2019 session
26 July 2018–24 July 2019
Agenda item 7 (a)
Operational activities of the United Nations for international development cooperation: Follow-up to policy recommendations of the General Assembly and the Council

Report of the Chair of the United Nations Sustainable Development Group on the Development Coordination Office (General Assembly resolution 72/279)
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Executive Summary

In its landmark resolution 72/279, the General Assembly decided to deeply transform the UN’s development coordination system to better respond to the 2030 Agenda for Sustainable Development, with a reinvigorated, empowered and independent resident coordinator (RC) at its helm. Delinked from the United Nations Development Programme (UNDP), the RC function is now fully dedicated to coordinating development activities on the ground.

The resolution also requested the Chair of the UN Sustainable Development Group (UNSDG) to “present a comprehensive report on an annual basis, including on the operational, administrative and financing aspects of the activities of the [United Nations Development Coordination] Office, to the Economic and Social Council at its operational activities for development segment”. This is the first of such reports, and it must be seen as a transitional update, coming only a few months since the establishment of a reinvigorated RC system on January 1, 2019, and the related transformation of the Development Operations Coordination Office (DOCO) into a stand-alone coordination office within the Secretariat – renamed the Development Coordination Office (DCO).

A strengthened DCO is critical to the success of the new RC system. Headed by an Assistant Secretary-General, reporting directly to the Deputy Secretary-General/UNSDG Chair, DCO assumed managerial and oversight functions of the new RC system in January 2019, in addition to responsibility for responding to heightened needs and demands of UN Country Teams and the UNSDG, particularly in this period of transition. The new RC system brings the capacity, reach and impact of the UN development system together with the expertise of national partners to support sustainable development more coherently, effectively and efficiently. It is the cornerstone that enables a coherent and well-coordinated response by UN Country Teams that can deliver integrated support across the Sustainable Development Goals (SDGs), for the achievement of national development priorities and needs.

The General Assembly decided to fund the RC system through a hybrid model composed of three funding streams. These include voluntary contributions, a cost-sharing arrangement among the entities of the UNSDG and an innovative levy on tightly earmarked contributions to UN development activities.

One year on, we have moved quickly to achieve the ambitious goals of the repositioning of the UN development system and to ensure a successful transition into a reinvigorated RC system. Thanks to joint efforts with Member States, we are fully on track. Moving forward, as the new RC system continues to be strengthened as part of a wider set of reforms to reposition the UN development system, continued leadership and ownership by all Member States and every entity of the UNSDG will be critical to maximize the impact of the changes mandated by the General Assembly.

This report should be read as a companion to the 2019 report of the Secretary-General on the Implementation of General Assembly Resolution 71/243 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system (QCPR). Together, the reports will provide clarity on all mandates to reposition the UN development system. All transformative measures underway are interlinked and mutually reinforcing. This report provides an update on one of the most important components in a broader and far reaching reform effort.
Introduction

1.1 General Assembly resolution 72/279 created a dedicated, independent, impartial, empowered and sustainable development-focused coordination function for the UN development system by separating the functions of the resident coordinator (RC) from those of the resident representative of UNDP. The General Assembly also endorsed the transformation of the Development Operations Coordination Office (DOCO) as a stand-alone coordination office within the Secretariat, renamed Development Coordination Office (DCO), reporting to the Chair of the UNSDG. The Economic and Social Council’s discussions between 2014-2016 on ensuring the UN is “fit for purpose” and the landmark QCPR resolution 71/243 of December 2016, in which the General Assembly called for a UN development system that is more accountable and results-oriented, paved the way for this significant reorganization of the UN coordination function in GA resolution 72/279.

1.2 At the heart of this transformation are the resident coordinators (RCs) as designated representatives of the Secretary-General for development operations at the country level. The 129 RCs are the cornerstone of a coherent and well-coordinated UN development system that can deliver integrated support across the SDGs for the achievement of national development priorities. They lead implementation of the UN Development Assistance Framework (UNDAF) – now redesigned and renamed the UN Sustainable Development Cooperation Framework (Cooperation Framework) - to respond to national priorities and needs. This reform enables RCs to provide full-time\(^1\) independent leadership for UN coordination at the country level, working collaboratively with the UN country teams, guiding strategic policy and enabling innovative partnerships and investments for the SDGs. Internal agreements, such as the UN development system Mutual Accountability Framework (MAF), facilitate joint and collaborative work and strengthen accountability for integrated results at the country level.

1.3 At the global level, a strengthened DCO was established to support the work of the UNSDG, promote the change and innovation needed to deliver together on sustainable development, and to respond to the ambitious demands and expectations ushered in by the 2030 Agenda. The operationalization of the Office and its transition to the Secretariat was undertaken in this spirit, with the support of UNDP, several Departments and Offices of the Secretariat, including the Department of Management, the Office of Legal Affairs, and the UN development system repositioning transition team.

1.4 DCO provides managerial and oversight functions of the RCs, and its activities are advanced with collective ownership by the UNSDG as a key conduit to support the UN’s operational activities for development. These inform policy, programme and operations on the ground. DCO serves as the Secretariat to the UNSDG at the global and regional level, provides substantive guidance and support to RCs and UNCTs, in addition to daily backstopping to RC offices on the ground. DCO also provides troubleshooting, quality assurance and dispute resolution services in close liaison with the relevant regional teams of the UNSDG. A new series of regional DCO desks, will consolidate this support to RCs and UNCTs, support greater inter-agency coherence at the regional and sub-regional level, and strengthen two-way connectivity between field and HQs.

1.5 The success of the new RC system will eventually be told by how the organization, operations, funding and overall mindset of the UN development system produces innovative and integrated action towards achievement of the SDGs, in a way that leaves no one behind. Moving forward, the DCO reports to the ECOSOC will progressively link the operations and funding of the new Office to clear results on the ground. This first, transitional report – delivered less than six months from the transition to a new RC system – is inevitably focused on the mechanics and key operational milestones that marked the early days of this transformative journey. This report is to be considered concomitantly

\(^1\) In contexts where RCs are also the Deputy Special Representative of the Secretary-General and/or Humanitarian Coordinator, the coordination time and responsibilities are divided across those functions.
with the Secretary-General’s report on the QCPR, which includes an overview of progress in implementing all mandates to reposition the UN development system.

**Key operational milestones in the establishment of DCO**

2.1 The Secretary-General established a dedicated UN development system Transition Team, reporting to the Deputy Secretary-General, to support the implementation of all mandates and workstreams to reposition the UN development system. The Transition Team responsibilities are also to provide strategic direction to the system and track progress towards the deliverables requested in this resolution. The Transition Team presented an *Implementation Plan for the Inception of the Reinvigorated RC system* to the General Assembly on 14 September 2018. The plan outlined all operational, administrative and funding arrangements for an independent, reinvigorated RC system.

2.2 On 11 July 2018, the Secretary-General established a United Nations Special Purpose Trust Fund (SPTF), in line with General Assembly resolution 72/279 to receive, consolidate, manage and account for all contributions and financial transactions of the new RC system. As of 1 April 2019, the Fund has received US$195 million in firm commitments and contributions, including revenue from the UN entity cost-sharing.

2.3 The reform requires a step-change from all entities, and a shift of mindset and behavior from every single staff member, including the RCs and members of UNCTs. Ensuring that RCs and UNCTs are appraised of the changes brought on by the UN development system repositioning, the Secretary-General convened all the RCs for a global meeting on the transition in October 2017 in New York. The Secretary-General and I plan to hold this retreat on an annual basis. I have also met all RCs in regional configurations in the first quarter of 2019.

2.4 The Advisory Committee on Administrative and Budgetary Questions (ACABQ) approved the creation of applicable posts for the new RC system in October 2018, along with a recommendation to review the set-up of DCO after one year as necessary. This was followed by the submission of revised estimates for the RC system budget for 2018-2019 for the consideration of ACABQ.

2.5 With a total budget amounting to US$281 million annually, inclusive of 1,141 posts and non-post resources, this submission formally concerned the regular budget appropriation request for US$13,571,800, representing the UN Secretariat’s agreed contribution to the cost-sharing arrangement for 2019. Endorsed by ACABQ on November 20th, this budget appropriation was approved by the Fifth Committee in its session of 22 December 2018.

2.6 With the functional separation of DOCO from UNDP on 1 November 2018, DCO was established as a standalone office within the UN Secretariat. In line with the Implementation Plan for the inception of a reinvigorated RC system\(^2\), the recruitment process for DCO was launched in late 2018 and will be ongoing up until 31 August 2019. Gender and geographic balance will remain an important consideration.

2.7 To ensure a smooth transition to the newly reinvigorated RC system, the UN Secretariat signed a Memorandum of Understanding (MoU) with UNDP on 21 December 2018. According to this MoU, UNDP provides operational services to address country-level needs of the RC system, as well as the needs of DCO’s regional desks in Amman, Istanbul and Panama City on a fee-for-service basis in 2019. This instrument has been essential to avoid any disruption in ongoing activities of RC Offices during the transitional period.

2.8 On 1 January 2019, all RCs have been fully delinked from the UNDP resident representative functions, and the RC system was successfully transitioned to the UN Secretariat, with no major disruption on the ground.

\(^2\) 14 September 2018
All RCs now hold UN Secretariat letters of appointment and report directly to the Secretary-General, in a system managed by DCO.

2.9 New and strengthened RCOs are being resourced under guidance and management by DCO, based on country-specific transition and staffing plans for each RCO, in line with the core functions agreed by Member States. This has been organized in waves ensuring a successful transition without disruption to business continuity. Dedicated posts bringing planning and economic expertise, policy support, monitoring and evaluation and strategic partnerships support are being filled over the course of this year.

2.10 The Departments of Global Communications (DGC) and DCO launched a joint effort to strengthen communications in support to the 2030 Agenda, which includes the full integration of UN Information Centres (UNICs) into RCOs. This will help ensure more effective communication strategies and greater efficiency in the deployment of Secretariat assets on the ground. Communications capacities in RCOs where there is no physical UNIC presence will also be boosted. Currently, UNICs have a presence in 51 countries where an RC is present. In these locations, RCOs will integrate a UNIC staff member, with a job description that prioritizes support to the UNCT under the RC’s leadership. The new UNIC Director or National Information Officer will report first to the RC and second to their manager within the DGC. In these locations, the communications function in the RCO will therefore be covered under the DGC budget.

2.11 In the remaining 80 locations where there is no physical UNIC presence, the SPTF is financing a new Programme Communications and Advocacy Officer position in the RCO. This Programme Communications and Advocacy Officer will also have a first reporting line to the RC and a second reporting line to a DGC manager—either in a nearby UNIC or in UN HQ. The generic job description of these Programme Communications and Advocacy Officers has been adjusted to integrate both UNCT responsibilities and the corporate priorities of the DGC. DGC is also involved in the hiring process.

2.12 Working under the leadership of the Secretary-General and my oversight as UNSDG Chair, DCO, the Transition Team and the UNSDG have made significant progress on a set of complementary reform pieces that will contribute to a reinvigorated RC system, all of which have been finalized ahead of the ECOSOC Operational Activities Segment. These include the redesigned UNDAF - now renamed the UN Sustainable Development Cooperation Framework; a new country-level UN development system Management and Accountability Framework to operationalize the new relationships in UNCTs, including dual reporting lines between UNCT members and RCs; the design and the operationalization of the 1% coordination levy as one of three sources of funds to the RC system. Other critical reform mandates with bearing on the RC system are also being put forward for the consideration of the ECOSOC, including a System-Wide Strategic Document (SWSD), recommendations to reposition the regional assets of the UN development system, and the Multi-Country Office (MCO) review.
DOC/DCC OPERATIONAL MILESTONES
MAY 2018 TO TODAY

MAY 2018
- General Assembly Resolution 72/279
- Implementation plan developed
- Special-purpose trust fund established
- UNDOCO advance teams commence work

ACAOQ 1 –
ON BUDGET
ACAOQ 1 –
ON POSTS
NEW UNDOCO
ORGANIZATION CHART
DEVELOPED
OUTREACH TO UN
ENTITIES ON COST
SHARING LAUNCHED

DESIGN OF UNDO-SECRETARIAT
MEMORANDUM OF
UNDERSTANDING/SERVICE-
LEVEL AGREEMENT BEGINS
FIFTH
COMMITTEE
APPROVAL
LEVY DESIGN/NEGOTIATIONS
LAUNCHED
DESIGN OF NEW RESIDENT
COORDINATOR OFFICE
GUIDANCE FOR RCS

LETTER SENT BY UNDP
ADMINISTRATOR TO RC/RS ASKING
THEM TO INDICATE WHICH FUNCTION
THEY WOULD LIKE TO PERFORM
STARTING IN 2019
RE-APPOINTMENT
LETTERS OF RCS BY THE
SECRETARY-GENERAL
SECRETARY-GENERAL & DEPUTY
SECRETARY-GENERAL MEET
WITH RCS IN NEW YORK
LAUNCH OF UNDOCO
WAVE 1 RECRUITMENT
PROCESS

JANUARY 2019
- Resident representative function separated from resident coordinator function
- New Development Coordination Office (DCO) comes into operation
- Resident Coordinator Office recruitments wave 1
- Deputy Secretary-General holds regional-level meetings with RCS
Progress on rolling out the RC system

3.1 In successive resolutions on the QCPR, Member States reiterated the central role of RCs, working with the UNCT and under the leadership of Governments, and ensuring the coordination of United Nations operational activities for development at the country level. Member States also consistently stressed the need to ensure that RCs have sufficient leadership, prerogative, impartiality, management tools, experience and skillsets to effectively fulfil their mandates. In the rolling out of the RC system, DCO has assumed the managerial and oversight functions that were bestowed on it through General Assembly resolution 72/279 and in line with Secretary-General’s Implementation Plan presented to the General Assembly in September 2018.

3.2 As part of the jointly planned transition of the RC system from UNDP to the Secretariat, the UNDP Administrator sent a letter in November 2018 to all serving RC/Resident Representatives (RR) requesting them to indicate whether they intend to continue solely as RC or as an RR from 1 January 2019 onwards. Out of the 129, serving RCs, 11 decided to return to UNDP, creating an RC vacancy in these locations from 1 January. At the time of publication of this report, there are 19 vacant RC posts against which a selection process has been launched. The open positions are being filled through the existing RC pool and, if necessary, from the new intake subsequent to the next RC Assessment Centre to be held in May 2019.

3.3 As foreseen in the RC system Implementation Plan, by 15 March, all RCs and RCs ad interim had accepted their Delegation of Authority (DoA) received from the Secretary-General. The document covers their delegated authority as Heads of Entity for the respective RCOs for (a) human resources; (b) budget and finance; (c) procurement; and (d) property management. The DoA is essential for an independent and strengthened RC system, and will be fully leveraged as RCs assume their operational authority as part of the UN Secretariat. In the meantime, RCOs continue to receive operational services from respective UNDP country offices. According to the MoU with UNDP that covers 2019, UNDP country offices provide: a) human resources; and b) general administrative services to the RCOs. This arrangement with UNDP is funded from the overall approved budget for the RC system.

3.4 The separation of the RC function from UNDP’s resident representative role has had a considerable impact on the RC pool as many UNDP members sitting in the pool were only recently appointed UNDP resident representatives. DCO is now applying special measures to replenish the RC pool with viable high potential candidates to achieve gender, geographic and agency balance within the pool, which feeds into RC posts when these become vacant. This will assist in maintaining gender parity among the cohort of resident coordinators, and to improve geographic balance and representation.

3.5 In line with the Implementation Plan, in late 2018 the Secretary-General wrote to all Member States hosting RCs and informed them of his designation of the RC for the Member State concerned, whose functions were then to be separate from that of the UNDP Resident Representative. He also proposed that the legal framework that had previously applied, most frequently a UNDP Standard Basic Assistance Agreement (SBAA) and the practice thereunder, be applied to the RC and the RCO until the UN and the Member State concerned could conclude an agreement by way of an exchange of letters applying mutatis mutandis the SBAA to the RC and the RCO. This approach was chosen to minimize disruption in the transition on 1 January 2019 to the repositioned UN development system and to ensure continuity of the established legal framework and practice with respect to the new RC and their Offices. The letter also clarified that the proposed arrangement would apply ad interim, pending any alternative arrangement to be later defined.

3.6 At the time of publication of this report, the process was successfully completed in 47 countries; with formal response letters by host governments agreeing to the SG proposal. In other cases, a response is still pending or under
consideration by relevant government counterparts in capitals, or Member States are engaging with the Secretariat for clarifications on the legal aspects of the SG proposal. As a general practice, the application of existing legal agreements, *mutatis mutandis*, remains our preference during this inception period to ensure business continuity and reduce transaction costs in the transition of a UN function that was already performed in respective countries before the transition in January.

3.7 Refining the RC selection process is key to ensuring gender parity and geographic balance, as well as attracting the best and brightest development professionals to lead UNCTs and work in collaboration with governments. The Secretary-General committed to working with the UNSDG to review RC profiles and ensure that RCs possess the necessary knowledge of the 2030 Agenda and experience required for the country context. The new generation of RCs require in-depth understanding of the conceptual shifts that underpin the 2030 Agenda, an ability to draw from the expertise and assets of the entire UN system at country, regional and global levels and have collaborative leadership capacities to guide UNCTs to address national development priorities and needs.

3.8 With the new RC system, the selection and assessment system are being critically reviewed and revamped. A new RC Assessment Center (RCAC) design will be launched during the course of 2019 and will be fully aligned with the new job description of RCs and the leadership capabilities of the UN Leadership Model. The RCAC will incorporate a ‘sustainable development’ focus in the selection of candidates and design of the assessment. The design and management of the RCAC will be carried out by DCO on behalf of the UN development system. It is anticipated that the revised RCAC will include an additional day for the assessment of the HC function, to be managed by OCHA.

3.9 The assessment of candidates to enter the RC Pool will continue to be one of the most rigorous processes in the system, handled by an independent third-party. The independent RCAC will continue to bring expertise, knowledge and impartiality to the process. Recommendations on selection and matching of pool candidates to specific RC positions will continue to be overseen by the Interagency Advisory Panel, under the chairmanship of the Head of DCO.

3.10 RC and UNCT planning and performance management tools will be reviewed to better streamline and align with the elements of the reform process that have a bearing on performance management such as the new MAF, the new RC Job Description, the new UN Cooperation Framework (formerly ‘UNDAF’) guidelines, as well as, possible changes to MCO environments and management of regional assets.

3.11 In the medium-term, it is expected that performance assessment will place increasing emphasis on SDG results, as captured in the Cooperation Frameworks, with a more clearly defined reporting line between the RC and UNCT members. UNCT members and Regional UNSDG members will continue to inform the assessment of RC performance. Transitional 2019 performance goals have been developed as part of provisional changes to the existing Assessment of Results and Competencies tool and current generic performance goal categories.

3.12 A repositioned UN development system demands a new approach to leadership that entails a cultural transformation, enabling and empowering system-wide collaboration, measured risk-taking, and promoting mutual accountability for results. As RCs steer and support the system’s substantive contribution to the 2030 Agenda, they need to be able to convene and connect within the UNCT and broader development community, adapt to continually changing environments, promote collaboration across boundaries, and co-create solutions to drive whole-of-society transformations.

3.13 In late 2018, the “United Nations Learning Advisory Council for the 2030 Agenda” was established. This new body supports the alignment of RC system capabilities with the new demands which arise from the repositioning of the UN development system. The Council brings together the heads of 15 UN learning and training institutions, including UNSSC, UNITAR, the ILO training center DESA, UNESCO, ECLAC, UN Global Compact, UNITAR, UNDP, UNRISD, EOSG, and the World Bank. The establishment of the Council reflects a coordinated effort to draw on
knowledge, learning and expertise from within and outside the UN system. It will bring together the knowledge spread across the learning and training institutions to create a more powerful and coherent narrative across the SDGs.

3.14 As one of their first deliverables, I requested the Council to develop a new “SDG primer”; a system-wide knowledge certification module, which will ensure that RCs and their offices possess a strong and shared knowledge base on the 2030 Agenda. The primer will be used to inform the action of all UN entities, as well as their engagement with their partners in government and civil society. It will be a resource for national actors seeking inspiration and guidance for their own sustainable development efforts. It emphasizes the importance of systems thinking, and the collaborative and transformational leadership capabilities and skills that the SDGs demand, while establishing a baseline guidance on how the UN is approaching the implementation of the 2030 Agenda.

Strengthened Resident Coordinator’s Offices

4.1 In his report on the UN development system repositioning, the Secretary-General called for strengthened RCOs to support UNCTs. Coordination of development activities entails being able to connect the complex elements across the SDGs; access relevant knowledge and data; and translate both of these into robust planning and most importantly, results. It also requires enhanced substantive understanding of the 2030 Agenda and ability to engage with a variety of stakeholders and enable all UNCT members to scale up their partnership with Governments and other partners, including parliaments, the private sector, trade unions and employers’ organization, academia and other civil society organizations.

4.2 In line with the Secretary-General’s Implementation Plan, the set-up of the new RCOs is being rolled out in stages to ensure business continuity in the operations of the RC system. In October 2018, each RC proposed a transition plan to move from their current staffing composition to the required composition fulfilling the five core functions. Within the transition plan, all sitting staff were extended through June 2019.

4.3 All 131 transition plans were approved by the end of 2018 and ready for implementation by January 1. Each RCO can hire a mix of national and international staff depending on the requirements of the country. The maximum number of international professional staff that can be hired into any one office is two. Globally, 67 per cent of the proposed RCO professional recruitments are projected to be national staff with 33 per cent international staff. The numbers exclude the two support positions which are 100 per cent national posts, and the RCs themselves, which are 100 percent international posts.

4.4 The second phase of the process commenced in January 2019 with guidance from UNDP, which is managing the recruitment of the national officers on behalf of the Secretariat. All RCOs received a budget to enable them to begin recruiting the first wave of national staff. Twenty-eight countries in special situations also received an advance allocation of US$300,000 which they can use to extend current staff, or to hire international staff ahead of the other RCOs. Any new international staff are being hired through the Secretariat.

4.5 In the third phase, the RCOs will receive a further allocation of funds to enable the recruitment of the remaining positions. These international posts will primarily be recruited through a global call and the creation of a roster of potential P5 and P4 candidates, which was launched in April 2019. The deployment of selected candidates will start during Q3 of 2019.
The New UN Development Coordination Office

5.1 In line with the Secretary-General’s Implementation Plan, the transition to the new DCO continues to be managed in stages to ensure business continuity in the operations of the RC System. The first phase took place on 1 November 2018 with the relocation of all sitting DOCO staff on loan to the UN Secretariat to form part of the DOCO temporary “Advance Team”.

5.2 The second phase was the recruitment against the new DCO positions, which was organized in two waves. The first wave started in November 2018, during which 61 posts were advertised externally. At the time of the publication of this report, the second wave, with a projected 34 posts for DCO, is on-going with a conclusion date of 31 August. At the time of this publication, 17 staff were in post, the recruitment for 10 positions was being finalized. The DCO recruitments are done with gender and regional balance at the forefront of decision-making.

5.3 In September 2018, 57 per cent of DOCO staff were from the global North and 43 per cent from the global South. In terms of gender balance, 44.5 per cent were men and 55.5 per cent were women. It is against this baseline that I commit to ensuring gender parity and regional balance across the board in the DCO recruitments and will report progress during next year’s report.

5.4 Substantive development coordination, which remains the core deliverable of DCO, is the guarantee for consistency across the UN’s offering in development. The UN development system consists of over 40 different agencies, many governed by different oversight bodies and operating on different models. If we are to deliver the ambition of the 2030 Agenda, this needs to come together seamlessly across 170 countries and territories that the UN development system serves. The only way in which efficiencies can be created is through robust coordination, which needs an adequate global and regional structure to do so. The thrust of development coordination is about identifying economies of scale of collaboration, facilitating effective deployment of UN assets and expertise, and working through obstacles that prevent agreed objectives being realized. Issues such as climate, youth and urbanization that cut across the mandates of individual agencies, need a degree of coordination to define an integrated response.

5.5 The increased coordination resources approved by ACABQ are already enabling improvements in the current services provided. We are seeing increased focus on joint analysis and planning; more efficient targeting of UN resources; stronger secretariat services to country, regional and global UNDSG mechanisms, which in turn enable better decision-making; and more targeted resource mobilization for system-wide priorities.. The new coordination support provided by DCO provides dedicated leadership of the coordination function, tighter accountabilities; and strengthens oversight and performance management. These are some of the improvements that have already started, and I commit to report to you on fully in the next report.

5.6 Eighty-seven per cent of the total budget for the new RC system is dedicated to country coordination. One third of the total number of positions in DCO are allocated to the newly-created regional desks. These desks will be located in Addis Ababa (covering the Africa region), Amman (Arab States), Istanbul (Europe and the CIS), Bangkok (Asia and the Pacific) and Panama City (Latin America and the Caribbean). This investment at the regional level is essential for an effective RC system to take hold. Regional coordination is needed to address regional and sub-regional challenges and issues that are cross-border in nature and to complement the normative support a technical capacity required to achieve the SDGs in countries.

5.7 DCO has been fully operational since 1 January 2019 as a UN Secretariat entity with all operations being handled through UMOJA. Funding for DCO and the RC system more generally is being managed through the SPTF, which is administered by the UN Department of Management, Strategy, Policy and Compliance and managed by DCO. The Secretariat MoU with UNDP has helped ensure a smooth and sequenced transition of administrative services and recruitments of all RCOs and DCO regional desks.
Funding Arrangements

6.1 In resolution 72/279, the General Assembly underscored that adequate, predictable and sustainable funding is essential to delivering a coherent, effective, efficient and accountable response in accordance with national needs and priorities. Funding makes or breaks the system. The funding to the UN development system is modest, representing less than 0.1 per cent of the development spend of the UN development system, but it adds significant value for many countries who benefit from the support of the system. Member States decided to finance the new RC system through a hybrid model, as an alternative to fully funding the new RC system through the UN’s regular, assessed, budget. The funding model comprises of three elements:

i) A 1 per cent coordination levy on tightly earmarked third-party non-core contributions to UN development-related activities, to be paid at source;
ii) Doubling the current UNSDG cost-sharing arrangement among UN development system entities; and,
iii) Voluntary, predictable, multi-year contributions to a dedicated trust fund to support the inception period.

6.2 This section provides an early overview of progress in RC system financing so far. Contributions from all three funding streams flow into the account of the SPTF. Full financial reporting takes place on an annual basis, within three months of the end of each calendar year.

6.3 To date, the UN cost-sharing agreement responding to the GA resolution has been implemented swiftly. Of the total US$77.5 million expected, US$75 million have been transferred into the SPTF by 16 out of the 19 UNSDG entities contributing to the cost-sharing. This includes the UN Secretariat appropriation of US$13,571,800, as approved by the Fifth Committee for 2019. The successful implementation of this funding stream is in large part due to the strong and positive support from both the agencies, funds and programmes themselves and the UN entity governing bodies.

6.4. After an intensive consultative process of technical track meetings as part of a funding dialogue, Member States agreed on the operational guidance to implement the coordination levy. The guidance was circulated to Member States on 19 March 2019, marking the start of the implementation of the levy. Since then, seven countries have formally confirmed that they have opted for the agency-administered levy collection option, with one country confirming their choice for the donor-administered option. These countries have confirmed that the coordination levy should now be collected on their tightly earmarked third-party non-core contributions for development-related activities. The entry into force of the levy depends on donor-specific arrangements. The levy does not apply to agreements signed before 1 March 2019. If the levy is rapidly operationalized, it should yield US$30 to $40 million in its first year of operation, growing to US$60 to $80 million annually in future years. These are estimates based on 2016 actual expenditures, which may not be a reliable predictor of future trends, particularly if Member States shift increasing amounts of funding to core, or pooled and thematic non-core funding.

6.5 Many member States have come forward with voluntary contributions, for which the Secretary-General and I convey our gratitude. As of April 2019, 32 countries had made firm commitments or contributions to the new RC system, totaling US$116 million. Commitments and contributions come from a wide variety of Member States, including countries from the Asia-Pacific Group, the Eastern European Group, and the Western European and Others Group. Further outreach is being conducted to increase the funding base to the other regional groups. Diversity is strength – it ensures more predictability and ownership. The wider the funding base, the more robust it will be.
6.7. In line with the Secretary-General’s commitment to full transparency and accountability in each and every element of the UN development system repositioning, a web-based portal for the SPTF went live in February 2019 and can be found at https://soc.un.org/SPTF. It captures all Member States’ firm commitments and contributions, subject to their agreement to disclose the information publicly, together with the UN entity cost-sharing. Revenue from the 1 per cent coordination levy, as well as overall expenditure information, will be included in the portal in due course.

6.8 Finding a sustainable, predictable way to fund the new RC system for the years to come, offering flexibility and continuity for the new system, continues to be a key objective throughout 2019. Contributions to date have allowed us to fully implement the plans for the UN development system repositioning. However, a funding gap remains. The urgency is real, and I call upon all Member States to contribute, take ownership and share the burden to allow for a swift, smooth and effective implementation of the reform, built on the robust foundations it needs and deserves.

Conclusion

7.1 The UNSDG is committed to continue to strengthen accountability and transparency of its system-wide efforts, in line with the commitments conveyed by the Secretary-General. Members States will be regularly updated both on the effectiveness and efficiency of the new RC system, as well as on its impact from the delivery of collective results as we strive to support Member States in achieving the ambitious goals set by the 2030 Agenda. Throughout 2019, UNCTs, via their RCs, will be expected to provide annual reports to host governments on results defined in the UN Sustainable Development Cooperation Framework. The present report – alongside the Secretary-General’s report on the QCPR – is another critical input to Member States as they hold us accountable in this reform process.

7.2 The next annual DCO report, which will come after the reforms would have had more time to take root, will provide an insight into the early results from our joint efforts to reposition the UN development system through the new RC system. In addition to reporting on DCO operations, the 2020 report will take stock of the operationalization and early consolidation of key reform initiatives as they relate to the functioning of the RC system. This will include the roll-out of the System-Wide Strategic Document, the implementation of the Funding Compact, the restructuring of regional assets and implementation of reforms to strengthen MCO operations, the implementation of the new guidelines for development of the UN Sustainable Development Cooperation Framework and efforts to improve RC identification, selection, training and performance management. In line with the results-based budget of DCO, results will be reported at the global, regional and country levels and against the key results areas of: leadership; coordination and planning; integrated policy, normative and statistical support; partnership and finance; communications; and business operations. The emerging lessons from the hybrid funding formula for the RC system will also be shared.

7.3 We will move forward together in an open and transparent manner. The 2030 Agenda is ambitious, and the clock is ticking. The Secretary-General and all entities of the UNSDG are committed to making the new RC system a reality, fit for purpose to tackle today’s challenges and support countries to deliver on the 2030 Agenda. Member States can count on our continued commitment – and my personal determination as UNSDG Chair - to do so. We count on your continued leadership, engagement and commitment. This is a unique opportunity – and a shared responsibility – that we cannot fail to take.
Annex I Updated Organization Chart

Organizational structure and post distribution for 2019

Office of the ASG (OASG)
- 1 ASG*
- 1 D-2^*
- 1 P-5*
- 2 P-4

RC System
Business Management Branch
- 1 D-1*
- 2 P-3
- 3 P-5 (1*, 1^)
- 1 GS-PL
- 5 P-4 (1*) 4 GS-OL (1*, 1^)

Country Business Strategies Section
- 1 P-5^*
- 2 P-4
- 2 P-3

Communications and Results Reporting Section
- 1 P-5*
- 3 P-4 (2^)
- 4 P-3 (1^)
- 1 GS-OL

Policy and Programming Branch
- 1 D-1*
- 5 P-5 (3*)
- 12 P-4 (2*, 1*)
- 2 P-3
- 1 GS-OL

Regional Office
Africa
- 1 D-2^*
- 1 P-5
- 3 P-4
- 1 P-3
- 1 LL

Regional Office
Arab States
- 1 D-2^*
- 2 P-4
- 1 P-3
- 1 LL

Regional Office
Europe and Central Asia
- 1 D-2^*
- 2 P-4
- 1 P-3
- 1 LL

Regional Office
Asia and the Pacific
- 1 D-2^*
- 1 P-5
- 2 P-4
- 1 P-3
- 1 LL

Regional Office
Latin America and the Caribbean
- 1 D-2^*
- 1 P-5
- 2 P-4
- 1 LL

RCs
- 45*, 4^*
- 5 vacant
- (level: 6 ASG 18 D2, 30 D1)
- 54 RCOs
- 54 P5, 32 P4, 184 NPO, 108 LL

RCs
- 8*, 2^*
- 0 vacant
- (5 ASG, 5 D1)
- 10 RCOs
- 10 P5, 3 P4, 33 NPO, 20 LL

RCs
- 13*, 2^*
- 3 vacant
- (3 D2, 15 D1)
- 18 RCOs
- 18 P5, 3 P4, 69 NPO, 36 LL

RCs
- 18*, 2^*
- 3 vacant
- (1 ASG, 9 D2, 13 D1)
- 23 RCOs
- 23 P5, 14 P4, 18 NPO, 46 LL

RCs
- 18*, 6 vacant
- (6 D2, 18 D1)
- 26 RCOs
- 26 P5, 9 P4, 95 NPO, 52 LL

1 The chart only reflects posts to be funded through the special purpose trust fund during the 2018-2019 biennium
* in post
^ Recruitment Finalized
** Regional coordination offices and United Nations Country Teams by region


Europe and Central Asia (ECA) region: Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Georgia, Kazakhstan, Kosova *UNSCR 1244), Kyrgyzstan, Moldova, Montenegro, Serbia, Tajikistan, the former Yugoslav Republic of Macedonia, Turkey, Turkmenistan, Ukraine, Uzbekistan.


Latin America and the Caribbean (LAC) region: Argentina, Barbados, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Panama, Paraguay, Peru, Suriname, Trinidad and Tobago, Uruguay, Venezuela.

Arab States Region: Bahrain, Iraq, Jordan, Kuwait, Lebanon, Palestine, Saudi Arabia, Syria, the United Arab Emirates, Yemen.
# Annex II Indicators of achievement and performance measures based on the programme budget for the biennium 2018-2019

**Objective of the Organization:** To improve the capacity, coherence and effectiveness of the UN resident coordinator system at global, regional and country levels in delivering integrated support across the Sustainable Development Goals for the achievement of national development priorities

<table>
<thead>
<tr>
<th>Expected accomplishments of the Secretariat</th>
<th>Indicators of achievement</th>
<th>Performance measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Enhanced management and oversight of the RC system</td>
<td>(i) Development and endorsement of a new Mutual Accountability Framework (MAF) in support of enhanced leadership in the RC system</td>
<td>Target Estimate Actual</td>
</tr>
<tr>
<td></td>
<td>(ii) Implementation rate of corporate leadership framework, standards and policies for RC and UNCT leadership</td>
<td>Target Estimate Actual 100%</td>
</tr>
<tr>
<td>(b) Strengthened leadership skills, knowledge and capabilities of RCs and UNCTs to effectively support SDG achievement</td>
<td>(i) Percentage of RCs that complete required learning and/or leadership development modules, including SDG certification</td>
<td>Target Estimate Actual 50%</td>
</tr>
<tr>
<td></td>
<td>(ii) Percentage of resident coordinators agreeing or strongly agreeing that they have sufficient capacity and prerogative to fulfil their terms of reference (% capacities/% prerogative)</td>
<td>Target Estimate Actual 65%/55% x/x 60%/50%</td>
</tr>
<tr>
<td>(c) Strengthened leadership talent pipeline and appointments of the RCs, to better respond to the sustainable development needs of national governments</td>
<td>(i) Integrated RC Assessment Centre with a focus on sustainable development established</td>
<td>Target Estimate Actual Yes</td>
</tr>
<tr>
<td></td>
<td>(ii) Gender parity among resident coordinators (% male RCs/female RCs)</td>
<td>Target Estimate Actual 50/50 x x x 57/43 62/38 60/40</td>
</tr>
<tr>
<td></td>
<td>(iii) Action plan in place to achieve TC geographical balance</td>
<td>Target Estimate Actual Yes</td>
</tr>
<tr>
<td>(a) Program countries receive integrated context-specific quality advice and support to implement the 2030 Agenda</td>
<td>(i) Percentage of governments agreeing that the UN provides high quality joint policy advice, tailored to national needs and priorities</td>
<td>Target Estimate Actual 82% 80%</td>
</tr>
<tr>
<td></td>
<td>Target 50</td>
<td></td>
</tr>
</tbody>
</table>
(ii) Number of integrated, regional or national policy products delivered by the UN Development System

<table>
<thead>
<tr>
<th>Target</th>
<th>Estimate</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(iii) Proportion of UNCTs that have supported government efforts and goals to mainstream human rights into national development policies and programmes

<table>
<thead>
<tr>
<th>Target</th>
<th>Estimate</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>85%</td>
<td></td>
<td>84%</td>
</tr>
</tbody>
</table>

3. **Coordination and planning for development results**

(a) Effective and accountable coordination mechanisms and leadership at the global, regional and national level

(i) Percentage of UNSDG members that agree or strongly agree that UNSDG global and regional coordination mechanisms are effectively supported by UNDOCO

<table>
<thead>
<tr>
<th>Target</th>
<th>Estimate</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>75%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(ii) Percentage of programme country Governments that agree or strongly agree that the RC effectively and efficiently leads and coordinates the UNCT’s strategic support for national plans and priorities

<table>
<thead>
<tr>
<th>Target</th>
<th>Estimate</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>93%</td>
<td></td>
<td>92%</td>
</tr>
</tbody>
</table>

(iii) Percentage of resident coordinators who agree or strongly agree that the resident coordinator has sufficient access to the expertise available at the global and regional UN development system levels

<table>
<thead>
<tr>
<th>Target</th>
<th>Estimate</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>75%</td>
<td></td>
<td>73%</td>
</tr>
</tbody>
</table>

(b) Strengthened data systems, capacities and management for the 2030 Agenda

(i) Proportion of UNCTs that provide support to national statistical capacity

<table>
<thead>
<tr>
<th>Target</th>
<th>Estimate</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>98%</td>
<td></td>
<td></td>
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</tbody>
</table>

(ii) Percentage of programme country Governments that state that the United Nations works “more closely” together to support capacity-building on disaggregated data collection and analysis compared with four years ago

<table>
<thead>
<tr>
<th>Target</th>
<th>Estimate</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>68%</td>
<td></td>
<td>66%</td>
</tr>
</tbody>
</table>

(c) Improved UNDAF planning and implementation for development results

(i) Percentage of governments who consider the activities of the UN to be closely or very closely aligned with the country’s development needs and priorities

<table>
<thead>
<tr>
<th>Target</th>
<th>Estimate</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>90%</td>
<td></td>
<td>84%</td>
</tr>
</tbody>
</table>

(ii) Percentage of programme country Governments that agree or strongly agree there is an improved focus on common results among UN development system entities at the country level

<table>
<thead>
<tr>
<th>Target</th>
<th>Estimate</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>90%</td>
<td></td>
<td>85%</td>
</tr>
</tbody>
</table>

(iii) Number of UNCTS with Joint Work Plans

<table>
<thead>
<tr>
<th>Target</th>
<th>Estimate</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>50</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4. **Partnerships and finance for development results**

<table>
<thead>
<tr>
<th>Target</th>
<th>Yes</th>
</tr>
</thead>
</table>
### 5. Communication for development results

| (a) Improved public availability and awareness of UN development efforts and activities in support of the 2030 Agenda | (i) Proportion of UNCTs implementing a joint communication and advocacy strategy (in line with UNDG Communicating as One policies and guidance) | Target 90%  
Estimate 85% |
|---|---|---|
| (ii) Publication of UNSDG Annual Results | Target 100%  
Estimate 100% |
| (iii) Number of UNCTs report programmatic and financial alignment against SDGs through UN INFO | Target 50  
Estimate 27 |

### 6. Business operations for development

| (a) Effective and efficient business operations, provided through consolidated back offices and common premises where possible | (ii) Number/Proportion of UNCTs supported by an Integrated Service Centre | Target 3  
Estimate 3  
Actual 2  
| (iii) Percentage of United Nations premises that are defined as common premises | Target 20%  
Estimate  
Actual 16%  
? |
| (iv) Number/Proportion of UNCTs that have a fully endorsed BOS | Target 66 |