

2023 Report of the Chair of the UN Sustainable Development group on the Development Coordination Office and the Resident Coordinator system

Informal summary of key findings and recommendations

- 1. This report is prepared in compliance with General Assembly resolution 72/279. It details the 2022 **returns from investments in strengthening development coordination through the Resident Coordinator (RC) system,** with focus on leadership, impartiality, accountability, and enabling stronger, more coherent and effective UN development system support to countries in implementing the Sustainable Development Goals (SDGs). The robust picture of development coordination results in the report is grounded on evidence gathered through DESA surveys of host country Governments, contributing countries, UNCT members and UN development system entities' headquarters, as well as independent evaluations and the UN INFO platform. It includes, for the first time, reporting against the revised multi- annual RC system Results Framework, in compliance with A/RES/76/4 and E/RES/2022/25. Five years into the reforms of the development system, the report also reflects on the challenges faced by the RC system in delivering results consistently and sustainably. In this regard, the report highlights the growing impacts of the persistent funding gap.
- 2. The strengthening of the systems to ensure effective RC leadership by the Development Coordination Office (DCO) has helped ensure the deployment of the right person in the right place at the right time. Measures include a completely overhauled RC selection system, analysis of individual country preferences and talent scouting to ensure that RC profiles match specific country needs, a robust support package for first-time RCs and those from outside the UN, continuous leadership feedback, peer exchange opportunities for all RCs, and a reinvigorated performance appraisal. The report notes that 55% of the serving RCs are new appointees following the reforms; gender parity has been maintained and geographic balance reached. The vast majority (90%) of host Governments agree that RCs have the needed profile and skillsets; 85% confirm that RCs now provide strengthened leadership compared to before the reforms and that, under RC leadership, better-aligned UN activities are responding to national priorities. In addition, 80% agree that RCs displayed strengthened/increased impartiality vis-a-vis UN entities than before the reforms a perception shared equally by UNCT members (80%).
- 3. Strengthened RC office capacities provide critical support to the RCs and UN country teams. In 2022, 91% of RC system personnel were based at the country level. In addition to the 130 RCs, reform investments in five standard core capacities for all RC offices have helped level the playing field compared to the pre-reform skewed distribution of capacities in countries based on donor support. As a result, coordination now reliably enables stronger strategic planning, economic analysis, partnerships, data analytics, and results reporting. RCs consider them essential and UNCTs value their support. These core universal capacities are complemented by JPOs, UNVs, and ad-hoc surge capacities as needed, in addition to funds' secretariats (e.g., Spotlight Initiative) and advisory support (e.g., Peace & Development advisors, Human Rights advisors and other experts) funded by UN entities. The increase in advisory support hosted in RC offices reflects the expanding appreciation of UN entities of the RC office as an independent 'centre of gravity' for advisory expertise.



- 4. DCO regional teams provide dedicated day-to-day support for RCs and their offices. They are first responders to wide-ranging demands from RCs and UNCTs for strategic guidance tailored to the specific needs of each region from joint planning and transboundary responses, connecting with regional expertise and resources, and providing a bridge to translate global commitments to country-level action. The 2022 OIOS evaluation of regional DCO teams concluded that DCO regional support enhanced the capacity of RCs to better fulfil their leadership and programme coordination role, and that RCs were highly satisfied with it. It noted, however, the need to address broader UN structural challenges in regions, including the still evolving reforms at regional level, to better support RCs' access to UN system expertise and surge capacity as needed. It also highlighted the unsustainability of staffing arrangements in DCO regional teams, which has created an overreliance on temporary staff, secondments and UNVs.
- 5. The DCO team in New York ensured strategic direction and management of RCs and their offices. It also guided country-level SDG-focused joint analysis, programming, partnerships, pooled funding, communications and results- reporting, consistently emphasizing data and innovation. A key value-add was to ensure linkage between RCs and global UN expertise in critical areas for SDG acceleration and financing. RCO's rating of such support continued to improve steadily in most areas. DCO also supported UN development system coordination globally in its role as secretariat of the UN Sustainable Development Group; a key area of emphasis in this regard was to step up engagement to advance system-wide efficiencies. DCO also helped improve transparency and accountability for results through support for UN INFO improvements, building of data-related capacities, and high-quality country-level reporting, including around implementation of UN Secretariat-wide management strategies and action plans (e.g., disability; sexual exploitation and abuse). In addition, in response to the funding shortfall, DCO provided systematic analysis and briefings to Member States to improve resource mobilization, while also initiating prudent measures to manage resource flows without unduly jeopardizing RC system results.
- 6. In terms of **DCO staffing complement**, there were 77 staff in New York and 35 staff in the regions. As outlined in the 2022 Secretary-General's Programme Budget, the number of personnel has increased, from the original design of 94 posts in 2019 to 112 in 2022, responding to the increased demands that were not fully anticipated in 2018: the changes especially focus on increased capacities for the Africa region, and capacities related to human resources, data analytics, and finance.
- 7. Against a backdrop of yet another year of global crises and increased volatility, the RC system continued to foster a more flexible, coherent and effective UN offer at scale, tailored to LDCs, LLDCs, SIDS and MICs settings, aligned with national development priorities. By end of 2022, 72% of UNCTs had updated their Common Country Analyses; over half of all UNCTs had transitioned from their old UN Development Assistance Frameworks to new UN Sustainable Development Cooperation Frameworks; and as of March 2023, 104 Cooperation Frameworks had been rolled out - 40 in 2022 alone - working together with Governments. The UN offer has been improved due to the RC's systematic engagement of all relevant UN development capacities in these processes, regardless of where these are based. The RC system was also on the front lines to shape host countries' understanding, mobilize partners and connect national, regional and global resources around global summits, such as COP-27, the G20, the Transforming Education Summit, the World Urban Forum and the follow-up to the Food Systems Transformation Summit. RCs in 69 countries led UNCTs to develop new joint programmes on food security and nutrition supported by the Joint SDG Fund; the number of joint programmes in 2022 nearly doubled compared to 2020. In addition, the RC system continued to champion gender equality and women's empowerment; led a steady improvement in meaningful engagement of youth in joint planning processes; continued to lead UNCTs in supporting national partners in advancing human rights for sustainable development; mobilized assets and expertise from across humanitarian, development and peacebuilding action to advance the 2030 Agenda; and served as first responder to sudden-onset emergencies in countries where OCHA has no presence.



- 8. The 2022 system-wide evaluation of the UN Response to COVID noted the improvement of the UN offer through more strategic and integrated Cooperation Frameworks, backed by quality joint analysis and drawing from the full UN expertise. 94% of host Governments agree that Cooperation Frameworks were effectively responding to national priorities. Over 88% confirm RCs effectively lead the delivery of strategic support for national plans and priorities. The percentage of host Governments perceiving that RCs provided increased ability to access UN expertise, compared to before the reform, rose from 80% in 2021 to 87% in 2022. The majority (72%) has seen a steady increase in national mechanisms and/or structures to coordinate international development, humanitarian and peacebuilding efforts. The evaluation however noted that there is a need to further overcome barriers to cross-sectoral collaboration and siloed approaches across UN entities. High quality Cooperation Frameworks can only drive collective impact if there is more substantive alignment and derivation of entity-specific country responses. In addition, growth in UNCT membership to recalibrate the UNCT response in countries is not equally matched by growth in the ability to share resources differently.
- 9. As the most senior UN development official in country, RCs are leveraging their role to forge multi-stakeholder and innovative partnerships to bring SDG solutions to scale. Partnerships with IFIs, private sector, and academia are growing. For example, 41 UNCTs (31%) reported having joint programmes with IFIs for sustainable financial systems, and regional development banks are increasingly part of UNCT joint programmes. 92% of host Governments recognize the RCs contribution in leveraging partnerships in support of national development efforts, compared to 86% the year before. RC system communities of practice to share knowledge and experience around building on the strengths and expertise of partners can be strengthened. Fostering stronger collective partnership approaches can be the key for effective solutions at scale.
- 10. The RC system helped mobilize funding to enable and incentivize joint approaches by the UN development system, while also addressing needed SDG financing for national development pathways. RCs played an important role in establishing country-level SDG pooled funds to incentivize UNCT joint programming and implementation of Cooperation Frameworks. Similarly, they led UNCT submissions to access resources from global pooled funds, such as the Joint SDG Fund, the Spotlight Initiative, as well as the CERF and the PBF. A 2022 system-wide evaluation of the DCO-hosted Joint SDG Fund highlighted the strategic role of RCs in unlocking these resources, enabling UNCTs to access catalytic funding for integrated SDG programming and financing solutions. Joint programmes for integrated social protection and SDG financing strategies reached over 188 million people, dedicated \$30 million to strengthen resilience in 42 SIDS and supported Integrated National Financing Frameworks (INFFs) implementation led by UNDP in 69 countries. To date, every \$1 invested in the Joint SDG Fund leveraged \$9.70 through SDG bonds and policy scale- ups, effectively catalyzing some \$2.3 billion from the \$260 million in financial commitments to the Fund over the years. Significant funding shortfalls constrained the joint SDG Fund's reach in 2022. This pattern was also seen for the existing 28 country-level pooled funds, 35% of which are supported by a single donor. Overcoming these challenges is essential to realize the full ambition of the reforms and the Funding Compact.
- 11. The RC system has been instrumental in enhancing joint communications, using the network of RC office communications staff and those of 44 integrated UN Information Centres (UNICs). 81% of RCOs have a joint communications strategy today, up from 39% in 2020. Thanks to RC leadership, 100% of UNCTs produced their annual UN country results report, compared to 64% in 2019. DCO support to the UNSDG also enabled new initiatives for strengthened transparency and accountability: a new UNSDG Output Indicator Framework for Cooperation Frameworks was agreed in 2022, which will improve both aggregate and country-specific evidence of the UN development system contribution to the SDGs. In addition, the new DCO website, Common Premises platform and Efficiency dashboard, complementing the UNSDG Data Portal launched in 2021, are supported by the DCO-managed UN INFO platform and reengineered different platforms previously serviced by external vendors saving approximately \$2.4 million.



- 12. The RC system embodies efficiencies gained through its own transition into the UN Secretariat and support for the transformation of UNDS operations. The RC system transition of operational services from UNDP concluded in 2022, saving an estimated \$3.4 million in 2022 (and a total of nearly \$10 million since 2020). Also, DCO investments of some \$11.5m since 2019 in specialized capacities to advance system-wide efficiencies through Business Operations Strategies, Common Back Offices and Common Premises have begun paying off. Taking into account all efforts, cost-efficiencies are estimated at around \$405 million an increase of 47% from \$275 million in 2021, as detailed in the Secretary-General's report on QCPR. DCO provided critical support to the UNSDG Business Innovation Group (BIG) in revising the Efficiency Roadmap (2022-2024), design capacities for the first Common Back Offices in 6 countries, and assistance for the annual updates of country-level business operations strategies. DCO is however forced to significantly scale back its support to BIG due to funding challenges.
- 13. In 2022 the RC system faced the largest funding gap to date. Voluntary contributions totaled merely \$69 million, leaving a gap of \$85 million; only 27 donors contributed (including three G-77 countries), the lowest number of contributors since the establishment of the RC system; three of nine multiyear agreements running through 2022 also concluded. Only \$189 million in funding was received against the \$281 million budget for 2022, i.e., just 67% of the required budget for a fully capacitated RC system. In contrast, the total expenditures amounted to \$225 million in 2022 (or 80% of the approved budget), the highest expenditure level recorded since the inception of the reinvigorated Resident Coordinator system. DCO initiated several cost-control measures going into 2023 to manage resources prudently: with a focus on minimizing impact on field operations and core capacities, the measures included temporary freezing of select vacancies, reductions in provisional and short-term consultancies and capacities, cutbacks in DCO regional teams support to RCOs, and down-sizing of the country-level Coordination Fund.
- 14. The agreed budget of \$281 million for the RC system is a critical minimum investment that stems from a careful analysis of the functions needed for effective development coordination. Nonetheless, the voluntary contributions component of \$154 million has remained perpetually underfunded, in contrast to the good performance of the UNSDG cost-sharing (\$77.5 million) and increasing revenues from the 1% levy on tightly earmarked funding (\$50 million in 2022). At a time of increasing demands, the ambition envisioned for RC system results must be matched by adequate support. Failure to live up to funding promises will require a change by the General Assembly in the funding model to enable the RC system to deliver on its mandates.



Summary of key statistics and feedback

Two-thirds of <u>host countries</u> responses to the DESA survey reconfirmed the value of the reinvigorated cohort of RCs, with significant increases on key dimensions since the reforms:

- o 90% agreed that RCs have the needed profile and skillsets.
- 87% said the RC serves as a strengthened entry point to the UN offer a 35% increase from perceptions in 2019
- o 85% noted that RCs provided strengthened **leadership** compared to before the reform a 30% jump from 2019
- 80% agreed that RCs displayed strengthened/increased impartiality vis-a-vis UN entities since 2019 a
 perception shared equally by UNCT members (80%)
- o 82% said RCs have strengthened **capacity** an increase of 27% since 2019
- o 79% say RCs have strengthened **management skills**, compared to 75% in 2021
- 83% say that RC have strengthened authority, compared to 59% in 2019 (a 24% increase)
- 84% point out that RCs have increased focus on common results, compared to 60% in 2019 (another 24% jump)
- 80% report that RCs have **reduced duplications**, compared to 56% in 2019 (another 24% increase)
- 88% confirmed RCs effectively lead the delivery of strategic support for national plans and priorities, as indicated in 2021
- 94% agreed that Cooperation Frameworks enabled them to ensure that UN activities effectively respond to national priorities (and increase from 89% since the reforms)
- 91% of host Governments said UNCTs have the right mix of capacities to support national development efforts (from 76% since the reforms)
- o 92% in 2022 vs. 88% in 2021 agreed that the UN adequately provided evidence-based policy advice
- o 92% said RCs contributed to leveraging **partnerships** in support to national efforts to advance the 2030 Agenda and achieve the SDGs (compared to 85% in 2020).
- o 76% said RCs contributed to building stronger synergies across development, humanitarian and peacebuilding interventions, as in 2020.

Of the 48 **contributing countries** who responded to the DESA survey:

- 88% agreed the RC system stepped up collective and coherent action and helped leverage the comparative advantages of UN entities
- o over 77% reported it helped minimize duplication of efforts and advances efficient use of resources.

The body of independent evaluation evidence on the value addition of the RC system also mounted in 2022:

- The <u>system-wide evaluation of the UNDS socio-economic response to COVID-19</u> acknowledged the role of RCs in fostering an effective UNDS response to the pandemic
- o The <u>evaluation</u> by the Office of Internal Oversight Services (OIOS) on DCO regional teams relevance and effectiveness attested to their importance in enabling RCs to fulfil their leadership and coordination role.
- o The <u>system-wide evaluation of the Joint SDG Fund</u> noted the RCs' strategic role in enabling UNCTs to access the Fund's resources.
- Recommendations from the Board of Auditors also recognized the positive results achieved.
- An independent <u>evaluation of UNFPA's engagement in UNDS reform</u> a first of its kind among UNSDG entities – noted that the reformed UNDS, including independent RCs, have enabled UNFPA to position its strategic priorities and leverage joint programming for results