

UPDATED STUDY OF CAPACITIES & FUNCTIONS OF THE UN DEVELOPMENT SYSTEM TO ACCELERATE PROGRESS ON THE SDGs

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KEY FINDINGS

CONTEXT AND METHODS

The 2030 Agenda for Sustainable Development established a comprehensive and intertwined set of goals with ambitious targets for social, economic and environmental progress. Recognizing the need for integrated solutions, the UN General Assembly also adopted a plan in 2018 for the repositioning of the UN development system (UNDS) to enhance its capacities to help deliver on the Sustainable Development Goals (SDGs).

The 2023 SDG Summit, held at the half-way mark to the target year of 2030, heard that progress towards the achievement of the SDGs has been limited. Only about 12% of SDG targets are on track, while 30% have shown no progress or regressed.¹ Multiple shocks and crises have hampered progress and threaten to derail the achievement of the SDGs.

Bold actions are needed by Member States and other actors to meet the Goals by 2030. More will be needed, too, from the UNDS, to champion and support SDG acceleration.


















This study, prepared at the request of the Secretary-General following discussions in the UN Sustainable Development Group, presents an updated analysis of the UN development system's capacity to deliver on the 2030 Agenda, together with recommendations for how the UNDS could substantially enhance its capacities. The study makes comparisons with a similar study conducted by Dalberg in 2017; reflects on progress achieved since the repositioning in 2019; examines the system's ability to deploy its collective capacities to offer integrated policy advice and support for building resilience to current and future shocks; and identifies opportunities to make step changes in UNDS capabilities and effectiveness. The findings are based on data provided by UNDS entities about allocations of their expenditures and personnel, on responses to qualitative surveys of all UNDS entities and resident coordinators (RCs), on interviews with senior leaders of UNDS entities and RCs, and on past reports (both internal and external, and including surveys conducted for the quadrennial comprehensive policy review (QCPR).

¹ *Progress towards the Sustainable Development Goals: Towards a Rescue Plan for People and Planet*. Report of the Secretary-General (Special Edition) (2023).

FINDINGS

The UN development system, as a result of the repositioning since 2019, is now more “fit-for-purpose” to support achievement of the SDGs – the result primarily of more coherent programmatic work of UNDS entities, enabled by RC leadership, at the country level. However, there are aspects in which not enough has changed, and key barriers remain to be overcome. Member States have observed improvements in UNDS support, according to their responses to QCPR surveys, in advancing towards the SDGs, addressing key priorities in line with national needs, and leaving no one behind. The review identifies, as shown in Exhibit 1, seven enablers of integrated policy advice and of coherent action in support of the SDGs – and finds progress in activating different enablers, but also that more remains to be done to fully realise the vision of the repositioning.

Exhibit 1: Progress by UNDS on activating enablers of integrated policy advice and coherent action.

Enablers of coherent advice and actions for SDGs	Reflections on progress	 Substantial  Fair  Limited
 Collaborative purpose and common identity	 More openness to collaboration and more of a UN identity – but most reps and staff still focused on their own entity's objectives.	<p>Further progress to making the UNDS “fit for purpose” now depends on:</p> <ul style="list-style-type: none"> • Fostering a deeper sense of collaborative purpose at global, regional and country levels • Changing financial and operating models to support building and deployment of expertise • Changing the way UNDS work is funded to promote collaboration and shift to expertise-based work
 Coordination capacities (i.e., in-country leadership)	 RCs are independent & impartial, more diverse, have more capable offices; RCs are more empowered but not to degree envisaged.	
 Coordination mechanisms, processes and tools	 Improved frameworks, tools and guidelines (especially CCAs and UNSDCF's) – but there is need for more collaboration in delivery.	
 Allocation of capacities based on priority needs	 Expenditure mix across SDGs has not changed significantly since 2016, and gaps remain especially on environment and economics.	
 Structures for creation and deployment of expertise	 Data is limited but capacities by function appear little changed. Financial and operating models hinder deployment of experts and flexible UNCT configurations.	
 Partnerships with IFIs and investors	 UNDS entities have partnered with IFIs when they have distinctive capabilities; such partnerships need to expand to accelerate SDGs.	
 Funding mechanisms that promote capability-building and cohesion	 Funding mechanisms have not improved: (1) encourage competition not collaboration due to lack of system-wide pooled funding and (2) make building & deploying expertise difficult due to limited core funding.	

Collaborative purpose and common identity

Country-level UN Sustainable Development Cooperation Frameworks create shared purpose for the UN development system focused on helping countries achieve the 2030 Agenda and the SDGs. However, there does not yet appear to be a strongly felt sense of urgency by UN country teams (UNCTs) around the shared results and accountability towards the collective achievement of the SDGs. Instead, according to survey responses for the present study as well as past reviews,² UNDS entity country representatives and staff tend to focus on their own entity's priorities in their day-to-day work, rather than on the common objectives and results established in Cooperation Frameworks. This is in keeping with entity-specific mandates, of course, but the feedback points to gaps in the alignment of entity-specific country programming instruments with collective UN priorities established in Cooperation Frameworks, underutilization of joint programmes, and limited attention to system-wide results. The weak alignment to, and ownership of, collective priorities is in part due to

² German Development Institute, *New Rules, Same Practice? Analysing UN Development System Reform Effects at the Country Level* (2022).

directions from UNDS entity governance bodies, which have not sufficiently translated aspirations for cohesion into practical policies that drive collaborative behaviours. It is noted that changes are ongoing, as some UNDS entities have updated their country programming guidelines to require contributions to shared results in Cooperation Frameworks. In the survey of UNDS entities conducted for this study, entities ranked “increased attention on system-wide goals and targets – at global, regional, and country levels – and the expansion of system-wide evaluations of results and organizational performance” as the most important shift in organizational culture and behaviour required to achieve stronger coordination and collaboration across the UNDS.³

Coordination capacities

Strengthened in-country leadership, delivered through independent resident coordinators, has played a crucial role in enabling coherent action by the UNDS at the country level. RCs overall are now more diverse, impartial and independent, and have stronger capabilities in their offices. RCs are more empowered due to their designation as the highest-ranking UN official for development work at the country level as well as their direct reporting lines to the Secretary-General. Some gaps remain in achieving the envisaged role for RCs – for example, while progress has been made through the Management and Accountability Framework, which lays out the dual accountability of UN country team representatives to the Resident Coordinators and to their entities, its implementation remains uneven, with, for example, RCs not providing inputs to reviews of most UNCT members.

Coordination mechanisms, processes and tools

UNDS repositioning has contributed to making the System more “fit-for-purpose” through improved coordination mechanisms, processes and tools to reflect country needs and priorities. The UN Sustainable Development Cooperation Frameworks and Common Country Analyses have helped to align the work of the UNDS better to country priorities and to improve strategic coherence across UNDS entities – but joint planning is not always matched by integrated delivery of policy advice and joint programmatic activities. In addition, system-wide reporting mechanisms, including through the UN INFO system-wide platform, have revealed the potential to create comprehensive views of UNDS work and impact – but these are yet to be fully adopted and utilized.

Allocation of capacities and resources based on priority needs

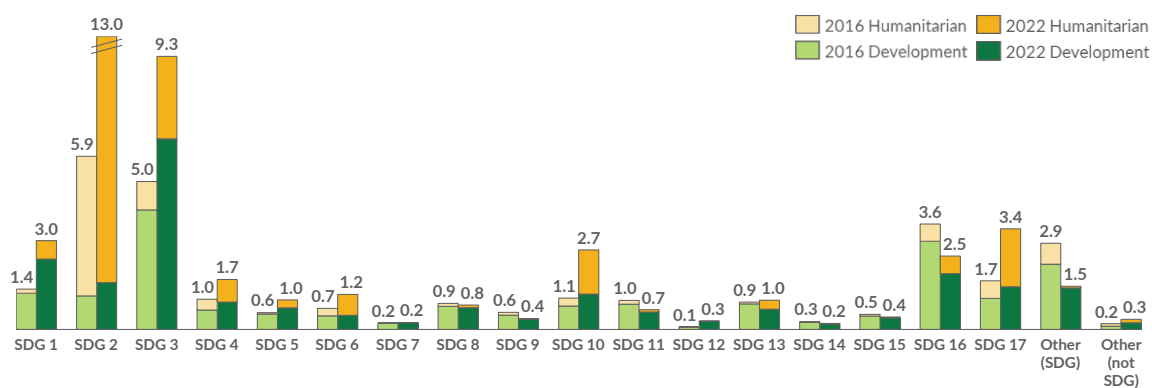
The distribution of UNDS expenditure across SDGs has not changed much since 2016, and environmental and economic issues continue to account for a small proportion of spending. Exhibit 2 shows the distribution of UNDS expenditures across SDGs and shows modest change between 2016 and 2022. Expenditures are smallest for environment/climate and economic-oriented SDGs – even though environment and climate SDGs are among the furthest off-track and environment/ climate and economics are among the areas most cited by RCs as having gaps in expertise needed for the provision of integrated policy advice to Member States.

Current resources appear to be limited for some of the key areas highlighted at the SDG Summit for transitioning towards transformative results. Six topics were highlighted by UN

³ In the Survey of UNDS Functions and Capacities to Deliver on the 2030 Agenda conducted for this study, UNDS entities were asked to rank the relative importance of different shifts in culture and behaviour of UN management and staff to achieve stronger coordination and collaboration across the UNDS.

leaders at the SDG Summit as transformative entry points for creating systematic impact across the SDGs and to thereby generating renewed momentum on the 2030 Agenda: (1) food systems; (2) energy access and affordability; (3) digital connectivity; (4) education; (5) jobs and social protection; and (6) climate change, biodiversity loss and pollution. The UN aims to advance each of these inter-connected transitions through “engine room” actions at the country level: driving shifts in policy and regulatory frameworks, developing pipelines of national “market-ready” projects, bringing together financing from multiple sources, and capacity-building at scale. If the UNDS is to succeed, it must allocate significant collective resources and capacities to these areas, but resource availability remains limited.

Exhibit 2: Total expenditure (USD billion) by SDG for 23 UNSDG entities.⁴



Creation and deployment of technical expertise for integrated policy advice

There is insufficient data to say with certainty how much capacity exists within the UNDS for, or how much capacity is allocated to, policy advice, normative support, data analysis and technical assistance; many entities do not allocate expenditure by function, and most do not track or estimate personnel time by function (or by SDG). For this study, UNDS entities were asked to provide data or estimates on how they allocate expenditures and personnel by QCPR functions⁵, namely normative support, policy advice and thought leadership, data collection and analysis, capacity development and technical assistance, convening stakeholders, direct support and service delivery, and support functions. However, only 17 entities were able to provide data for expenditures by QCPR function, and few entities provided data for personnel allocated – independently of expenditure – either by SDG or by QCPR function.

From the available data and estimates for this study, it appears that the mix of functions deployed by the UNDS has not changed greatly in recent years; there has been no sign of a shift from service delivery towards integrated policy advice, normative support (including human-rights-based approaches) and technical assistance. The proportion of all expenditure, and of development-related expenditure, devoted to different functions did not change greatly between 2016 and 2022.

⁴ Only 23 UNDS entities that reported expenditure by SDG for both 2016 and 2022 are included in the exhibit – all five Regional Economic Commissions, FAO, ILO, IOM, ITC, UNAIDS, UNCTAD, UNDP, UNDRR, UNEP, UNESCO, UNFPA, UNICEF, UNIDO, UNOPS, UN Habitat, UN Women, WFP and WHO. Ratios of humanitarian to development expenditures are determined from CEB 2021 data or other self-reported data by UNDS entities.

⁵ The “QCPR functions” are cited in QCPR Resolution A/RES/71/243, including paragraph 21, following the Secretary-General’s analysis in his 2016 report A/71/63–E/2016/8 on QPCR implementation, and further elaborations in the Secretary-General’s 2017 reports A/72/124–E/2018/3 and A/72/684–E/2018/7 on UNDS repositioning.

Many UNDS financial and operating models are not designed to support building expert capabilities and deploying them effectively – and thus stand in the way of creating more flexible UN country team configurations that are tailored to meet the needs of different countries. Current financial models often do not make it easy to pay for deployment of experts for short periods – whether from an entity’s own capacities or from a different entity that might have suitable expertise. For non-resident entities looking to deploy expertise to a country for substantial time periods, there is uncertainty about whether hosting arrangements with the RC office or with another resident entity would allow them to be fully operational or to access administrative services easily.

Looking to the future, the UNDS will need to enhance its understanding of the support Member States need, so that it can evaluate whether the business models, capacities and skills within the UNDS will continue to be fully “fit-for-purpose” in the period up to 2030 and beyond. The findings of this study draw largely on the perspectives of UNDS entities and RCs; even DESA-administered QCPR surveys of Member States are largely reflective of perspectives of UN counterparts in Member States. It would be useful to have a more comprehensive “demand-side” view – from a range of governmental and non-governmental leaders in each country – of the likely future needs for integrated policy advice, resilience building and technical expertise.

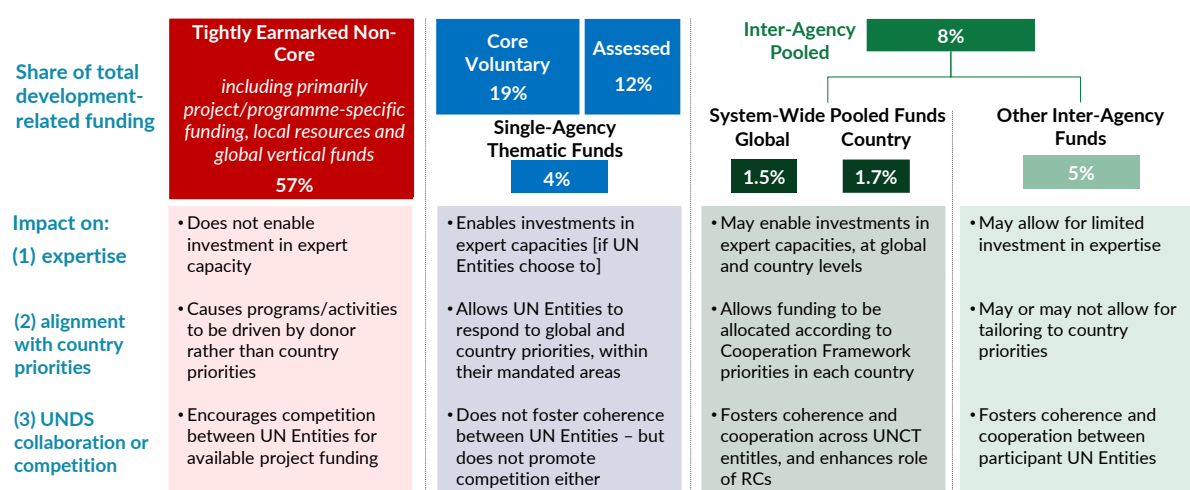
Partnerships with international financial institutions and investors

UNDS entities have effectively partnered with international financial institutions (IFIs) on topics and in contexts where the UN entities have distinctive capabilities; such partnerships could be expanded if UNDS entities build more expertise and if IFIs become more open to collaboration. Examples of successful partnerships include UN-World Bank Partnerships Framework for Crisis-Affected Situations, which draws on the UN’s experience and presence in conflict-affected states, and the FAO Investment Centre, which utilizes FAO expertise in agriculture and food systems to support the design of investments by IFIs. In 88 countries, the UN works with IFIs on Integrated National Financing Frameworks (INFFs) to finance the SDGs and national development priorities – enabled through UNDP’s technical leadership at country level, DESA’s global methodological support, and the work of the Interagency Task Force on Financing for Development. Although IFIs have provided technical inputs to INFF processes, their involvement in INFF oversight bodies remains limited. With suitable expertise, UNDS can play a valuable role in working with IFIs and investors to shape investments and to enhance their understanding of how to work in fragile contexts, apply human-rights-based approaches, reach marginalised groups and leave no one behind.

Funding mechanisms that promote capability-building and cohesion (not competition)

Funding mechanisms encourage competition, not collaboration, among UNDS entities, and do not provide enough resources for building expertise; limited or negative progress has been made on changing funding modalities since the repositioning. Current funding mechanisms create perverse incentives for UNDS entities, encouraging them (a) to compete with each other for programmatic and coordination funding and (b) to prioritize programme and project fundraising and delivery over expertise building. Exhibit 3 shows that about 57% of the UN’s development funding goes to tightly earmarked non-core, mostly project-based, funding. Only about 35% goes to assessed, core and single-agency thematic funds. System-wide funds, which would best incentivize collaboration and allow UN country teams to shape their activities based on the Cooperation Framework, account for a mere 3% of all development funding.

Exhibit 3: Mix of UNDS development-related funding for 2021 by funding mechanism.⁶



In conclusion, while the UNDS is certainly much more cohesive and capable than it was 10 or 15 years ago, additional dramatic changes are necessary to spur collective action at scale and to support Member States towards SDG acceleration. The UN's response to COVID-19 illustrates how things could work better when the barriers highlighted here are addressed. The COVID-19 response, which has been positively evaluated, was relatively effective for multiple reasons, including: (i) a common sense of purpose defined by a set of common goals and collaborative focus generated by the emergency, (ii) clear, robust and concise response plans, at global and country levels, around the limited set of common goals, and (iii) availability of some flexible and system-wide funding.

PRIORITY RECOMMENDATIONS TO STRENGTHEN UNDS CAPACITY TO ACCELERATE PROGRESS ON THE SDGs

This study presents several proposals for how the UN development system could overcome the challenges identified and make further progress on strengthening its collective capability to support countries accelerate progress towards the SDGs. These proposals call, first and foremost, for actions by the UNDS. These actions by the UNDS will have the most effect if they are accompanied by measures from Member States to support change, and remove barriers to change, by the UNDS.

Recommendations for action by the UNDS (including entities⁷ and the resident coordinator system)

1. Develop approaches to generate a sense of urgency and a greater sense of common UN purpose around achievement of the SDGs. At HQ level, mechanisms such as the UN Sustainable Development Group and the Chief Executives Board for Coordination can establish

⁶ Sources: Secretary-General's Report on the Implementation of the QCPR (2023), Statistical Annex on 2021 Funding Data; UN Inter-Agency Pooled Funds Database 2021; UN Multi-Partner Trust Fund Database 2021; Dalberg categorisation and analysis; Survey of UNDS Functions and Capacities to Deliver on the 2030 Agenda (conducted as part of this study).

⁷ The findings and recommendations presented in this study are primarily applicable to the development activities of the UNDS. In respect of OCHA and UNHCR, specifically, any recommendations are subject to the responsibilities conferred on them by relevant General Assembly resolutions.

system-wide frameworks on key issues, especially around the transformative entry points identified at the SDG Summit, with clear divisions of responsibilities among UNDS entities – as was seen in the COVID-19 response. At country level, UNCTs could be encouraged to define and highlight a limited set of priority objectives and targets (as part of strengthened Cooperation Frameworks) – another feature which helped to animate a common UN response to COVID-19 in many countries.

2. Reprioritize how existing resources for development activities are deployed within UNDS entities to expand technical expertise required to deliver integrated policy advice and normative support, help Member States to build resilience, and to accelerate progress on the SDGs. It is especially important to create or expand pools of expert skills in the key transformative areas – including energy, climate and nature, education, food systems, jobs and social protection, and digital connectivity – and for delivering on accelerating these transformations through shifting policy frameworks, developing “market-ready” projects, convening financing and building capacities.

3. Change the internal financial models of UNDS entities to allow for payments for deploying experts, whether to country-level activities of a given UN entity or to a different UN entity or to an external organization (e.g., IFIs). If entities can charge for expertise deployed to support projects – whether their own or those of other organizations – this would enable and incentivize entities to build, deploy and expand in-house expertise.

4. Create operating models which support more flexible and tailored UN country team configurations, by (a) lowering barriers to entities deploying experts to countries (for various periods of time) and (b) allowing for smaller in-country presences that focus on providing technical expertise rather than project implementation. This could be achieved, in part, by inviting large entities to create proposals for a “hosting platform product” for smaller entities (or refine existing proposals) that would include dedicated administrative services and support (separate from administrative support for the host entity itself). Such hosting platforms could allow smaller UNDS entities to deploy expert teams for various periods of time and to engage in the full range of advisory, programming, fundraising and other activities.

5. Create a comprehensive system-wide offering for helping Member States to improve their national data collection and analysis to better track progress on the SDGs and to inform evidence-based and inclusive policy choices. Building on existing efforts, the UNDS should move from agency-specific and project-based approaches to helping Member States with data collection and analysis towards a dynamic joint programme of support for national statistical systems.

6. Improve UNDS capacities for collaboration with IFIs and private sector investors, in support of SDG achievement. UNDS entities can contribute to such collaborations by providing relevant expertise for designing investments and knowledge about types of projects that will leave no one behind. The UNDS should build on existing examples of successful partnerships with IFIs.

7. Measure better the work and capacities of UNDS entities, by tagging expenditures and activities/projects by QCPR function (as well as by SDG) and tracking the allocation of personnel time for policy, normative, data and technical assistance work by SDG and QCPR function. It is essential to have reliable information about the capacities within UNDS entities,

especially expertise to support integrated policy advice, normative work, data systems and technical assistance, if the UNDS is to pursue a strengthening of such capacities over time in a deliberate manner.

8. Conduct a review of the Management and Accountability Framework (MAF) to optimize coordination mechanisms for delivery of the 2030 Agenda. The review should identify steps needed to fully implement the MAF, and should also study how to update the MAF, by adding to or streamlining existing mechanisms, to achieve the vision for coordination set out by General Assembly Resolution A/RES/72/279 and maximize delivery of results.

Recommendations for measures by Member States

9. Work with the UNDS to sharpen the “demand-side” understanding of the needs of Member States both up to and beyond 2030 – and identify the shifts in UN priorities and capacities needed to deliver on future needs. The findings of this study primarily reflect perspectives from within the UNDS, and QCPR surveys provide valuable information about current performance. However, it would be useful for Member States, as they plan for the future beyond 2030, to identify the shifts in UN priorities and capacities needed to deliver on future needs, and communicate ways in which the UN could be more vital, critical and relevant to countries and people around the world.

10. Encourage and support UNDS entities in prioritizing collective action, through governing boards and at country level. For example, Member States in governing boards can establish policies for UNDS entities to craft their country programming documents to align with collective priorities expressed in Cooperation Frameworks (as some already do), or to include contributions to the work of UNCTs in performance evaluations of entity staff. UNDS entities will report, starting in 2024, against the UNDS Reform Checklist, and Member States could use the specific governing body discussions to support UNDS reforms (including, where relevant, to advance the recommendations made in this study).

11. Increase core funding to enable UNDS entities to expand or build cohorts of experts. Flexible assessed, core and thematic funding for UNDS entities is limited to 35% of development funding at present. Additional core funds could allow and encourage entities to build and deploy necessary expertise – especially in the areas most relevant to the six transitions and four “engine room” actions highlighted at the SDG Summit. If Recommendation 3 were also adopted, pools of expertise could be seeded with core funding, and then could expand with funds generated by charging for the deployment of experts to projects and activities.

12. Shift significant quantities of funding for development activities from tightly earmarked project funding to system-wide pooled funds. System-wide funds which incentivize collaboration and allow UN country teams to shape their activities based on Cooperation Frameworks, currently account for a mere 3% of development funding. If such funds received even 10-15% of funding, the effect on incentives for UNDS entities at country level – which respond to “marginal” fundraising possibilities – to prioritise inter-agency coherence and collaboration, focusing on joint action areas, could be profound.