EBs (JMBs) in February 2013</p> <p>Common paper prepared by UNDP, UNFPA, UNOPS, UNICEF, UN-Women and WFP was submitted by above entities to JMBs</p> <p>New York office of WFP prepared update on progress in QCPR implementation to February 2014 session of EB. Under discussions to establish WG of EB on QCPR</p> <p>Each EB submitted report on progress in TCPR implementation to ECOSOC as per GA resolution 62/208</p> <p>As per above report to ECOSOC, UNICEF did develop TCPR Action Plan</p> <p>Annual reports of Executive Heads of respective entities on progress in realization of strategic plans did not contain specific sections on QCPR implementation</p>	<p>Fs/Ps developed a limited set of common indicators to assess progress in QCPR implementaiton</p>	<p>Each EB adopted decision forwarding respective report on TCPR implementation to ECOSOC</p>	<p>No evidence</p>
UNICEF				
UN-Women				
WFP				

⁶⁶ The year 2013 was used to examine the extent of QCPR mainstreaming by Fs/Ps engaged in UN-OAD and reporting to GA and ECOSOC.

Entity	Agenda & documentation	Agency-specific reporting against QCPR indicators	Decision-making	Periodic evaluation
UNHCR	Little evidence	Little evidence	Little evidence	
UNAIDS				
UNEP ⁶⁷				
UN-Habitat				
UNODC				
UNCTAD				
UNRWA				
Regional commissions				
ECA	Little evidence	Little evidence	Little evidence	No evidence
ECE				
ECLAC				
ESCAP				
ESCWA				
Secretariat departments				
OCHA	Little evidence	Little evidence	Little evidence	No evidence
DESA				

⁶⁷ UNEP did not hold its biennial Governing Council session in 2013. Instead a new governing body, the UN Environmental Assembly, will convene its first biennial meeting in 2014.

Annex 7: Mainstreaming of QCPR in work of governing bodies of specialized agencies

Entity	Agenda & documentation	Agency-specific reporting against QCPR indicators	Decision-making	Periodic evaluation
Specialized agencies				
FAO	Little evidence	Little evidence	Little evidence	Little evidence
IAEA				
ICAO				
ILO				
IMO				
ITU				
UNESCO				
UNIDO				
UPU				
WIPO				
WHO	Secretariat provided a report to May 2013 World Health Assembly session on collaboration within UN system and with other intergovernmental organizations which highlighted some key elements of GA resolution 67/226 on QCPR	Little evidence	Little evidence	Little evidence
WMO	Little evidence			
UNWTO				

[Draft October 2014]

The 2030 agenda for Sustainable Development

Evaluating the state of governance of United Nations Development

Kristinn Sv. Helgason

Abstract

The 2030 Agenda for Sustainable Development, in particular, the new sustainable development goals, will constitute a different mission for United Nations Development than the current one driven by the Millennium Development Goals. Unlike the MDG agenda, the SDGs aim to integrate the economic, social and environmental pillars of sustainable development, while emphasizing global challenges to a greater extent. The growing interconnection between local and global development challenges will be a key feature of the SDGs.

This article argues that the current governance arrangements of UN Development impose a significant constraint on the Organization's ability to meet the integration requirements of the SDGs. It proposes three policy options to address the governance demands of the 2030 Agenda.

In making governance of UN Development "fit-for-purpose", Member States would fundamentally recharge multilateral cooperation, whose appeal is withering, despite the reality of growing interconnectedness, complexity and uncertainty in today's globalizing world.

1. Introduction

The 2030 Agenda for Sustainable Development, which was adopted by the United Nations General Assembly on 26 September 2015, represents a remarkable transformation in the evolution of international cooperation for development in the 70 years since the Organization was established in the aftermath of World War II. The 2030 Agenda recognizes that in a rapidly interconnected world development goals and threats are increasingly a shared responsibility of Member States and need to be addressed through international cooperation.

The 2030 Agenda, composed, in particular, of sustainable development goals and targets, will place greater emphasis on global development challenges and the interconnection between country and global action than has been the case in the era of the Millennium Development Goals. Significant interlinkages and mutual dependency also characterize the SDGs and targets. This means that impact and cost-effectiveness of development action can be enhanced if activities are delivered in combination rather than one at a time.

The needs of the 2030 Agenda for greater horizontal cooperation across sectors and actors in programme delivery will pose a special challenge for United Nations Development – the 34 funds, programmes and specialized agencies which role it is to promote development cooperation among Member States. This is mainly due to vertically oriented governance, accountability and operational lines of UN entities that continue to remain strongly influenced by a development cooperation vision that was fundamentally different as discussed later.

The purpose of this article is to examine the implications of the new 2030 Agenda and other development challenges and threats emanating from accelerating globalization and interconnectedness of countries for governance of UN Development, particularly the capacity to

coordinate the work of the various entities. It first briefly examines how these functions have evolved over the past 70 years during a time of major growth in operational activities of the Organization. The article then discusses how the development needs and priorities of Member States are changing and why this necessitates further strengthening of the governance capacity of UN Development. The review concludes by recommending three governance options for consideration of Member States.

2. UN Development and the challenge of coordination

A functional approach applied to original design of the Organization

A recurrent theme in deliberations of Member States on UN Development over the past 70 years has been how to make the individual parts of the Organization work together more effectively, without weakening the independence of individual entities, including their governing bodies. This quest for improved coordination has become even more critical over time as the volume of operational activities of the UN system has grown in the work of the Organization.

In 1945, in the aftermath of World War II, it was envisioned that development cooperation among Member States would best take place in well-defined and specific thematic or sector areas. This thinking influenced the original design of the UN system, which came to be organized around functional rather than federal lines as a decentralized system of independent specialized agencies, each with its own governance structure, fully accountable for the activities of the respective organization. It was not foreseen at the outset that horizontal collaboration among entities would become an essential aspect of the work of the UN system in addressing development challenges which meant that the coordination function was not accorded high priority at the creation.

This emphasis on the specialized character of the individual entities was not changed in 1948 when the General Assembly, in resolution 200 (III), “authorized technical assistance to be carried out by the Secretary-General of the UN, in addition to the programme already undertaken by the Specialized Agencies.” In response, two system-wide initiatives, the Expanded Programme for Technical Assistance and the Special Fund were established in 1949 and 1958 respectively, both financed through annually pledged voluntary contributions and each with its own governing body. A special inter-agency body was also created to facilitate cooperation among the different entities, but not given coordination authority.

Rapid expansion of operational activities, coordination deficit, creation of UNDP

During the Cold War era, the UN system was considered a neutral platform for providing technical assistance to the newly independent states at a time of growing geopolitical tension and superpower rivalry. This led to the creation of many new entities during the 1960s, which added further complexity to coordination of the UN system. By end of the 1960s, a wide range of UN bodies such as specialized agencies, regional commissions and other Secretariat entities were engaged in development cooperation in developing countries.

This rapid expansion of engagement in operational work led to calls for the creation of a new structure of system-wide nature that could promote greater synergy and coordination among entities, particularly in operations and funding. In response to these demands, the General Assembly, in 1965, established the United Nations Development Programme, a new body charged with coordinating the funding of technical assistance provided by the UN system. Development projects, according to the new arrangement, were generally executed by a UN entity, other than UNDP. The normative and specialized entities of the UN system therefore looked to UNDP to fund projects that allowed them to implement programme priorities established by the respective governing body.

By 1969, however, the complexity of the UN system had reached such a level that the landmark Jackson Report, initiated by the Administrator of UNDP, lamented the excessive fragmentation of the work of the Organization and called for concerted efforts to enhance coherence across entities, particularly in programming. Member States at that time, however, were not willing to empower inter-agency mechanisms or central governing bodies like the General Assembly or ECOSOC to address these weaknesses in programme coordination. The central coordination and funding role of UNDP was finally abandoned in the mid-1990s when the organization redefined itself as a substantive entity. This meant that the specialized agencies could no longer rely on UNDP for funding and had to begin their own resource mobilization from donors.

Growing demand for system-wide coherence: [UNDG, Delivering-as-one, UN-Women](#)

The latter half of the 1990s marked a step change in the approach pursued by Member States to promote enhanced coordination within UN Development. The institutional reform undertaken during the 1960s to 1970s, including the establishment of UNDP had not resulted in marked improvement in synergy within the rapidly expanding UN Development. The main reason was that these measures had not been complemented by inter-agency initiatives to strengthen programmatic cooperation among UN entities, which became the centrepiece of the 1997 Programme of Reform of Secretary-General Kofi Annan.

The new reform programme included a number of measures to strengthen programmatic cooperation such as the establishment of the United Nations Development Group, including an Executive Committee, chaired by the Administrator of UNDP; the creation of common UN houses at the country-level to facilitate enhanced cooperation and coherence; the introduction of the UN Development Assistance Framework and Common Country Assessment as key instruments for joint programming and development analysis within the UN system; the creation of the post of Deputy-Secretary-General to strengthen coordination of the development pillar; and launch of joint meetings of the Executive Boards of the funds and programmes.

Coordination in the UN system, however, continued to remain primarily the domain of inter-agency bodies, which operated on the basis of consensus and were not formally accountable to governing bodies. Subsequent changes in the coordination function have largely been consistent with the general thrust of the 1997 reorganization, i.e. without altering the voluntary,

consensus-based nature of this arrangement. Since 2002, for example, there has been emphasis on improving field-level coordination instruments of UN operational activities; the membership of UNDG was expanded to include virtually all UN organizations with a development mandate, while its Executive Committee, established in 1997, was abolished; and significant increase in agency participation in the regulation of the resident coordinator system and other coordination processes at different levels.

The “delivering-as-one”, which started in eight pilot countries in 2007 in response to a recommendation of a High-level Panel of the Secretary-General on System-wide Coherence, has since become the preferred cooperation modality in some 50 programme countries. In 2010, the General Assembly established UN-Women, by merging four UN gender entities. This was the first time that Member States opted for a strategy of organizational consolidation to improve coordination and impact in the work of UN Development entities. More recently, the “delivering-as-one” initiative has resulted in the development of ‘standard operating procedures’ for use by UN Development entities in the participating countries.

UN Development now a major actor in global development cooperation.....

At the end of the MDG era UN Development has become a major actor in global development cooperation. Of the \$26 billion spent on UN operational activities in 2013, 63 per cent was for longer-term development-related activities while 37 per cent was focused on humanitarian assistance.

The share of operational activities of all UN-wide activities (\$42.6 billion) in 2013 was 63 per cent, with peacekeeping operations accounting for 18 per cent and global norm and standard-setting, policy and advocacy functions for another 19 per cent.

Some 88 per cent of total funding for UN operational activities in 2013 was received by 10 entities, with three organizations: the World Food Programme, the United Nations Development Programme and the United Nations Children’s Fund, accounting for over half of all contributions.

UN Development is a particularly important actor in global humanitarian assistance. Total humanitarian spending in 2013, as reported by the Development Assistance Committee of the Organization for Economic Cooperation and Development, was some \$22 billion out of the \$135 billion official development assistance, with the share of UN Development (\$9.8 billion) therefore about 45 per cent.

UN Development is also a significant actor in multilateral development cooperation, accounting in 2013 for some 29 per cent¹ of direct multilateral official development assistance and 19 per cent of total ODA from OECD/DAC countries when both core and non-core funding is counted.² For a long time, UN Development has been the largest multilateral partner of DAC countries. UN Development accounted for 13.5 per cent of the estimated total development cooperation flows in 2013, as reported by the United Nations Department of Economic and Social Affairs.³

Both funding for UN operational activities and global ODA reached their highest volumes ever in 2013, yet these totals represent only a small share of overall global resources flows to developing countries. Recent estimates have international resource flows to developing countries in 2012 reaching close to \$2 trillion.⁴ The largest of these flows are foreign direct investments, which total roughly \$500 billion per year. Migrant remittances are another major flow reaching close to \$400 billion in 2012. Total international resource flows to developing countries have doubled in volume since the adoption of the Millennium Declaration in the year 2000, growing annually by 5.8 per cent on average in real terms. ODA and funding for UN operational activities, accordingly, has fallen as a share of total international resource flows to developing countries, comprising about 7 and 1.3 per cent, respectively, in 2013.

.....but the development context is changing

As shown above, Member States in the past 70 years have not been willing to change the basic tenets of the original, functional design of UN Development, including its vertically oriented governance, accountability and operational lines, where coordination is delegated de facto to inter-agency bodies that operate on the basis of consensus and without formal reporting to governing bodies.

This article argues that the requirements of the 2030 Agenda and other development challenges and threats emanating from accelerating globalization and interconnectedness of countries, for greater horizontal cooperation across sectors and entities, will make voluntary and consensus-based coordination in UN Development no longer a viable organizational model in the delivery of increasingly complex and interconnected operational activities.

3. How are development needs and priorities changing?

Since the adoption of the Millennium Declaration in 2000 and the MDGs shortly thereafter, the capacity of many programme countries as well as the nature of development challenges have evolved significantly. The development needs of countries have also become more diversified, including with emerging and middle-income countries gaining significant domestic resources and capacities. While the core challenge of alleviating poverty remains at the heart of development cooperation, other critical challenges, including those resulting from the process of globalization, increasing interdependence of countries, climate change and urbanization, have grown in importance at the outset of the post-2015 era.

The new sustainable development goals and targets adopted by the General Assembly illustrate well the growing interdependence of country and global development action. The proposed Goal 1 *End poverty in all forms everywhere*, for example, establishes the income level of \$1.25 per day as a basic need, or minimum standard, for everyone, which should be accomplished by all countries by 2030, including through domestic public goods enablers (i.e. social protection systems, target 1.3) as well as global action to enhance the resilience of the poor and those in vulnerable situations and reduce their vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters (target 1.5).

There are also significant inter-linkages and mutual dependency among the new SDGs and targets. Four of the goals, namely those relating to sustainable consumption and production patterns; reduction in inequality within and among countries; ending poverty in all its forms everywhere; and the promotion of sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all, for example, are linked to 14, 12, 10 and 10 of the 16 other SDGs, respectively (le Blanc, 2015).

Greater emphasis on global development challenges also means that the development prospects of countries are increasingly interconnected. Developed countries can no longer achieve sustainable development without commensurate progress in developing countries and vice versa. While continued strong provision of assistance for basic needs in the least-developed countries is central to the 2030 Agenda, those countries will also need simultaneous support to allow them to benefit from globalization (e.g. reduction in agricultural subsidies in developed countries), as well as enabling them to deal with collective action problems (e.g. adaptation to climate change, pandemics, conflicts, refugees, natural disasters, cyber threats, global economic shocks etc.), while also improving their access to global public goods that enhance their development process (e.g. reduction in the digital divide).

Middle-income countries also face many complex development challenges in the post-2015 era. The MICs are generally not aid-dependent and are likely to seek international support to be better able to adapt to global challenges, including addressing inequality in all its forms, and to benefit from economic and other globalization processes, particularly with regard to policy coherence, capacity- and institution-building and leveraging of private finance. The MICs may particularly require international support in the post-2015 era to improve the supply of domestic public goods as enablers for the preservation of global public goods, e.g. legislative and regulatory improvements and strengthening of national institutions and systems in different areas. Another priority could include increased international support to strengthen country-level supply of certain global public goods, e.g. for the adaptation to climate change and the protection of biological diversity.

Addressing collective development challenges in the post-2015 era will require countries to agree on the provision of important global public goods, e.g. mitigation of climate change and protection of biological diversity, including the preservation of those goods through country-specific action such as environmental legislation and/or strengthening of national institutions. In many developing countries, these domestic public goods enablers will need to be financed through development cooperation.

In sum, the pursuit of sustainable development has become the responsibility of all countries, both individually and collectively through enhanced international cooperation. Development cooperation is likely to become a key instrument of Member States in furthering this policy objective due to its ability to integrate the economic, social and environmental dimensions in programme activities. Another important implication of the sustainable development paradigm for UN Development will be the need to deepen programmatic cooperation across entities.

4. What are the governance requirements of the 2030 Agenda?

The governance system of UN Development has changed remarkably little since the establishment of the Organization in 1945 as discussed earlier. It continues to reflect the specialized and decentralized design of the Organization and Member States have been reluctant to alter this system in any significant way. The system is two-tiered consisting of the General Assembly and the Economic and Social Council at the central level and the Executive Boards of the operational funds and programmes and the governing bodies of the specialized agencies at the entity level. Governance also takes place at the country level where programme country governments and UN Development entities establish priorities and assess progress in the implementation of activities.

The last major governance reform of UN Development took place in 1993, or 22 years ago, when Member States decided to establish the Executive Boards of the funds and programmes (UNDP/UNFPA, UNICEF, WFP). This included a decision to allocate 12 seats out of 36 on the three Executive Boards to Western European and Other States, largely on the basis of the Group's high share of voluntary contributions, particularly core funding, to the respective entities. A year later, or in 1994, ECOSOC established the Programme Coordination Board of UNAIDS by using a constituency-based approach. Another innovation took place in 2010 with the establishment of the Executive Board of UN-Women, which included a category of 'contributing countries', recognizing those Member States that provide significant amount of core resources to an entity that relies almost exclusively on voluntary funding for its activities.

The experience of the past 70 years shows that changes in the distribution of political power in governing bodies of UN entities are always strongly influenced by shifts in the geopolitical balance in the broader environment of the Organization. The decision to establish the Executive Boards of the funds and programmes, as well as the one to create a constituency-based Programme Coordination Board of UNAIDS, for example, reflected the geopolitical landscape that emerged at the end of the Cold War where OECD/DAC members became highly influential in global governance due to significant financial and economic strength. By the time of the establishment of UN-Women in 2010, however, the geopolitical balance had changed again and Member States decided to establish transparent criteria to recognize those countries that contribute significant amount of core resources to the Organization. Today, the geopolitical balance is again undergoing significant shifts with the emergence of a number of economically strong developing countries.

The question is whether the current governance system of UN Development is equipped to meet the new requirements of the 2030 Agenda and other changes in the broader geopolitical context. Any balanced assessment of the capacity of the governance system of UN Development will need to examine three types of legitimacy: firstly, inclusion (input), secondly, deliberation (throughput) and, thirdly, effectiveness (output). The first two sources of legitimacy deal with the quality of political governance of UN Development, while the third one focuses on how intergovernmental decision-making contributes to organizational effectiveness, or operational governance. Political and operational governance are closely interconnected and mutually reinforcing in contributing to effective delivery of the Organization's mission.

A. Enhancing equity, participation and accountability in governance

Political governance of UN Development is facing several challenges which will impinge on the Organization's ability to effectively contribute to the implementation of the 2030 Agenda. Four challenges are particularly highlighted below that negatively impact political legitimacy of governing bodies:

Firstly, there are important variations in the representation of the five regional groupings in governing bodies of UN Development entities with limited membership when compared to the share of each Group of all Member States of the Organization. The share of Western European and Other States, for example, is 15 per cent of all Member States of the Organization, but 26 per cent of the composition of governing bodies of UN Development entities with limited membership.⁵

Secondly, the high rate of growth in non-core funding in the past two decades has contributed to power asymmetry between developed and developing countries in governance of many UN Development entities as the guidance and oversight role of governing bodies of such funding is indirect at best.⁶ The donors themselves primarily determine the substantive focus and destination of non-core funded activities, not governing bodies.

Thirdly, central governing bodies have limited ability to guide and hold individual entities accountable for the implementation of system-wide mandates established by themselves. This undermines the legitimacy of central governing bodies.

Fourthly, the legitimacy of agency-specific governing bodies is being affected by significant variation in their size and meeting frequency. Some governing bodies meet only every two years, while others report to policy-making bodies, not designed to provide guidance to operational activities. Only the Executive Boards of the funds and programmes were specifically designed to provide guidance of operational activities.⁷ Governing bodies of UN entities also operate in almost total isolation from each other. Decisions and policies of entities in one area are generally not known to, or seen as important, by those operating in another.

B. Strengthening programme and operational coherence

Operational activities across entities share many identical institutional characteristics. This suggests there would be significant financial and other benefits for UN Development if full interoperability across entities in both programming and operations, could be achieved. The establishment of a common rule book in the delivery of voluntarily-funded operational activities, for example, could enable UN Development entities to harness opportunities for synergy through joint programming and work planning, common services and system-wide reporting and evaluation.⁸ Common reporting and evaluation standards would also make it possible to aggregate and evaluate system-wide results of UN Development at the country level. For more than 30 years, the General Assembly, through the quadrennial comprehensive policy review of operational activities of the UN system, has attempted to foster greater coherence of such common institutional processes, but with limited results. This can partly be explained by the weak role of central governing bodies in the overall governance system. For example,

agency-specific governing bodies seldom formally adopt system-wide mandates such as those established through the QCPR process. The implementation of system-wide mandates is also not subject to formal governing body review and monitoring at the level of entities. This limited attention by agency governing bodies to system-wide mandates makes harmonization of common institutional processes difficult to achieve which limits the ability of UN Development to integrate inputs and pursue synergy across entities.

Member States have instead left the regulation of key coordination instruments like the UN resident coordinator system, the United Nations Development Assistance Framework and business practices to voluntary, consensus-based agreements established through inter-agency bodies with no direct accountability to governing bodies. The result has often been regulation based on the lowest common denominator rather than what is best for UN Development as a whole.

A small group of knowledgeable UN observers contacted for the preparation of this article estimated that achieving full interoperability in programming and operations across entities could generate synergy amounting to at least somewhere between 10 and 20 per cent of total expenditures. Maintaining agency-specific rules, regulations, policies, procedures and systems in areas such as programming, operations, results-based management, reporting and evaluation, which are common to all entities, raises the overall cost of UN Development, risks duplication of activities, and reduces opportunities for synergy.

For example, some 20 entities engage in water and energy-related activities that often compete for the same funding. A large number of entities have also established gender and HIV/AIDS programmes and units, which, in some instances, are not driven by a common collaborative strategy and vision. Heavy reliance on extra-budgetary funding for operational activities has also meant that UN entities have financial incentive to continuously broaden their mandates, which over time has contributed to overlap and duplication of activities.

Besides the above indicative figure, the 2006 High-level Panel of the Secretary-General on System-wide Coherence estimated that such savings could amount to some 20 per cent of expenditures on operational activities based on findings of background studies and consultations with experts. The annual cost savings from full interoperability across UN entities and reduction in duplicative activities could therefore potentially be in the order of magnitude between \$2.4 and \$4.8 billion per year.

Limited coordination and lack of harmonization of business practices across entities also increases transaction costs for programme country governments, which need to comply with complex agency-specific rules, regulations, policies, procedures and systems, in the implementation of operational activities. In several surveys conducted by DESA in preparation for the quadrennial comprehensive policy review of the General Assembly of operational activities of the UN system, governments have stressed the need for harmonization of such common institutional processes. There is also the larger question of why voluntarily-funded operational activities should be programmed, regulated and administered differently by different UN entities?

C. Balancing pluralism and coordination in delivery of operational activities

Recent years has seen growing interest in reducing the fragmentation of aid at the country level. An important objective of this effort is to enhance cost-effectiveness and coherence in aid delivery and reduce administrative burden on programme country partners. Analysis conducted by UNDESA shows that fragmentation of UN operational activities is significant. For example, in 2013, UN Development accounted for less than 20 per cent of total official development assistance in 88 programme countries, or 64 per cent of the total; and development-related activities of the Organization accounted for less than 20 per cent of country programmable aid, as measured by the OECD/DAC, in 106 programme countries, or 76 per cent of the total. This shows that in more than three-fourth of programme countries, UN Development is not a major actor in development cooperation from a funding perspective. Also, the annual volume of UN operational activities is less than \$20 million in more than 40 programme countries.

There is significant literature (e.g. Acharya et al, 2006) on the advantages and disadvantages of pluralism versus coordination in the delivery of development cooperation in developing countries. Those that advocate for pluralism and competition in development cooperation particularly point out advantages such as increased innovation, stimulus to improved performance and robustness of system if one component fails. Others argue that pluralism often involves high indirect and direct transaction costs and the likelihood of duplication of activities.

The main conclusion from literature review is that the disadvantages of pluralism and competition in development cooperation outweigh the benefits. The key issue in the implementation of the new 2030 Agenda for Sustainable Development is therefore to find the optimal balance between *pluralism* and *coordination* in the delivery of development cooperation at the country level, which also applies to UN Development.

D. Modernizing governance principles and capacities

The contours of the 2030 Agenda as well as other development challenges and threats emanating from accelerating globalization and interconnectedness of countries make it important for Member States to discuss what changes are required in the governance capacity of UN Development if the new mission is to be effectively realized.

This article argues that UN Development will require governance capacity in the post-2015 era that is more effective in fostering policy cooperation among entities and governing bodies than has been the case in the past. This constitutes a considerable departure from the original thinking underpinning the functional and specialized design of the Organization towards a more interconnected and coordinated governance model that aims to harness the strengths of the specialized expertise of each entity while simultaneously shifting towards greater emphasis on pursuing programmatic and operational coherence among them. This will require Member States to recognize the need for effective coordination of UN Development by central governing bodies.

According to Kaul (2013), a 2030 Agenda with significant focus on global development challenges will require innovations in the application of the principles of sovereignty and global

responsibility in governance, or what she refers to as '*responsible sovereignty*'. This principle recognizes that policy cooperation among countries is the best way to achieve the national interests in the global public domain. It also requires governments and states to be fully respectful of the sovereignty of other nations so as to fulfill agreed policy outcomes. 'Responsible sovereignty' is necessary for the efficient delivery of global public goods that are relevant for the management of interdependence and the achievement of global sustainable development (Kaul 2013).

Some sixty years ago, Dag Hammarskjöld, the second Secretary-General of the United Nations echoed a similar sentiment when he said in a statement to the General Assembly that "The United Nations is an expression of our will to find a synthesis between the nation and the world, [...] to serve the world by serving our nation, and to serve our nation by serving the world". This prognosis is even more relevant today than it was sixty years ago.

The realization of the 2030 Agenda, the new mission of UN Development, will therefore require the development of new governance capacities, which in turn must be authorized by Member States at the intergovernmental level. The development of such capacities will require significant dialogue among Member States on what constitutes legitimacy in governance. Of particular importance in this regard will be revisiting the issue of legitimacy of representation and agreeing on the governance capacities that will be needed if UN Development is to effectively contribute to the implementation of the 2030 Agenda.

Strengthening of policy cooperation among Member States and governing bodies at the intergovernmental level, in accordance with the '*responsible sovereignty*' concept, this article argues, will require a governance system that has high degree of legitimacy of representation based on equitable criteria. Representation is critical for effective governance in at least two respects: firstly, the composition of governing bodies needs to be equitable, accountable and transparent in order to give legitimacy to policy decisions adopted at the intergovernmental level, and, secondly, participation has to be such as to ensure their effective functioning.

The principle of *equitable geographical distribution* has for a long time been the principal criteria for selecting members of most governing bodies of UN Development entities. UN operational activities, however, are not of equal importance to all Member States, which suggests that the adoption of more refined criteria for selecting members of governing bodies (e.g. by income groupings, expenditure level, contributions etc.) could enhance the legitimacy of representation, which would be critical for enhanced policy cooperation in governance.

For example, some 90 per cent of country-level activities of UN Development entities take place in two regions: Africa and Asia and the Pacific. Moreover, three OECD/DAC countries contribute some 41 per cent of total funding by governments to UN Development. A case can be made that these regions and countries have significant stake in the effective and efficient delivery of operational activities and that factors such as these need to be reflected in the composition of governing bodies if the purpose is to make governance equitable and effective.

E. Constituency-based selection as part of the solution

A constituency-based approach to governance aims to further the objectives of equity and effectiveness in governance by establishing more precise criteria for selecting members in governing bodies, which would be in the spirit of the ‘responsible sovereignty’ concept (Kaul 2013). Constituency-based governance is seen to have a number of advantages. For example, it encourages those stakeholders that have most interest in the work of an entity to seek representation in the respective governing body, which may contribute to more pragmatic and consensus-oriented decision-making. Constituency-based form of governance also includes more countries in the decision-making process without increasing the number of seats on the governing body, thereby improving ‘input’ legitimacy in decision-making.

There are currently four entities in the UN development system that select representatives in governing bodies based on a constituency approach, namely the International Civil Aviation Organization, the International Fund for Agricultural Development, the International Maritime Organization and the United Nations High Commission for Refugees. The Global Environment Facility, a joint undertaking of UNDP, the United Nations Environment Programme and the World Bank, and the Committee on World Food Security of the Food and Agricultural Organization, the International Fund for Agricultural Development and WFP, have also adopted a constituency-based approach in the selection of members in governing bodies. There are also three entities that apply a mixed UN regional grouping and constituency-based approach, namely UNAIDS, UN-Women and the International Labour Organization.

The Governing Council of ICAO is composed of members selected on the basis of constituency criteria as follows: 11 states of chief importance to air transportation; 12 states that make the largest contribution to the provision of international civil air navigation; and 13 states ensuring geographical representation.

UNAIDS is the only co-sponsored Joint Programme of the UN, which is reflected in the entity’s governance model. In addition to 22 Member States representatives, the Programme Coordination Board also includes as members, six co-sponsoring UN system organizations as well as five representatives of non-governmental organizations from the regions. Member States representatives in the PBC are elected for a three-year term. The selection of the civil society representatives is carried out by the non-governmental organizations themselves and they, as well as the co-sponsoring UN organizations, have the right to participate in all aspects of the Board’s work, except voting.

UNHCR uses the following criteria for the election of permanent members to its Executive Committee: demonstrated interest in and devotion to the solution of the refugee problem, widest possible geographical distribution, and membership of the United Nations or its specialized agencies.

UN-Women is an entity that has adopted a mixed UN regional grouping and constituency-based governance model. In the case of UN-Women, Member States have recognized the importance of those countries that provide core funding to an entity that relies exclusively on voluntary

contributions for its operational activities in the design of transparent criteria for the election of 'contributing countries' to the Executive Board.

The ILO's mixed UN regional grouping and constituency-based governance is unique to the UN system as it includes non-government members with voting rights. The ILO governing body meets three times a year and is composed of 56 titular members (28 Governments, 14 Employers and 14 Workers) and 66 deputy members (28 Governments, 19 Employers and 19 Workers). States of chief industrial importance permanently holds ten of the titular government seats.⁹ The International Labour Conference elects the other government members every three years. The employer and worker representatives are elected in their individual capacity. At the annual ILC, delegations of each Member State are composed of two government representatives and one employer and one worker respectively, who vote on the adoption of labour standards, the ILO's budget and other decision items freely and individually.

F. Main findings

The new mission of UN Development as reflected in the 2030 Agenda and other development challenges and threats emanating from accelerating globalization and interconnectedness of countries will require the Organization to establish governance capacity that can coordinate with authority and balance agency and system-wide interests as well as the national and global perspective in decision-making. Without such governance capacities, it will be difficult to further programming and operational coherence in UN Development as an essential element of integrated delivery of the 2030 Agenda.

Such significant changes in governance capacity will need to be legitimized by Member States at the intergovernmental level. For this to happen, it is critical to first ensure high political legitimacy of agency and system-wide governing bodies in terms of representation of Member States. Constituency-based selection can foster such political legitimacy of governing bodies and help reduce deep-seated divisions among major political groupings.

Using inter-agency bodies like the High-level Committee on Programmes, High-level Committee on Management and the United Nations Development Group, all subsidiary bodies of the Chief Executives Board for Coordination, to achieve the required policy cooperation and coherence across UN entities, is not likely to be agreeable to Member States. This would also demand major changes in the working methods, decision-making and accountability processes of inter-agency bodies, which entities might find difficult to agree to.

The objective of strengthening policy and operational cooperation and coherence across entities, which often involves decisions on tradeoffs among different work priorities can therefore realistically only be achieved through reform of governance of UN Development, particularly if Member States are not willing to engage in a process of consolidating entities.

5. Possible policy options to strengthen governance of UN Development

Three policy options are proposed in this article to meet the requirements of the 2030 Agenda, with a view to facilitating further deliberations among Member States. These options are inherently different. The first one tries to achieve the above objectives by strengthening the coordination and oversight role of ECOSOC, while the other two by consolidating governing bodies of UN Development entities, or rationalization of the governance system.

The three options are not entirely new, but have been proposed in the past in one form or another by groups of experts or individuals examining ways to enhance the effectiveness of UN Development. The creation of a single *Development Board* to govern UN operational activities of those entities that report to the General Assembly or ECOSOC (Policy Option 3), for example, was initially proposed in 1975 by a high-level group of experts (Gardner Report) and the *Joint Executive Board* (Policy Option 2) was recommended by the High-level Panel of the Secretary-General on System-wide Coherence, under the name of Sustainable Development Board, in its 2006 report.

(1) ECOSOC as system-wide governing body

This option involves upgrading the quadrennial comprehensive policy review resolution of the General Assembly to a *system-wide strategy*, with ECOSOC responsible for annual monitoring and the United Nations Development Group accountable for the implementation within UN Development. The legal status of UNDG would be changed to make the Group formally accountable to ECOSOC for the implementation of system-wide mandates established by the GA or the Council. This approach assumes that existing governing bodies would be maintained but accountability to ECOSOC for implementation of system-wide mandates significantly strengthened. Policy cooperation among governing bodies of UN Development entities, in this model, would rely heavily on the ability of ECOSOC and the High-level Political Forum on Sustainable Development to coordinate with authority the implementation of system-wide normative and operational and normative policies.

(2) Joint Executive Board for funds and programmes (fulltime)

The four Executive Boards of UNDP/UNFPA/UNOPS, UNICEF, UN-Women and WFP, would be consolidated in a single Joint Executive Board. The JEB could be organized around segments for the individual entities and special sessions to regulate activities in areas of common concern. The JEB could be expected to meet formally for a day every week as a fulltime governing body. The composition of the JEB would be anchored in the principle of equitable geographical distribution but with strong constituency-based selection and “variable geometry”¹⁰ to help ensure, inter alia, that the Board membership reflects the income profile of Member States and the share of each region of UN operational activities. A fulltime JEB could be composed of 25 members at the rank of Ambassador like in the UN Security Council and the Executive Board of the World Bank and elected for a period of two or three years. The rules of procedures of the JEB could also allow for periodic consultations with the UN membership at large on specific issues. Policy cooperation among the funds and programmes would be significantly simplified in

this model, as the JEB would regulate close to 60 per cent of all operational activities of UN Development. This model could be expected to result in significant cost savings due to uniform regulation of programming, operations, results-based management, reporting and evaluation processes among the major operational funds and programmes.

(3) Development Board (fulltime)

Establishing a single, fulltime Development Board for the management and control of the operational activities only of the 19 funds, programmes and other entities reporting to the GA and ECOSOC and for which mandates established in the QCPR resolution of the Assembly are formally applicable. The DB would meet formally for a day and half every week. The existing Executive Boards of UNDP/UNFPA/UNOPS, UNICEF, WFP and UN-Women would be consolidated in the DB. The DB would also regulate the operational activities of other funds, programmes and entities reporting to GA or ECOSOC, with existing governing bodies focusing on policy, norm- and standard-setting, advocacy and public relations-related work. The composition of the DB would be anchored in the principle of equitable geographical distribution but with strong constituency-based selection and “variable geometry” to help ensure, inter alia, that the Board membership reflects the income profile of Member States and the share of each region of UN operational activities. A fulltime DB could be composed of 25 members at the rank of Ambassador like in the UN Security Council and the Executive Board of the World Bank and elected for a period of two or three years. The DB could also periodically consult the UN membership at large on specific issues. The DB would regulate approximately 75-80 per cent of UN operational activities. It could also be considered to designate the DB as an administrative standards board for all operational activities of the UN system. Furthermore, the establishment of a DB could provide an opportunity for Member States to rethink the role and mandates of the Second Committee of the General Assembly and ECOSOC itself. Policy cooperation among entities would be simplified to a greater extent in this model than in the other two options. The DB would also have the most significant potential of the three options to generate synergy and cost savings in programming and operations.

6. Conclusions

All three options discussed in this article would improve the coherence and quality of political and operational governance of UN operational activities. Establishing a single, fulltime *Development Board* is a particularly attractive option to strengthen system-wide coherence, accountability for implementation of agency-specific and system-wide mandates and transparency and cost-effectiveness in governance of operational activities in the post-2015 era. Merging the four Executive Boards of the funds and programmes in a fulltime *Joint Executive Board* is another good option for consideration of Member States.

Both options could significantly enhance the quality and cost-effectiveness of governance and allow entities to capitalize on opportunities for synergy in programming and operations. These options would also facilitate more timely and coordinated response by UN Development to threats emanating from accelerating globalization and greater interconnection among countries.

The innovative, constituency-based approach to composition of both bodies would also enhance legitimacy in governance of operational activities of the UN system. These two options would also lead to considerable simplification of the governance system and thereby reduce its costs. In addition, the establishment of a fulltime governing body would facilitate timely interaction with the UN Security Council on issues where close coordination between the peace and security, humanitarian assistance and development pillars of the Organization, is required.

The establishment of either a *Development Board* or a *Joint Executive Board* would require significant political commitment of Member States to strengthen UN Development through a rethink of the principles and working methods underpinning governance at agency and system-wide levels. Both options could also be seen as an important step in a more comprehensive review of the role of the Organization in global governance in the 21st century as recently proposed by the Commission on Global Security, Justice and Governance.

The first option to strengthen the role of ECOSOC as a system-wide governing body would improve governance of UN operational activities, but also increase the cost and complexity of intergovernmental decision-making. It would not change the current composition of governing bodies of UN Development entities. This option is therefore not as attractive as the other two if the objective is to enhance legitimacy in participation and cost-effectiveness in governance, as critical elements of longer-term positioning of UN Development in the post-2015 era.

The next step in discussions on reform of UN Development could be for the Secretary-General or the President of either the General Assembly or ECOSOC, to establish an independent group of high-level experts to examine the pros and cons of different ideas and options, including in the area of governance, with the aim of reaching a landmark political agreement in the course of 2016 on the future role of the Organization in the context of the 2030 Agenda and other changes in the broader development landscape.

By making the governance of UN Development “fit-for-purpose” in the delivery of the post-2015 development agenda, Member States would fundamentally “recharge” multilateral cooperation, whose appeal is withering, despite the reality of growing interconnectedness, complexity and uncertainty in today’s globalizing world.

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Endnotes

- ¹ Source: A/70/62-E/2015/4, para 26.
- ² UN operational activities are funded by a combination of core and non-core resources. Core resources are those that are comingled without restrictions and whose use and application are directly linked to the entities' multilateral mandates and strategic plans that are approved by the respective governing bodies as part of an established intergovernmental process.
- Non-core resources, in contrast, and as determined by the contributors, are mostly earmarked and thus restricted with regard to their use and application. This means that there may not be a direct link between activities financed by non-core resources and the multilateral mandates and strategic plans approved by governing bodies. In some instances governing bodies formally approve the use of core resources while "taking note" of the use of non-core resources. In 2013, non-core funding accounted for 75 per cent of total contributions for UN operational activities, which has implications for governance of UN Development, as discussed in this article.
- ³ For the purpose of this paper the term "development cooperation" is considered to include official development assistance (ODA), South-South development cooperation and financial flows from private philanthropic organizations, the private sector and through innovative financing mechanisms to support the economic, environmental and social development of developing countries. The UN Secretariat has estimated that such private flows amounted to \$25 billion in 2010 and South-South development cooperation ranged between \$16.1 and \$19.0 billion in 2011. ODA from DAC and non-DAC countries in 2013 was \$135.1 billion and \$16.3 billion, respectively.
- ⁴ Source: Update from Investments to End Poverty (2013).
- ⁵ No direct link, however, can be observed between the share of WEOG of seats on governing bodies and growth in contributions to UN Development entities in the past decade. Other factors may better explain these variances in growth rates in funding
- ⁶ At the time of the decision to establish the Executive Boards of the funds and programmes, the share of core funding by WEOG countries of total resources flows was much higher than now and governments were the primary source of contributions. Today, however, government contributions to the funds and programmes are mostly non-core.
- ⁷ The four Executive Boards of the funds and programmes (UNDP/UNFPA/UNOPS, UNICEF, WFP, UN-Women), for example, met for some 140 days in formal and informal sessions in 2012, which constitutes nearly three meetings per week throughout the year. A high-level estimate suggests that the annual cost of servicing the four Executive Boards of the funds and programmes, as well as all governing bodies of UN Development entities with limited membership, could be in the order of magnitude of \$30-35 and \$100 million respectively (GIZ, 2015).
- ⁸ When UNDP served as the central coordination and funding mechanism in the UN development system, roughly between 1966 and the early 1990s, all entities receiving funding had to use the UNDP rule book.
- ⁹ Brazil, China, France, Germany, India, Italy, Japan, Russian Federation, United Kingdom and United States.
- ¹⁰ "Variable geometry" generally refers to the possibility of rotational representation among a group of countries or stakeholders depending on the issue for discussion in the respective governing body.

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