FACTSHEET

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REFORM OF THE UNITED NATIONS DEVELOPMENT SYSTEM

One of the most needed and challenging element of the UN reform agenda is the improvement of the coherence, efficiency and effectiveness of the UN development system. Numerous reform processes have been launched in the past two decades focusing both at headquarter and at country level. The establishment of UN Women and the spreading of the Delivering as One approach are among the fruits of these important efforts. Switzerland traditionally plays a key role in this endeavour through regularly facilitating the only resolution that provides overall guidance to the UN development operations. In December 2012 after two months of negotiations, the adoption of this quadrennial system-wide landmark resolution is providing a great opportunity for a consistent breakthrough in the right direction.

REFORM ACHIEVEMENTS

The reform of the United Nations is a subject of constant political debates in which positions often diverge. There is however consensus on the need to enhance the coherence, effectiveness and efficiency of the UN's operational activities.

Delivering as One
In 1997, Secretary General Kofi Annan launched a reform process geared towards these goals and in 2006, a High Level Panel on UN system-wide coherence launched a landmark report called "Delivering as One". Among several recommendations, it proposed a new business model to organize UN operational activities for development in a given country. Eight countries volunteered to implement it as pilots, subsequently convincing others to follow. In these countries, the UN operational system for development acts as "One UN" by following four main objectives.

One Leader: The Resident Coordinator who coordinates all UN development activities in a program country should be given more authority and resources. By assuming comprehensive strategic leadership, the Resident Coordinator can act as a link between national authorities, the UN and other partners.

One Programme: Under the leadership of the Resident Coordinator and based on the country's nationally-owned development strategy, a joint country program is to be defined. Such a "One Programme" draws on the full range of UN expertise and enables UN organizations to better focus on activities according to their comparative advantages.

One Budget: UN development organizations ought to use a common financial framework at country level. Coordinated financial planning provides governments and partners with transparent information on all UN activities as well as on funding sources and gaps.

One Office: In order to increase efficiency and to lower expenses for administration, business procedures and policies must be harmonized, simplified and unified. When relevant, premises and services should be shared between UN organizations.

As suggested by the rising popularity of the "Delivering as One" approach, governments of partner countries generally appreciate its positive impacts, in particular in terms of increasing national ownership and alignment with national priorities. To more systematically assess the value added by this organizational model in the eight pilot countries, member states mandated an independent evaluation which took place in 2011-2012. It showed that in order to tap the full potential of better coordination in the field, further steps of reform are needed. Among other points, the evaluation recommended that the United Nations Development Group provide further guidance on joint planning and monitoring and evaluation systems as well as support the use of a common budgetary framework. It also stressed the need for more far-reaching harmonization of business practices, notably in financial management, accounting standards and human resources rules and regulations.

Besides the "Delivering as One" approach, the willingness of UN member states to increase system-wide coherence was repeatedly expressed in specific resolutions and in Executive Board decisions. Concrete efficiency gains were achieved by rationalizing some administrative services. In addition, institutional fragmentation was reduced by merging four UN organizations related to Gender into UN Women in 2010.

The quadrennial comprehensive policy review (QCPR)

The main normative instrument for reforming the UN development system is the quadrennial comprehensive policy review (QCPR). Following an assessment of progress, this General Assembly resolution which designs and gives mandates to the UN system to better address reform objectives is negotiated every four years. The most recent QCPR (resolution 67/226) was adopted in December 2012.

This consensus document covers three major thematic areas, among which funding of operational activities and improving the functioning of the UN development system are essential to the UN reform.

Apart from these topics which are treated here, the 2012 QCPR also stresses the transversal importance of certain development goals (e.g. poverty reduction, gender equality). In addition, south-south cooperation and the development of national capacities are promoted.

The QCPR resolution addresses direct binding mandates to Funds and Programmes of the UN development system and recommendations to Specialized Agencies as they are autonomous organizations. The Specialized Agencies are also part of the UN Economic and Social Council (ECOSOC) and therefore expected to implement the reforms. For the SDC, this means that most of its priority organizations[1] are legally bound by the QCPR.

REMAINING CHALLENGES

Reforming the UN development system is ambitious. The QCPR addresses the four most important challenges to promote a more efficient, effective and coherent operational development system:

Fragmentation: The UN development system consists of a complex web of organizations. Their mandates partly overlap and their activities have become thematically and geographically dispersed. This fragmentation of institutions and activities challenges the coherence of operational activities, incurs high transaction costs on recipient countries and entails

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1 The following priority organizations of the SDC are bound by the 2012 QCPR resolution: UN WOMEN, UNAIDS, UNDP, UNFPA, UNHABITAT, UNHCR, UNICEF, UNRWA, WFP

inefficiencies through high expenses for administration, coordination and reporting.

An example of the consequences of fragmentation is the 17,000 reports annually produced by the UN development system. By reducing fragmentation and refocusing reporting, resources could be reallocated in favour of partner countries. In addition, this would facilitate more effective monitoring by member states.

Funding: In the recent years, the ratio of core financial contributions to the budgets of UN organizations has declined relative to earmarked contributions (contributions for specific themes or regions). The relative increase of earmarked financial contributions tends to limit the ability of UN agencies to fully comply with their mandates, threatens their financial sustainability and fosters fragmentation.

Complexity of business practices: One of the limiting factors to the implementation of the "Delivering as One" approach is the diversity of business practices between UN organizations. Handling the multitude of procedures and directives raises transaction costs of coordinating operational activities of UN agencies. Inconsistencies in planning, funding, reporting and evaluation across the UN development system threaten to undermine efforts to enhance coherence, effectiveness and efficiency for better development results. Furthermore, and despite important progress in rationalization, the complexity of business processes could still be decreased.

Accountability for results and transparency: Enhancing the effectiveness of the UN operational activities for development requires a coherent monitoring and evaluation of results. Information on system-wide results is still difficult to obtain for donor and partner countries. UN funds and agencies often struggle to report on results and make insufficient use of standard indicators. This largely complicates the analysis of results from the field and the collection of global information on results achieved on specific themes.

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OPPORTUNITIES OF THE QCPR 2012

Most of the 187 mandates contained in the 2012 QCPR resolution address the functioning and funding of the UN development system. They offer approaches to meet the challenges mentioned above:

Coordination of operational activities: The QCPR formally approved "Delivering as One" as an approach that program countries can voluntarily request. To support countries having adopted it, integrated and specifically tailored packages of support are planned to be provided. These packages will enhance coordination between UN organizations at country level by introducing standard operating procedures and pooled funding mechanisms as well as by providing guidance on "Delivery as One"-specific programming, monitoring, evaluation and reporting. To enhance both the coherence of UN activities at country level and the leadership of the governments, two existing tools will be strengthened: the United Nations Development Action Framework (UNDAF) and the Resident Coordinator system.
UNDAFs define the strategic framework for the entire UN development system in a given country. By simplifying and enhancing this tool, interagency consistency and efficiency in planning is expected to improve. Equally, there was consensus on strengthening the position of Resident Coordinators by better financial and organizational support as well as by extending their competences in programming and planning.
To be effective, these efforts have to coincide with organizational changes within UN agencies. Therefore, the QCPR advocates for a greater decentralization of authority to field representatives.

Funding of operational activities: Full cost recovery of all non-core funded activities is mandatory for UN Funds and Programmes. Thus trust funds and multi-bilateral projects have to cover the overhead costs they incur to the UN institution they are associated with. For this purpose and as a first step, a standard charge of 8 per cent on earmarked financial contributions has recently been agreed upon by the governing bodies of the Funds and Programmes, which means that Boards have already acted upon one of the mandates given by the QCPR in 2012.
Donors are planned to be incentivized to raise the level and predictability of their core financial contributions. Finally, UN Funds and Programmes are held accountable for using similar systems of cost classification and control.

Harmonization of business practices: At headquarters and regional levels, harmonization of policies, rules and procedures is planned to be continued in the area of support services (e.g. finance, human resources, procurement and information technology management). At country level, common frameworks for budgeting and service provision are to be introduced.

Results-based management and evaluation: There was agreement on setting stronger incentives for streamlined and coherent results-based management. To strengthen accountability for results, frameworks based on measurable indicators will be established. Further objectives include facilitating independent system-wide evaluation and strengthening recipient countries' monitoring capacities.

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THE ROLE OF SWITZERLAND

Switzerland as a facilitator, promoter and convener

Making the UN system more effective and efficient is one of the main goals of Switzerland at the United Nations. Thanks to continuous efforts to promote and facilitate processes supporting reform at the global policy level and in its priority countries, Switzerland is considered as a country strongly committed to enhancing the capacity of the UN system to deliver results.

Facilitating the negotiations: For the past 10 years, Switzerland has assumed the role of facilitator of the QCPR negotiations (2004, 2007, 2012) as well as of the resolutions of the ECOSOC monitoring the implementation of the QCPR. Prior to the intergovernmental negotiations and in collaboration with UN agencies and the UN Secretariat, Switzerland helped build the basis for an informed dialogue and was then assigned the task of achieving consensus in the negotiations. As facilitator, it had a key role in making possible the positive outcome of the 2012 QCPR. This active role in the QCPR process considerably enhanced the visibility and good reputation of Switzerland in the United Nations.

Promoting the implementation of the QCPR is a priority objective of Switzerland at the UN. Continuous effort by the entire UN development system and by member states will be needed to put into practice what was agreed upon. In monitoring the implementation of these intergovernmental decisions, the United Nations Department of Economic and Social Affairs (UN DESA) plays a crucial role. UN DESA, through the UN Secretary General, issues the most important reports on the implementation of the QCPR which are discussed in the ECOSOC sessions. It also is the main provider of expertise to member states.

Switzerland will continue to support UN DESA for an effective implementation of the reforms. In addition, implementing the QCPR is actively advocated by Switzerland through its membership in the governing bodies of UN organizations.

At country level, Switzerland is actively supporting the implementation of the "Delivering as One" approach and of the QCPR. This includes support to efforts to increase coordination between different UN organizations. Switzerland also sponsored events facilitating the exchange of experiences between Resident Coordinators as well as between countries that have adopted the "Delivering as One" model. Important lessons learnt and recommendations based on field experiences came out of these workshops and fed into the QCPR debate.

**"One UN" in Vietnam:
Switzerland's contribution**

Vietnam was one of eight pilots to first implement the "Delivering as One" approach and is now among the most advanced countries in reorganizing the UN country presence.

Following a strong demand for more coherence by the Vietnamese government, the first "One Plan" was adopted for 2006-2010. In a participative process, common expected results, joint strategies to achieve them and responsibilities of both the government and the 14 UN organizations then present in the country were defined.

A subsequent "One Plan Management Plan" specified the implementation of the "Delivering as One" model in Vietnam. The UN agencies started to work together in issue-specific "Programme Coordination Groups" and began to pool operational support services e.g. in the fields of procurement, travel, training or security.

Switzerland participated in financing this first phase of Vietnam's "One UN" pilot initiative. An independent evaluation found that the Swiss involvement has, inter alia, enhanced results orientation, helped to increase efficiency through harmonized reporting and contributed to empowering the UN Resident Coordinator.

Today, the now 16 UN agencies in Vietnam are cooperating ever more closely. They defined 12 common result objectives to be pursued by 12 thematic inter-agency teams. This substantial step towards more efficiency, coherence and effectiveness will be facilitated by a common "One UN House" accommodating all 16 organizations. Switzerland is not only financially supporting the construction of these premises but will also actively contribute to the implementation of the new "One Plan" for 2012-2016.

Reform priorities of Switzerland

In promoting the implementation of the 2012 QCPR, Switzerland is focusing on the following priorities.

Coordination of operational activities
- Accelerate the consolidation of the "Delivering as One" approach
- Further establish the United Nations Development Action Framework (UNDAF) as a strategic instrument negotiated between UN agencies and governments
- Enhance the function and authority of Resident Coordinators. Ensure the funding of RC systems through a predictable financing mechanism.

Harmonization of business practices
- Unify rules, policies and procedures in all functional areas mentioned in the QCPR
- Further harmonize business practices, which includes common premises and common services (procurement, ICT infrastructure, human resources, harmonized approach to cash transfers)

Funding of operational activities
- Monitor the outcome of the recently adopted cost recovery frameworks from core and non-core financial resources
- Set effective incentives to achieve sustainable and high levels of core financial contributions
- Incentivize donors to make more predictable long-term financial commitments

Results-based management and evaluation
- Replace most agency-specific reports at country level by common reporting on system-wide results

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