Agenda Item 5: The Implications of the UN Development System Reform for UN-Habitat’s work in the field within the context of delivery as UN System

(HSP/CPR/70/5)
REFORM OF UNITED NATIONS DEVELOPMENT SYSTEM
IMMEDIATE AND SHORT-TERM ACTIONS TO KICK START UN-HABITAT’S ENGAGEMENT

This action plan is a follow up on the reform of the United Nations Development System (UNDS) endorsed through General Assembly resolution A/72/279 on 31 May 2018. The reform was initiated by the Secretary-General in 2017, in response to GA/RES/71/243 in line with the 2016 Quadrennial Comprehensive Policy Review (QCPR).

The present paper provides a list of priority actions proposed as a contribution to the implementation of the overall reform process. A comprehensive list of actions related to each operative paragraph of the resolution can be found in a matrix in Annex to this document. Where collective measures will be required, this paper proposes to continue working with other Agencies to integrate UN-Habitat’s responses into the “bigger picture” for cohesion and alignment.

In his letter of 1 June 2018 to Principals of the UNDS, SG announced his intention to establish a transition team to coordinate the change process across all reform efforts, with specialized teams dedicated to each workstream. The team led by the Deputy Secretary-General will consult closely and rely heavily on the inputs of the work of the UNSDG.

The proposed actions also contribute to the follow up of the Executive Director’s presentation to the SMG on 6 June 2018 on ‘Sustainable Urbanization – A call to Action’.

IMMEDIATE - July – September 2018

» Address a letter to the Secretary-General expressing UN-Habitat’s interest in joining the transition team as a member of one or more specialized teams to be tasked with planning the upcoming reform workstream;

» Address a memo to staff to familiarise the whole agency with key messages of UNDS reform, which are in line with the ongoing reform of UN-Habitat;

» Create an internal inter-divisional task force including ERD, PD, MOD, led by the DED to operationalize UN-Habitat’s response to the GA resolution and ensure effective follow-up on specific paragraphs as indicated in annex;

» Send a letter to all Executive Secretaries of UN Economic Commissions reaffirming UN-Habitat’s interest and availability to join forces with them in line with the SG recommendation to lead on the implementation of the NUA and the urban dimension of the SDGs, introducing the proposed Collaborative Implementation Framework (CIF) and propose regional engagement with UNRECs on data collection and analysis and joint programming to accelerate alignment and integration at the regional level;

» Validate and refine the proposed typology of human settlements based on regional trends and country contexts, as an input to the development of practical guidelines to UN Resident Coordinators on how to integrate an urban component in new UNDAFs, as part of the further development of the action framework for implementation of the NUA, in consultation with other UN agencies.
SHORT TERM - July – December 2018

» Align UN-Habitat’s strategic planning process with UNDS reform and assert our catalytic role by developing 3 policy papers that would explore the contribution of the UN system in supporting the implementation of the 3 Transformative Commitment of the NUA;

» Internalize and engage fully with UNSDG and its various Strategic Results Groups by appointing focal points to contribute to the on-going debates and decision-making at the substantive level;

» Engage with UN Regional Economic Commissions by means of MOUs to disseminate UN-Habitat’s expertise and work on urban data definition, collection and analysis towards bringing data gaps and analysis in the implementation of NUA and urban related SDGs;

» Maintain regular interaction with ASGs in selected agencies previously known as “NRAs” and explore possibilities of engaging jointly with the ASG in charge of the new “UN Sustainable Development Group Office” (UN-SDGO), as the new hub for overall oversight of RCs in their new role in support of the implementation of SDGs;

» Explore the cost implications of the proposed actions (in terms of staff (re-)deployment, new posts) for consideration by SMB and decisions;
**ANNEX : UN Development System Reform**

UN-Habitat’s engagement to implement GA resolution A/72/279

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<th>Operative Paragraphs</th>
<th>Proposed action</th>
<th>Focal point</th>
<th>Timeframe</th>
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| **Section I:**
A new generation of United Nations country teams |

1. **Welcomes** a revitalized, strategic, flexible and results- and action-oriented United Nations Development Assistance Framework as the most important instrument for the planning and implementation of United Nations development activities in each country, in support of the implementation of the 2030 Agenda for Sustainable Development, to be prepared and finalized in full consultation and agreement with national Governments;  
   » Share GA decision with all staff  
   OED  
   Immediate

2. **Requests** the Secretary-General to lead the efforts of the entities of the United Nations development system to collaboratively implement a new generation of United Nations country teams, with needs-based tailored country presence, to be built on the United Nations Development Assistance Framework and finalized through open and inclusive dialogue between the host Government and the United Nations development system, facilitated by the resident coordinator, to ensure the best configuration of support on the ground, as well as enhanced coordination, transparency, efficiency and impact of United Nations development activities, in accordance with national development policies, plans, priorities and needs;  
   » Identify “priority countries” to focus on;  
   » Ensure every new UNDAF has an “urban component” with role for UN-Habitat to lead or advise, jointly with other Agencies;  
   » Support Regional Directors in UNDAF development and implementation;  
   PD/Regional offices  
   Short-term

3. **Also requests** the Secretary-General to work, through the United Nations Sustainable Development Group and in consultation with the Member States concerned, to determine appropriate criteria with regard to the presence and composition of United Nations country teams, based on country development priorities and long-term needs and the approved United Nations Development |
   » Join the transition team led by DSG for inputs into the debates and participate actively in the work of “UN Sustainable Development Group  
   OED/ODED/PD  
   Immediate
### Assistance Framework, in accordance with the principles of the Charter of the United Nations and United Nations norms and standards;

### 4. Further requests the Secretary-General, in pursuance of General Assembly resolution 71/243, to conduct a review of the configuration, capacity, resource needs, role and development services of multi-country offices, in full consultation with the countries involved, to improve the contribution of the offices to country progress in achieving the 2030 Agenda, to be presented to the Economic and Social Council at the operational activities for development segment of its 2019 session;

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<th>Action</th>
<th>Agency-wide</th>
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<td>» Consult with other NRAs for common position;</td>
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### 5. Calls upon the entities of the United Nations development system to strengthen capacities, resources and skill sets to support national Governments in achieving the Sustainable Development Goals and, where relevant, build capacities and expertise across United Nations agencies, funds and programmes to promote progress on those Goals lagging behind, in line with respective mandates and building on comparative advantages, and reducing gaps, overlaps and duplication across entities;

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<th>Action</th>
<th>PD/Regional offices</th>
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<td>» Strengthen the capacities of regional and country offices;</td>
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<td>» Assess country presence on a one by one basis, and determine where and how to contribute to the joint management of common business operations;</td>
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### 6. Welcomes measures by the Secretary-General to advance common business operations, where appropriate, including common back-offices, and with the target of 50 per cent common premises by 2021, to enable joint work and generate greater efficiencies, synergies and coherence, and requests the implementation of those measures in accordance with resolution 71/243;

Section II: Reinvigorating the role of the resident coordinator system

### 7. Reaffirms that the focus of the resident coordinator system should remain sustainable development, with the eradication of poverty in all its forms and dimensions as its overarching objective, consistent with the integrated nature of the 2030 Agenda and in line with the United Nations Development Assistance Framework and national leadership and ownership;
8. **Decides** to create a dedicated, independent, impartial, empowered and sustainable development-focused coordination function for the United Nations development system by separating the functions of the resident coordinator from those of the resident representative of the United Nations Development Programme, drawing on the expertise and assets of all United Nations development system entities, including non-resident agencies;

9. **Requests** the Secretary-General to strengthen the authority and leadership of resident coordinators, as the highest-ranking representatives of the United Nations development system, over United Nations country teams, and system-wide accountability on the ground for implementing the United Nations Development Assistance Framework and supporting countries in their implementation of the 2030 Agenda, through:

   (a) Enhanced authority for the resident coordinator to ensure alignment of both agency programmes and inter-agency pooled funding for development with national development needs and priorities, as well as with the United Nations Development Assistance Framework, in consultation with the national Government;

   (b) Full mutual and collective performance appraisals to strengthen accountability and impartiality, with resident coordinators appraising the performance of United Nations country team heads and United Nations country team heads informing the performance assessment of resident coordinators;

   (c) The establishment of a clear, matrixed, dual reporting model, with United Nations country team members accountable and reporting to their respective entities on individual mandates, and periodically reporting to the resident coordinator on their individual activities and on their respective contributions to the collective results of the United Nations development system towards the achievement of the 2030 Agenda at the country level, on the basis of the United Nations Development Assistance Framework;

   » Deploy on secondment additional human resources in a capacity as “Policy advisors” to regional offices to increase urban advisory capacities in support of RCs in strategic priority countries;

   » Encourage and invite RCs and ResReps from selected targets countries to participate in WUF and NUF sessions to create conditions of bilateral dialogues and joint planning;

   » Task both Dir/PD and ERD with overall focal point roles for the collaboration with RCs and ResReps respectively, including periodic updates and joint planning;

   » Assess UN-Habitat’s country presence and determine which countries are most strategic for physical country presence, resource mobilization, portfolio growth and real impact on the ground;

   » Expand and strengthen the role of HPMs to be part of urban policy Advisors

| PD/ERD/ Regional offices | Medium/long term |
(d) Reporting by the resident coordinator to the Secretary-General and to the host Government on the implementation of the United Nations Development Assistance Framework;
(e) A collectively owned internal dispute resolution mechanism;

assigned to UNCTs under the leadership of RCs to increase the Agencies presence at the national level;

» Redesign and strengthen the programme of Habitat Country Documents (HCPDs), including funding, to associate other UNCTs partners for joint planning and inclusion of urban policies in the new UNDAF, which should contain an urban Agenda component;

» Develop umbrella programmes integrating cross-sectoral themes for a greater results and impact at the national level;

» Identify interested UN Agencies for joint efforts in planning and execution of programmes and projects to benefit from interagency pooled funds that are meant to increase within new delivery outcome-based oriented mechanisms contributing to fostering collaboration rather than competition in the implementation of NUA and SDG 11;

10. **Emphasizes** that adequate, predictable and sustainable funding of the resident coordinator system is essential to delivering a coherent, effective, efficient and accountable response in accordance with national needs and priorities, and in this regard decides to provide sufficient funding in line with the report of the Secretary-General, on an annual basis starting from 1 January 2019, through:

- (a) A 1 per cent coordination levy on tightly earmarked third-party4 non-core contributions to United Nations

» Consult other NRAs for common position;

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development-related activities, to be paid at source;
(b) Doubling the current United Nations Development Group cost-sharing arrangement among United Nations development system entities;
(c) Voluntary, predictable, multi-year contributions to a dedicated trust fund to support the inception period;

11. **Strongly urges** all Member States to contribute to the trust fund, in particular as front-loaded contributions for the inception of the reinvigorated resident coordinator system, and in a timely manner, to ensure necessary, predictable and sustainable funding for the inception period;

12. **Calls upon** all Member States in the relevant governing bodies of all United Nations development system entities to ensure that all entities double their agreed contributions under the current United Nations Development Group cost-sharing arrangement;

13. **Requests** the Secretary-General, in consultation with the United Nations development system entities, to present an implementation plan for the inception of the reinvigorated resident coordinator system, including on the operationalization of its funding arrangements, to the General Assembly, before the end of the seventy-second session;

14. **Emphasizes** the need to ensure full achievement of the efficiency gains envisioned in the report of the Secretary-General in a timely manner and to redeploy these efficiency gains for development activities, including coordination;

15. **Requests** the Secretary-General to report annually, starting in 2019, to the Economic and Social Council at its operational activities for development segment, on the implementation of the reinvigorated resident coordinator system, including its funding, to ensure accountability towards Member States;

16. **Also requests** the Secretary-General to submit for the consideration of the General Assembly, before the end of its seventy-fifth session, a review with recommendations on the functioning of the reinvigorated resident coordinator system, including its funding arrangement;

17. **Endorses** the transformation of the Development Operations Coordination Office to assume managerial and
oversight functions of the resident coordinator system under the leadership of an Assistant Secretary-General and under the collective ownership of the members of the United Nations Sustainable Development Group, as a stand-alone coordination office within the Secretariat, reporting to the Chair of the Group, and requests the Chair to present a comprehensive report on an annual basis, including on the operational, administrative and financing aspects of the activities of the Office, to the Economic and Social Council at its operational activities for development segment;

» Internalize and engage with UNSDG and its various Strategic Results Groups by appointing focal points to contribute to the on-going debates and decision-making at the substantive level;

» Actively engage with SDG Fund and the Urban Window, Regional Commissions, Regional SDG labs, Climate Summit (Sept 2019) Working Groups, etc., anticipated reforms to Inter-Agency Standing Committee, the High-Level Committee on Programmes, Chief Executive Board, SG’s Executive Committee (weekly), Deputies Group (weekly), as well as SMG;

» Engage with focal points in other agencies to market new initiatives by the Agency, e.g. Urban Principles Group and corresponding Urban Management Group;

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<th>Section III</th>
<th>Revamping the regional approach</th>
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<td>18. Reaffirms the role and functions of the United Nations development system at the regional level, including the regional economic commissions and the regional teams of the United Nations development system, and underlines the need to continue to make them fit for purpose in supporting the implementation of the 2030 Agenda, and to revamp the regional structures, recognizing the specificities of each region and bearing in mind that no one size fits all;</td>
<td>» Edit and publish all Habitat III regional reports as a means providing a platform for regional trends and building up on progress achieved for future planning with regional partners in the implementation of NUA and urban related targets of SDGs;</td>
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<td>PD/ERD/OED</td>
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<td>PD/ERD/Regional offices</td>
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- Increase and strengthen UN-Habitat’s regional presence by establishing liaison offices to cover the major UN regional hubs, including Bangkok, Geneva, Beirut, Addis Ababa, and Panama;
- Strengthen linkages between HQ, Regional Offices, and UN Economic Commissions;
- Maintain and promote UN-Habitat focus on programming at the regional level as a value added to the UN-RECs capacities to provide policy, advisory and technical support to countries and regional inter-governamental bodies;
- Develop guidelines for regional umbrella projects and programmes to act as a catalyst for new dynamism and synergies to stimulate regional innovative solutions and strengthen collaboration with UN regional organs;

19. **Emphasizes** the need to address gaps and overlaps at the regional level, and endorses a phased approach to revamping the United Nations development system at the regional level, and in this regard requests the Secretary-General:

| (a) To implement, as part of the first phase, the proposed measures to optimize functions and enhance collaboration at the regional and sub-regional levels;  
| (b) To provide options, on a region-by-region basis, for longer-term reprofiling and restructuring of the regional assets of the United Nations to the Economic and Social Council at the operational level;  

- Engage with UN Regional Economic Commissions by means of MOUs to disseminate UN-Habitat’s expertise and work on urban data definition, collection and analysis towards bringing data gaps and analysis in the implementation of NUA and urban related SDGs;  

| PD/ERD | Medium term |
activities for development segment of its 2019 session;

| Section IV |
| Strategic direction, oversight and accountability for system-wide results |

20. **Takes note** of the proposal of the Secretary-General on the repositioning of the operational activities for development segment of the Economic and Social Council, and looks forward to the outcome of the ongoing review of the implementation of General Assembly resolution 68/1 of 20 September 2013:

- Contribute to the ongoing implementation of the “Standard Operational Procedures (SOPs) also addressing major recommendations of QCPR on programme planning and implementation;
- Provide evidence of UN-Habitat progressive implementation of SOPs and SOPs Plan of Action for HQ promoting the highest standards of common values and norms, transparency and public accountability in UN operations;
- Improve internal accountability practices, including delegation of authority and transparent staff management and resource mobilization;

| OED/ERD/MOD | Medium-term |

21. **Also takes note** of the proposal of the Secretary-General to gradually merge the New York-based Executive Boards of funds and programmes, and urges Member States to continue making practical changes to further enhance the working methods of the Boards with the aim of improving the efficiency, transparency and quality of governance structures, including through deciding on ways to improve the functions of the joint meeting of the Boards:

- Follow up on report by OEWG to GA regarding the linkage between the proposed Executive Board with NY based Executive Boards;
- Actively continue to participate in reforms, including at the Inter-Agency Standing Committee, the High-Level Committee on Programmes, Chief Executive Board, SG’s Executive Committee (weekly), Deputies Group

| PD/ERD/OED | Medium/Long term |
22. **Stresses** the need to improve monitoring and reporting on system-wide results, and in this regard welcomes the strengthening of independent system-wide evaluation measures by the Secretary-General, including improving existing capacities;

23. **Welcomes** the decision by the Secretary-General to brief the Economic and Social Council in his capacity as Chair of the United Nations System Chief Executives Board for Coordination, to ensure full transparency in the activities of the Board and improve its effective interaction with, and its responsiveness to, the Member States;

### Section V

**Funding the United Nations development system**

24. **Recognizes** that significantly improving its voluntary and grant-based funding is vital to the successful repositioning of the United Nations development system, as well as to the strengthening of its multilateral nature, with the aim of better supporting countries in their efforts to implement the 2030 Agenda in line with national needs and priorities in a coherent and integrated manner;

- » Consult and align with the position of other NRAs;
- Agency-wide
- N/A

25. **Welcomes** the call by the Secretary-General for a funding compact as a critical tool to maximize the investments of Member States in the United Nations development system and the system’s transparency and accountability for system-wide actions and results, and, recognizing the need to address the imbalance between core and non-core resources, takes note of the proposals of the Secretary-General to bring core resources to a level of at least 30 per cent in the next five years and double both inter-agency pooled funds to a total of 3.4 billion United States dollars and entity-specific thematic funds to a total of 800 million dollars by 2023;

- » Consult and align with the position of other NRAs;
- Agency-wide
- N/A

26. **Also welcomes** the proposals of the Secretary-General to establish a
dedicated coordination fund, and in this regard invites Member States to provide voluntary contributions in the amount of 35 million dollars to the resident coordinator system, in support of system-wide activities on the ground associated with the implementation of the United Nations Development Assistance Framework;

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<th>27. Invites</th>
<th>Member States to contribute, on a voluntary basis, to the capitalization of the Joint Fund for the 2030 Agenda for Sustainable Development at 290 million dollars per annum;</th>
<th>» Engage with selected UNRCs regarding possible ‘urban’ proposals for the Joint Fund for the 2030 Agenda</th>
<th>PD/Regional Offices/NYLO</th>
<th>Medium-term</th>
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| 28. Welcomes | the commitment of the Secretary-General to repositioning the United Nations development system in accordance with calls by Member States set out in resolution 71/243 and in the present resolution, recognizes that that commitment to reform is an essential component of a funding compact, and therefore requests the United Nations development system, as the starting point for its commitment to the funding compact: (a) To provide annual reporting on system-wide support to the Sustainable Development Goals and present aggregated information on system-wide results by 2021; (b) To comply with the highest international transparency standards to enhance transparency and access to financial information in all United Nations development system entities; (c) To undergo independent system-wide evaluations of results achieved, at the global, regional and country levels; (d) To comply with existing full-cost recovery policies and further harmonize cost recovery by individual United Nations development system entities through differentiated approaches; (e) To allocate, where applicable, at least 15 per cent of non-core resources for development to joint activities; (f) To enhance the visibility of Member State contributions to core resources and pooled funds, and related results; (g) To achieve efficiency gains as envisioned by the Secretary-General in his report; | » Consult and align with the position of other NRAs; | Agency-wide | N/A |
(h) To achieve common results at the country level;

| 29. **Also welcomes** the proposal of the Secretary-General to launch a funding dialogue in 2018 with a view to finalizing a funding compact in the form of a commitment between the United Nations development system and Member States, and requests the Secretary-General to report on the outcome of the funding dialogue at the operational activities for development segment of the 2019 session of the Economic and Social Council, noting that the funding compact relates to voluntary funding of the United Nations development system, as well as to other contributions; | » Participate in the funding dialogues to be initiated system-wide with the expectation to improve the quality and predictability of resources for the United Nations Development System;

» Operationalize IFSUD (Implementation Facility for Sustainable Urban Development) based on existing or similar models within the UN system and the Breton Woods institutions to catalyze new innovative funding partnerships in support of AFINUA and SDGs and test innovative avenues to leveraging funds and catalyzing private investment;

» Operationalize UN-Habitat’s “Stakeholders Engagement Strategy” in line with relevant provisions of the UN collaborative implementation framework (CIF); | ERD | Immediate/Mid term |

### Section VI
Following up on the repositioning efforts of the United Nations development system at the global, regional and country levels

| 30. **Requests** the heads of the entities of the United Nations development system, under the leadership of the Secretary-General, to submit to the Economic and Social Council at the operational activities for development segment of its 2019 session, for consideration by Member States, a system-wide strategic document, in the light of the present resolution and in line with resolution 71/243, and to ensure that it is specific, concrete and targeted in addressing gaps and overlaps; | » Operationalise UN-Habitat’s new strategic plan 2020-2025 aligned with the UN reform;

» Contribute to the implementation of the UNDS reform in line with GA/RES/72/279 and report on UN-Habitat | PD/ERD/MOD | Mid/Long term |
progress as a contribution to the SG report

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<td><strong>31. Reaffirms</strong> the role of the Department of Economic and Social Affairs of the Secretariat, and looks forward to the update by the Secretary-General to the Member States on the alignment of the Department with the 2030 Agenda, in accordance with General Assembly resolution 70/299 of 29 July 2016;</td>
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<td><strong>32. Requests</strong> the Secretary-General to ensure an effective and efficient transition to a repositioned United Nations development system, in particular to a reinvigorated resident coordinator system, including by giving due consideration to the role of a responsive United Nations Development Programme as the support platform of the United Nations development system providing an integrator function in support of countries in their efforts to implement the 2030 Agenda;</td>
<td>» Finalize draft MOU with UNDP;</td>
<td>ERD/PD</td>
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<td><strong>33. Also requests</strong> the Secretary-General to report to the Economic and Social Council on progress made in the implementation of the mandates contained in the present resolution and the mandates contained in resolution 71/243, as part of his annual reporting to the Council at the operational activities for development segment of its 2019 session, and to the General Assembly at its seventy-fourth session for further consideration by the Assembly and to inform the next cycle of the quadrennial comprehensive policy review to be launched in 2020.</td>
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