Reforming the UN Development System

Impetus, Agenda, and
Chinese Proposals

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Abstract: Over the past few years, the international community has undertaken proactive and extensive efforts to build a cohesive and effective United Nations Development System (UNDS) with more solid institutions and robust leadership. In line with the requirements set out in the *UN 2030 Agenda*, the United Nations, under the leadership of its secretary-general Antonio Guterres, came up with a reform package that would help contain the further fragmentation of the UNDS. Guided by the principles of

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extensive consultation, joint action, and shared benefits, China has been extending strong support for the United Nations' reform efforts while playing an important role in global development cooperation. As the world's largest developing country, China insists that any development agenda should always focus on development and that poverty eradication should be the top priority of the *UN 2030 Agenda*. A number of issues must be addressed when planning for future UNDS reform, in particular the targets and viable ways to promote incremental administrative reform, to improve the existing regional coordinator system, to bridge the funding gap and imbalance between core and non-core resources, and to exemplify emerging countries' best practices.

Keywords: United Nations Development System (UNDS); reform; 2030 *Agenda for Sustainable Development*; Chinese proposal.

Reforming the United Nations Development System (UNDS) has long been a central theme to the comprehensive reform of the United Nations. However, UNDS reform since the dawn of the 21st century — from Kofi Annan's "Deliver as One" initiative to Ban Ki-moon's Quadrennial Comprehensive Policy Review (QCPR) program — has produced limited desired results. Within this context, UN secretary-general Antonio Guterres launched a new round of reform centered on enhancing the integration, cohesion, and coherence of the UNDS by building a more solid organization and robust leadership. Although the initial reform measures were consistent with the requirements laid out in the United Nations' *2030 Agenda for Sustainable Development*, they created glaring division among UN member states and within the development system.

This article begins with a brief review of the past reform efforts concerning the UNDS. It then identifies the key areas of the current round of reform and compares the various positions taken by major participants in the development system. It concludes by assessing the prospects of the reform and introducing key Chinese proposals on the approaches to future UNDS reform.

UNDS Reform in Historical Perspective

The United Nations Development System refers to the highly complex organization of interrelated UN agencies, funds, programs, and other entities

which work together to advance global development.¹ The system now consists of 44 entities and receives US\$26.7 billion in funding for operational activities, accounting for nearly 60 percent of total funding for United Nations system-wide activities.²

The development system has undergone several rounds of reform since the very beginning. UNDS reform in the 1960s and 1970s focused on achieving a greater sense of cohesion and direction among UN entities; reform initiatives in the 1990s were mainly targeted at promoting coordination among operational activities and inter-agency integration. In 1994, the governing bodies of three UNDS entities, namely the UN Development Programme (UNDP), the UN Population Fund (UNFPA), and the UN Office for Project Services (UNOPS), were replaced by a common Executive Board.³

In 1997, within a year after becoming UN secretary-general, Kofi Annan launched a package of organizational and technical reforms, seeking to establish greater unity of purpose and coherence of efforts. The reforms included: (1) at the UN headquarters level, establishment of the UN Development Group and a consolidated Economic and Social Affairs sectoral group, constituted through the UN Department of Economic and Social Affairs (DESA); (2) at the national level, a consolidated role of the resident coordinator as the secretary-general's representative and head of the UN's country teams, and establishment of the UN Development Assistance Framework (UNDAF), which sought to align the activities of UNDS funds and programs to national priorities; and (3) expanding funds by promoting voluntary donations.⁴ Unfortunately, this round of reform was generally viewed as failing to meet the initial expectations,

¹Linklaters, *Governance for the United Nations Development System: Adapting to Meet the Challenges of a Changing World* (New York: Linklaters, 2016), http://i.unu.edu/media/cpr.unu.edu/attachment/2244/Linklaters_UNU_Governance_for_the_United_Nations_Development_System.pdf, pp. 4–5.

²United Nations General Assembly, *Implementation of General Assembly Resolution 67/226 on the Quadrennial Comprehensive Policy Review of Operational Activities for Development of the United Nations System: Funding Analysis*, December 28, 2016, <http://undocs.org/A/72/61>, p. 3.

³Linklaters, *Governance for the United Nations Development System*, pp. 4–5.

⁴United Nations, "Renewing the United Nations: A Program for Reform," July 14, 1997, http://www.un.org/en/ga/search/view_doc.asp?symbol=A/51/950.

exacerbating the competition for funding, and significantly diminishing the core resources allocated to the development system.

After the 2005 World Summit, secretary-general Annan appointed a high-level panel to push for further reform, which later came up with a “Deliver as One” initiative seeking to achieve operational cohesion at the national level through the so-called “Four Ones” principle: “One Leader, One Budget, One Program, and One Office.” Eight countries — Albania, Cape Verde, Mozambique, Pakistan, Rwanda, Tanzania, Uruguay, and Vietnam — volunteered to be pilots for the initiative. Due to the lack of support from major countries, however, the panel’s proposal of establishing three new institutions to consolidate and drive the “Delivering as One” initiative was largely regarded as weakening existing UN institutions, including the Economic and Social Council (ECOSOC) and the General Assembly, and thus the key governance proposals were consequently dropped.⁵

In 2008, then UN secretary-general Ban Ki-moon launched the Quadrennial Comprehensive Policy Review (QCPR) program to improve UN operational activities for development. The program was the principal mechanism by which member states assessed the performance of UN development entities and provided policy guidance. The QCPR helped increase the transparency of development entities, yet it failed to improve the coordination among different entities. For although all the entities required to report their work to the General Assembly had to implement QCPR mandates in principle, many entities had not aligned their planning and activities in practice; also, not all UN development entities were involved in QCPR implementation.⁶

In December 2014, the ECOSOC adopted Resolution 2014/14, convening an inter-governmental dialogue on the longer-term positioning of

Past UNDS reform efforts have largely failed to enhance either unity or coherence of the system.

⁵Linklaters, *Governance for the United Nations Development System*, pp. 4–5.

⁶Department of Economic and Social Affairs, *Implementation of General Assembly Resolution 71/243 on the Quadrennial Comprehensive Policy Review of Operational Activities for Development of the United Nations System (QCPR): 2018*, <https://www.un.org/ecosoc/sites/www.un.org/ecosoc/files/files/en/qcpr/2018-sg-report-adv.pdf>.

the UNDS, including the alignment of functions, funding practices, governance structures, and organizational arrangements.⁷ Some UN advisers recommended merging the boards of the entities into a system-wide “Sustainable Development Board” which, as an arm of the ECOSOC, would become the main body for strategically leading the UN development system and overseeing its operational activities. However, the proposal was met with resistance from some entities on the ground that such a board might undercut individual entities’ autonomy.⁸ In general, all the preceding efforts to reform the development system have generated limited results in terms of promoting unity and coherence.

New Impetus for UNDS Reform

The 2015 UN Sustainable Development Summit adopted the Sustainable Development Goals (SDGs) of the *2030 Agenda for Sustainable Development*, generally known as the *UN 2030 Agenda*, a historical document intended to guide global development governance for the decade to come. The Agenda was deliberated to address one of the most prominent issues facing the human race — development deficit, for development is not only an economic matter, but it also concerns the environment, health care, society, and human rights. Compared with the United Nations Millennium Development Goals (MDGs) adopted in September 2000, the *UN 2030 Agenda* is more comprehensive, systematic and specific, and has created new, more stringent requirements with respect to the UN capacity for development governance. The agenda also highlights a wide gap between UN capacities regarding resource availability, organization, and administration on the one hand, and those laudable development goals on the other. In order to meet the goals, the United Nations has to launch vigorous reforms with respect to institutions, funding practices, and guiding ideas, make collective

⁷United Nations, *Progress in the Implementation of General Assembly Resolution 67/226 on the Quadrennial Comprehensive Policy Review of Operational Activities for Development of the United Nations System*, August 15, 2014, E/RES/2014/14.

⁸Max-Otto Baumann, “Forever North-South? The Political Challenges of Reforming the UN Development System,” *Third World Quarterly*, Vol. 39, No. 4 (December 2017), <http://www.tandfonline.com/doi/full/10.1080/01436597.2017.1408405>, p. 627.

responses to national development needs, and take a holistic view of the interrelationship among development, security, and human rights.

For one matter, the vertical management structure and competition among different development entities have led to greater fragmentation of the development system. The UNDS has been widely criticized for inter-agency tensions as funds, programs, and specialized agencies operate independently and compete for core resources. In theory, funds and programs are mandated to implement UN General Assembly (UNGA) resolutions as well as the ECOSOC guidance and coordination. In practice, however, various entities consist of different memberships, set different agendas, go through different policy processes, and are subject to different accountability mechanisms. Meanwhile, fragmentation of funding and resource uncertainty have led to competition and overlaps among individual entities. These challenges require strengthened unitary leadership as well as greater coherence and coordination within the development system.

For another matter, the UNDS has been chronically troubled by funding shortages and unbalanced finance. The gap between funding needs and resource availability continues to grow. According to UN statistics, between 2000 and 2015, funding for development-related activities increased by 85 percent in real terms, while funding for humanitarian activities more than tripled. In recent years, the growth of core resources has almost come to a halt, further aggravating the imbalance between core resources and non-core ones. At present, in the UNDS, only 20 percent of the funding comes from core resources. From 2000 to 2015, development-related core resources increased by just 17 percent as compared to a 146 percent increase for non-core resources.⁹ As the supply of non-core resources is based on voluntary donations, their use usually reflects the donors' interests and preferences, which has curbed individual entities' ability to allocate resources according to their strategic plans.

New UNDS reform is necessary for achieving the *UN 2030 Agenda*.

⁹United Nations General Assembly, *Implementation of General Assembly Resolution 67/226 on the Quadrennial Comprehensive Policy Review of Operational Activities for Development of the United Nations System: Funding Analysis*, p. 9.

Due to the growing influence of populist resurgence, many developed countries are more inward-looking, exemplified by Donald Trump's "America First" doctrine. Under budgetary constraints, major donors are less willing to increase their contributions. The receding tide of globalization is making the implementation of the *UN 2030 Agenda* even more difficult. To make matters worse, a variety of new actors are emerging in the global development governance landscape, creating growing competition and undercutting the United Nations' authority. In short, new circumstances call for bold UNDS reform efforts.

Key Areas of Renewed UNDS Reform

Considering the difficulty of the preceding efforts, the new round of reform led by secretary-general Guterres is undoubtedly an ambitious one involving institutional and organizational changes. Based on the integrationist and modular principles, the renewed UNDS reform focuses on four key areas so as to improve the UNDS's leadership and organizational structure.

Leadership Reform at the Headquarters Level

The latest reform effort aims to strengthen unitary leadership at the UN headquarters. In a secretary-general's report released in late 2017, Guterres proposed that member states consider progressively integrating the Executive Boards of UNDP, UNFPA, the United Nations Office for Project Services (UNOPS), the United Nations Children's Fund, as well as the United Nations Entity for Gender Equality and the Empowerment of Women, and institutionalizing the ECOSOC operational activities as an accountability platform for system-wide performance in relation to the *UN 2030 Agenda*.¹⁰ He also proposed to task the UN deputy secretary-general with assuming the role of chair of the United Nations Development Group, with UNDP serving as vice-chair, and working with the development system in reviewing the composition and working methods of the United Nations Development Group. Accordingly, the deputy secretary-general will act as

¹⁰United Nations, *Repositioning the United Nations Development System to Deliver on the 2030 Agenda: Our Promise for Dignity, Prosperity and Peace on a Healthy Planet*, December 21, 2017, A/72/684-E/2018/7, pp. 25–26.

a facilitator of integration and system-wide coherence and a convener of global-level initiatives for sustainable development, as well as an impartial broker in inter-agency processes.¹¹

Generally speaking, leadership reform is intended to improve the horizontal management and operational efficiency of the UNDS. Yet challenges still remain with regard to the composition of the proposed joint executive board and the proper relationship between the joint board's conferences and individual entities' board meetings. For those countries with small-sized UN missions, centralized authority might make them less capable of effectively participating in the executive board's daily operations. Thus, during the latest QCPR inter-governmental negotiation, the empowerment of the deputy secretary-general was an issue that received most heated debate.

Modulating UN Country Teams

It requires two major changes to modulate UN country teams according to the unique priorities and circumstances of each country. First, UN country teams and host governments will employ a set of indicative criteria to evaluate whether the scale of programmatic activities of an entity would outweigh operational and administrative costs. This would be based on relative thresholds, specifically, the ratio of programmatic spending compared with operational costs, as well as the identification of entities with expenses of less than 10 percent of the total annual expenditure of the country team.¹² Entities that do not meet the above criteria would continue their in-country activities by leveraging the presence and capacities of the broader United Nations system, the government and/or external partners.

Second, with regard to integrating business services provided by country teams, it is proposed that common business services and back-office functions be designated as UN countries teams' standard approach as a means of achieving greater economies of scale and coherence in

¹¹United Nations, *Repositioning the United Nations Development System to Deliver on the 2030 Agenda: Ensuring a Better Future for All*, July 11, 2017, A/72/124-E/2018/3, p. 18.

¹²United Nations, *Repositioning the United Nations Development System to Deliver on the 2030 Agenda: Our Promise for Dignity, Prosperity and Peace on a Healthy Planet*, p. 12.

operational procedure. That indicates that all location-dependent services would be consolidated at the country level.¹³

“Modulated operation” is built on the “Deliver as One” approach with the aim of improving internal coordination and saving management costs. However, the reform may reduce the UN presence in countries in urgent need of assistance, especially the least-developed ones. For ex-

Guterres’ reform proposals are intended to improve the UNDS’s leadership and organizational structure.

ample, Bangladesh complains that quantitative formula proposed for deciding UN country presence might work against the best interests of least-developed nations, given their small size of economy. The Group of 77 (G77) also argues that quantitative calculations should not be the only tool for deciding UN country presence, but countries’ structural profiles and challenges must also be considered.¹⁴

Enhancing the Role of the Resident Coordinator

The resident coordinator system is one of the foci of Guterres’ reform proposals. In the secretary-general’s vision, the resident coordinator will be the unitary leader of UN development operations at the country level, and his/her office shall become a center for strategic analysis and planning. The resident coordinator will make the final decision regarding the UN development operations at the country level.¹⁵ The role of the United Nations Development Assistance Framework will also be elevated as the single most important United Nations planning tool in all countries, progressively taking precedence over individual entity country programs and plans.¹⁶

¹³Ibid, p. 14.

¹⁴Ana Maria Lebada, “Governments Respond to Secretary-General’s Development System Reform Proposals,” International Institute for Sustainable Development, January 25, 2018, <http://sdg.iisd.org/news/governments-respond-to-secretary-generals-development-system-reform-proposals/>.

¹⁵United Nations, *Repositioning the United Nations Development System to Deliver on the 2030 Agenda: Our Promise for Dignity, Prosperity and Peace on a Healthy Planet*, pp. 16–17.

¹⁶United Nations, *Repositioning the United Nations Development System to Deliver on the 2030 Agenda: Ensuring a Better Future for all*, p. 12.

The reinvigorated resident coordinator system will enable the coordinator to effectively lead humanitarian responses and to work in an integrated manner with United Nations peacekeeping or political missions to fully contribute to building resilience and sustaining peace in conflict and post-conflict settings.¹⁷

The secretary-general also proposed to transfer managerial and oversight functions of resident coordinators currently performed by chairs of the regional teams of the United Nations Development Group to the United Nations Development Operations Coordination Office. In carrying out this oversight and management role, the director of the Office will report directly to the deputy secretary-general as chair of the United Nations Development Group and will have overall responsibility for developing talents and appraising the performance of resident coordinators. The coordination office will also be renamed as the United Nations Sustainable Development Group Office as a stand-alone entity under the charge of an assistant secretary-general who will report directly to the deputy secretary-general, thus creating a substantive link between resident coordinators and the secretary-general.¹⁸

Funding Arrangements

Finance has long been a major constraint on UN reforms. The prevalence of earmarked resources, also known as non-core resources, has been identified as a major factor restraining multilateralism in the United Nations development system.¹⁹ The secretary-general's reform proposal released in December 2017 emphasizes the fundamental role of core resources and aims to increase the predictability, sustainability, and flexibility of UN finance through a pooled funding mechanism. It suggests that (1) the percentage of core budgets allocated to individual entities across the UNDS should increase from the current level of 21.7 percent of total contributions to at least 30 percent in the next five years; (2) inter-agency pooled funds be doubled from \$1.7 billion in 2016 to \$3.4 billion by 2023, representing an increase

¹⁷United Nations, *Repositioning the United Nations Development System to Deliver on the 2030 Agenda: Our Promise for Dignity, Prosperity and Peace on a Healthy Planet*, pp. 16–17.

¹⁸Ibid, pp. 19–20.

¹⁹Bruce Jenks, "Financing the UN Development System and the Future of Multilateralism," *Third World Quarterly*, Vol. 25, No. 10 (2014), pp. 1809–1828.

from 8 percent to 16 percent of total non-core contributions; and (3) \$255 million be allocated each year to cover the costs of a reinvigorated resident coordinator system.²⁰ Besides, the secretary-general also urged in an earlier report that developed countries honor their commitments to meet the target of 0.7 percent of gross national income as official development assistance (ODA).²¹

Guterres also proposed to restructure the provision of funds. The secretary-general's report issued in July 2017 highlighted the need to "embrace, conceptually and substantively, the full sustainable development agenda" by pointing to the fact that "over 50 percent of the system's budget is still concentrated in areas of work concerning Sustainable Development Goals 1 to 6," and proposed "calibrat[ing] the necessary support for each country through multidimensional approaches, regardless of a country's income status."²² Nevertheless, as the proposal downplays poverty relief as the primary goal in the *UN 2030 Agenda*, the developing world has expressed its concern. For example, the G77 stressed that the UN's development pillar needs to keep its focus on development; and the African Union (AU) insisted that priority be given to supporting developing countries in eradicating income poverty. The least-developed countries (LDCs), on the whole, "lamented the lack of recommendations on eradicating poverty.....as well as the lack of recommendations showing that the LDCs will receive priority support."²³

Trudging Toward Global Consensus

The secretary-general's reform proposals invited heated debate among UN member states. Leadership reshuffle, the resident coordinator system, the interrelationships among development, security and human rights, and funding mechanisms were the most divisive issues. There were

²⁰United Nations, *Repositioning the United Nations Development System to Deliver on the 2030 Agenda: Our Promise for Dignity, Prosperity and Peace on a Healthy Planet*, pp. 31–32.

²¹United Nations, *Repositioning the United Nations Development System to Deliver on the 2030 Agenda: Ensuring a Better Future for all*, p. 6.

²²*Ibid.*, p. 7.

²³Lebada, "Governments Respond to Secretary-General's Development System Reform Proposals."

wide-ranging disagreements especially between the United States and the European Union on one end and the developing world represented by the G77, China, and the AU on the other end.

Leadership reform is the central theme of Guterres' proposals, but member states' feedback during an ECOSOC meeting indicated that there was little consensus on how to strengthen UN leadership in global development. In particular, the proposal to empower the deputy secretary-general met with strong opposition from both developed and developing countries. Developed countries worried that the proposal would lead to excessive power concentration, while the G77 contended that leadership reform should seek to strengthen the role of the Chief Executives Board for Coordination, rather than authorize internal administrative entities. The proposal to set up a sustainable development board was not widely endorsed either. The U.S. representative maintained that a merger of executive boards would not necessarily promote greater coherence and cohesion;²⁴ developing countries also expressed concerns that the proposed reform would not be in the best interest of small-size countries as they lack the diplomatic capacity to engage with the greater workload of a permanent board, which might weaken their position in UN governance.²⁵ Similarly, the European Union rejected the proposal to make the ECOSOC the primary forum for discussing the performance of the UNDS, arguing that ECOSOC reform should be a separate process.²⁶

Reform concerning the resident coordinator system was even more divisive. While some developed countries regarded the case for a separate and more authoritative resident coordinator system as essential to

Many countries were opposed to power concentration in the UNDS.

²⁴Kelley Currie, "Remarks at the Secretary-General's Briefing to the Economic and Social Council on Repositioning the UN Development System," United States Mission to the United Nations, January 22, 2018, <https://usun.state.gov/remarks/8259>.

²⁵Baumann, "Forever North-South? The Political Challenges of Reforming the UN Development System," p. 8.

²⁶*Ibid.*

effective UNDS reform, the G77 and the AU were concerned that a central management of the resident coordinator system would detach the resident coordinators from operational activities, making the United Nations insensitive to the needs of developing countries. Besides, developing countries wanted to increase national control over the country-level work of the UN, as they regarded the resident coordinator as under the leadership of the national government and subject to the host nation's supervision.

Consequently, the G77 and Russia asked secretary-general Guterres to clarify the role of national governments in the resident coordinator appointment process. The AU insisted that resident coordinators be development experts holding no political positions. It made the case for pre-appointment consultative process between the United Nations and host countries and maintained that the appointment should reflect reasonable regional representation. The AU also emphasized that the resident coordinator must report to program countries, which would play a key role in evaluating the coordinator's performance.²⁷

The development-humanitarian-peace nexus was also a major area of contention. Promoting development, safeguarding peace, and protecting human rights have been the three pillars of UN missions. Developed countries advocated greater integration and coordination among the three areas. For example, the European Union argued that coordination, planning, and collaborative leadership between the UNDS and peacekeeping operations should be systematized, and that a human rights perspective must be integrated into all UNDS actions. In its view, the reform should enable the UN development system to contribute substantially to the prevention of conflicts and humanitarian crises, to the stabilization of countries in and after conflict, and to building sustainable peace.²⁸ However, some developing countries were concerned about the diversion of limited resources for the development agenda to humanitarian and peace-building

²⁷Lebada, "Governments Respond to Secretary-General's Development System Reform Proposals."

²⁸"Statement on Behalf of the European Union and Its Member States," secretary-general's briefing on the UNDS reform, ECOSOC, November 10, 2017, <https://www.un.org/ecosoc/sites/www.un.org.ecosoc/files/files/en/dcf/10-11-17-eu.pdf>.

operations. In a UNGA Second Committee meeting in October 2017, a Cameroonian representative speaking for the African Union even insisted that the discussion of UNDS reform must avoid the areas of conflict prevention and peacekeeping.²⁹

Disagreements between the developed and developing countries as well as within the developed world also revolved around funding responsibilities. Canada, Australia, and New Zealand (CANZ) said that it was critical to increase core resources, whereas the United States urged the release of the associated costs for the reform proposal, saying the proposals must be kept within existing budgets, and advocated funding the resident coordinator system through voluntary contributions rather than assessed resources.³⁰

Contrary to developing countries, developed economies argued for expanding the donor base and better use of pooled funding. As Marianne Loe, a Norwegian minister counsellor, put it, core resources must be provided by all member states, not merely traditional major donors, and burden sharing must come higher on the reform agenda.³¹ The European Union made it clear that the proposed funding compact should not be limited to guidelines for current donors; instead, it should be addressed to the whole UN membership and strive to broaden the donor base. But this position has been rejected by the G77 who emphasized the principle of common but differentiated responsibilities (CBDR) and the role of North-South cooperation as the main channel for international development cooperation. Ecuador, China, and Vietnam also maintained that official development assistance remained the crucial factor in deciding the allocation of international financial resource, and that developed countries should

²⁹Ana Maria Lebada, "Governments Exchange Views on UN Development System Reform," IISD, November 7, 2017, <http://sdg.iisd.org/news/governments-exchange-views-on-un-development-system-reform/>.

³⁰Currie, "Remarks at the Secretary-General's Briefing to the Economic and Social Council on Repositioning the UN Development System."

³¹"Statement by Minister Counsellor Marianne Loe in ECOSOC on the Secretary-General's Proposal for Repositioning of the United Nations Development System," November 10, 2017, <https://www.un.org/ecosoc/sites/www.un.org.ecosoc/files/files/en/dcf/10-11-17-norway.pdf>.

fully honor their ODA commitments in a timely manner by increasing core donations and making non-core resources more flexible.³²

Ambitious as it is, the new UNDS reform package remains largely a vision.

After several rounds of intensive discussion and deliberations, the United Nations General Assembly adopted Guterres' reform package in a resolution on May 31, 2018. The secretary-general described the reform initiative as "the most ambitious and comprehensive transformation of the UN devel-

opment system in decades."³³ The resolution reaffirmed that the resident coordinator system would keep focusing on sustainable development, with eradication of poverty as the overarching objective, "in line with the United Nations Development Assistance Framework and national leadership and ownership." It also highlighted the need to address the imbalance between core and non-core resources, and invited member states to contribute, on a voluntary basis, to the capitalization of the Joint Fund for the *UN 2030 Agenda* at \$290 million annually. By the resolution, the UNDS is requested to allocate, where applicable, at least 15 percent of non-core resources for development to joint activities.

The resolution also focuses on the role of the resident coordinator and funding mechanisms, two other core areas of Guterres' reform proposals. According to the resolution, the authority and leadership of resident coordinators as the highest-ranking representatives of the UNDS will be strengthened: they are authorized to appraise the performance of UN country team heads and report to the UN secretary-general and to the host government on the implementation of the United Nations Development Assistance Framework; UN country teams are accountable to both their respective entities and the resident coordinator. Moreover, the resolution has secured steady flow of resources for the resident coordinator system by imposing a 1 percent coordination levy on tightly earmarked third-party non-core contributions to United Nations development-related activities, to be paid at source, doubling the current United Nations Development

³²Lebada, "Governments Respond to Secretary-General's Development System Reform Proposals."

³³"Countries Back 'Ambitions and Comprehensive' Reform of UN Development System," United Nations News, May 31, 2018, <https://news.un.org/en/story/2018/05/1011111>.

Group cost-sharing arrangement, and by urging all member states to contribute to the trust fund.³⁴

Despite the fact that Guterres' reform package was adopted unanimously by the UN General Assembly, it remains largely a vision rather than an actionable road map due to the reluctance of host governments to transfer decision power to the resident coordinators. Besides, the UNGA resolution has failed to urge developed countries to honor their commitment to devote 0.7 percent of gross national income to official development assistance, adding to the doubt as to whether the new UNDS reform will fail like past ones for lack of political and financial support from major countries, especially the developed ones.

China and Future UNDS Reform

As the world's largest developing country, China has been an important participant in UNDS reform. Indeed, development is an area where China enjoys remarkable advantage and influence acquired through its own relentless efforts and close cooperation with various UNDS entities. As China enters a new era of balanced development toward high-quality growth, its thinking on global governance reforms has also evolved. Chinese President Xi Jinping reiterated in his report to the 19th National Congress of the Communist Party of China (CPC) in October 2017 that China would stick to the global governance approach featuring wide consultation, joint action, and shared benefit, support the United Nations' unique role in global governance, and actively participate in building a better global governance architecture. These updated ideas help China play a more important role in UN development operations.

Poverty reduction remains the primary goal of the United Nations' sustainable development mission, and eradication of extreme poverty is the key link between the MDGs and the *UN 2030 Agenda*. China believes that of all the reform targets regarding the UNDS, the global development deficit must be treated as the primary task and addressed by increasing

China is an ever more active participant in global development cooperation and UNDS reform.

³⁴Ibid.

assistance to African countries and the LDCs.³⁵ As a comprehensive road map, the *UN 2030 Agenda* has set out a path that features environmental, social, and institutional compatibility toward poverty eradication. To accomplish this goal, national policy planning and implementation needs to prioritize poverty eradication while making serious effort to ensure environmental and social sustainability. For instance, compared with a policy centered on alternative energy, it is more realistic in the short and mid-term to enhance energy efficiency as a top policy option in order to reduce poverty in LDCs.

In terms of administrative institution reforms, China has been advocating a pragmatic and incremental approach, emphasizing better coordination at the headquarters level within the development system. For example, it agrees to upgrading the role and functions of the Department of Economic and Social Affairs as the UN Secretariat's core agency for implementing the *UN 2030 Agenda*, so that the ECOSOC can play a leading role in coordinating development policies, promoting best practice sharing, as well as overseeing and appraising the implementation of the Agenda. For elevated functions and authority of the ECOSOC will increase the United Nations' influence in a variety of issues like trade, investment, and finance, thus giving developing countries a better position to voice their needs and views.

Moreover, strengthened authority and leadership of resident coordinators over UN country teams may be achieved at the expense of compromised national ownership and autonomy as well as a weakened national leadership role. The state-led principle has long been the cardinal principle in international development cooperation, as reflected in the *Paris Declaration on Aid Effectiveness* of 2005 and the *Accra Agenda for Action* of 2008. According to the latter, governments of developing countries will take stronger leadership of their own development policies, while donors will respect developing countries' priorities, invest in their human resources and institutions, make greater use of their own systems to deliver aid, and

³⁵"Statement by Ambassador Wu Haitao at the General Debate of the 56th Session of the Commission for Social Development," Chinese Permanent Mission to the United Nations, February 1, 2018, <https://www.fmprc.gov.cn/ce/ceun/eng/dbtxx/dprwueng/ambwueventseng/t1531598.htm>.

promote the predictability of aid flows.³⁶ Based on these principles, the appointment and roles of resident coordinators should be determined through consultation with member states, whose opinion on the composition and functions of country teams should also be respected.

China has stressed that, in delineating the roles and functions of resident coordinators, institutional arrangements on the operational association between host country governments and UNDS entities should be considered. To be more specific, the mandate, roles, and functions of resident coordinators should conform to the extensive presence of UNDS entities in member states, a deep understanding of local development needs, and wide-ranging skillsets that will facilitate operational activities for development.

Accordingly, three approaches are proposed to meet the purpose. First, the “Deliver as One” model is applicable to small developing countries in that it is effective in coordinating UN operational activities for development on a limited scale. For resident coordinators in small developing countries are generally competent as full representatives for the UN development system and able to plan and implement relevant UN aid programs. Second, in some countries, for historical reasons, certain UN entities have long been playing a leading role in local development. Under such circumstances, it is better for resident coordinators to work together with these entities and play a complementary role. Third, for those countries where institutionalized working relationships have already existed between UN entities and host governments, resident coordinators should be entitled to a bridge-building role, because replacing or reforming the current working mechanisms might be too time-consuming and costly a process.

Declining core resources have an adverse effect on the steady and predictable flow of funds for development programs. To reverse the trends, it is imperative to increase the proportion of core resources. But in practice, some developed economies have exaggerated the role and importance of South-South

China insists on the leading role of North-South cooperation in promoting global development.

³⁶OECD, *Accra Agenda for Action* (Paris: Organization for Economic Cooperation and Development, 2008), <http://www.oecd.org/dac/effectiveness/34428351.pdf>.

cooperation and bilateral cooperation in order to shift their funding responsibilities, thereby undermining the CBDR principle. In this regard, China has reiterated that North-South cooperation should remain the main channel for international development cooperation, with South-South and bilateral cooperation serving as a complement rather than an alternative. China also continues to urge developed countries to honor their commitments by providing financial and technical support to developing countries according to the latter's needs.³⁷

Membership dues and donations fall far short of the funds required to implement the *UN 2030 Agenda*. To address the funding gap, China maintains that various entities under the development system have to mobilize more resources and that system efficiency must be enhanced by making better use of initial funding and leverage and attracting more private donations. In addition, closer coordination between the UNDS on one hand, and international financial institutions (such as the World Bank, International Monetary Fund, Asian Infrastructure Investment Bank, and BRICS New Development Bank) on the other, is urgently needed to narrow the funding gaps.

China has also proposed that to increase funding supplies, the United Nations should align its programs with regional cooperation initiatives, such as China's Belt and Road Initiative (BRI). In the future, infrastructure interconnection should be prioritized in UN policy planning. Building on its rich expertise and research resources, the United Nations can play a leading role in promoting cooperation on worldwide infrastructure interconnection. Moreover, UNDS entities may join in trilateral cooperation in the form of a "UN + emerging economies + developing countries" model, as deeper involvement in trilateral cooperation can help the UNDS muster more development assistance from emerging economies.

Moreover, it is China's belief that exemplary cases of emerging economies' development paths and best practices should be promoted in implementing the *UN 2030 Agenda*. 40 years of reform and opening-up have

³⁷"Statement by Minister-Counsellor Luo Jin at the Second Committee of the 72nd Session of the United Nations General Assembly," Chinese Permanent Mission to the United Nations, October 15, 2017, <http://www.fmprc.gov.cn/ce/ceun/chn/zgylhg/jsyz/liandaerwei1/t1505996.htm>. See also "Statement by Ambassador WU Haitao at the General Debate of the 56th Session of the Commission for Social Development."

made China a good example of nation-owned and state-led development, and China has been willing to share its lessons and practices in formulating and implementing the development agendas of the United Nations. In fact, China is the first to release a country report on the progress it has made toward the SDGs. It has also incorporated the *UN 2030 Agenda* as a pillar issue into the Group of Twenty (G20) development agenda during the 2016 G20 summit held in Hangzhou. Best practices offered by emerging economies are not only appealing stories of development but also policy options for the developing world. The international community needs to better study the circumstances, theories, and policies of socioeconomic progress in mid-income developing countries, in order to improve the effectiveness of UN operational activities for development.