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**United Nations Environment
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**145th meeting of the Committee of Permanent Representatives
to the United Nations Environment Programme**

Nairobi, 19 February 2019

10:00 a.m. to 1:00p.m; 2:30 p.m. to 5:00p.m.

Conference Room 1

Agenda Item 6: Update on the UN Development System Reforms

The annexed information note from the Secretariat provides an update on implications and opportunities for the UN Environment Programme with regard to the reform of the UN Development System.

The note outlines the main implications and opportunities of UN development system reforms for the UN Environment Programme, at country, regional and global levels, including financial implications.

With 2019 being a year of transition for the UN development system, many elements of the reforms are still being unpacked. The present note provides information on the status and roll-out of the different inter-linked components of the UN development system reforms, and on how the UN Environment Programme is actively engaging in UN System discussions on how to optimally support the Secretary-General's reforms and implement the provisions of the UN Development System General Assembly resolution.

It also provides information on how we are positioning the UN Environment Programme within the UN System, considering optimal modes of service delivery in support of the new generation of UN Country Team and reinvigorated Resident Coordinator system.

It further includes feedback on how our regional offices are addressing the opportunities and challenges of the reform at regional and country level, and implications on UN Environment Programme's Programme of Work and Budget.

Information Note for the Committee of Permanent Representatives

General Assembly resolution 72/279 on repositioning of the United Nations development system in the context of the quadrennial comprehensive policy review of operational activities for development of the United Nations system: Implications and opportunities for the UN Environment Programme

Introduction

1. The Secretary-General's [three track United Nations reform agenda](#) ([development system](#), [management](#), and [peace and security](#)) aims to create a more accountable, cohesive, agile and effective UN system, capable of addressing the challenges of our time and delivering better results on the ground, by adopting a needs-based approach centred on country-contextualised responses. The focus is on prevention and on increasing collaboration within and among the three UN pillars (development, human rights, peace and security), including through stronger integrated planning and risk management capacities, as well as simplified procedures.
2. [The UN General Assembly adopted resolution 72/279 on the repositioning of the UN development system](#) in the context of the [quadrennial comprehensive policy review of operational activities for development of the UN system](#) (71/243), to align with the 2030 Agenda for Sustainable Development. It aims to strengthen capacity, leadership, transparency and accountability for collective UN system action, and impartiality to deliver more coherent and coordinated work on the ground. The reinvigorated Resident Coordinator system and the new generation of Country Teams will tailor the UN's presence, partnerships, skills and activities to national priorities. The reforms seek to also maximize effectiveness, cohesiveness and agility at country level; rationalize physical presence of individual UN entities using cost-benefit ratios; increase integrated policy support; reduce overlapping work; and pool policy capacities at regional level.
3. The development reforms set out major changes that significantly impact all UN development system member entities. The UN Environment Programme is bound by all the reform measures adopted by Member States, as well as measures outlined in the [Secretary-General's report](#), which he is implementing under existing mandates.
4. Member States and the Secretary-General consistently stress that the UN General Assembly's guidance must be translated within the governing bodies of agencies, funds, programmes, specialized and non-resident entities, and coherently pursued across the entire UN system. In a repositioned UN development system, the Secretary-General has called upon all UN entities to foster an organisational culture that goes beyond single entity mandates and embraces the integrated approach required by the 2030 Agenda; an approach and mindset that the UN Environment Programme agrees is essential to best support Member States.
5. The development system reforms have implications for how the UN Environment Programme plans, delivers and reports on results at the global, regional and country levels. They also present us with significant opportunities to further deliver our mandate within the 2030 Agenda. While the UN Environment Programme's size is small compared to some other UN entities, our mandate is vital for the development system. In line with our mandate, we aim to contribute to the reconfigured UN Country Teams, providing advice and guidance on how to integrate environmental and natural resource sustainability and resilience into agency programmes and budgets, and UN Development

Assistance Frameworks (UNDAFs) and their Common Country Analyses.

6. This note provides an overview of key implications of the UN development system reforms, and the programmatic and management measures being taken to align with them. 2019 is a year of transition; as the UN Deputy Secretary-General said in a December 2018 letter to the UN development system, 1 January 2019 marked the start of “a journey of transformation that will bring the 2030 Agenda for Sustainable Development to the country level in an unprecedented manner”. As detailed in this note, many UN reform elements are still being unpacked before being implemented by the UN development system, which means that the precise nature of their implications for the UN Environment Programme are still not fully clear. As such, the UN Environment Programme continues to actively contribute to these discussions.
7. Internally, the UN Environment Programme Senior Management Team, as well as the wider Leadership Group, has been discussing the implications and opportunities of the UN reforms. Last month, our Senior Management Team identified key steps that will be taken by the UN Environment Programme to contribute and align to the development system reforms.
8. We have also provided inputs to the upcoming report of the Secretary-General on the progress made in the implementation of General Assembly resolutions 71/243 and 72/279, as part of his annual reporting to the [ECOSOC operational activities segment](#) on the coherence, relevance, effectiveness and efficiency of UN operational activities for development.

New generation of UN country teams; reinvigorated resident coordinator system; revamping the regional approach; and strategic direction, oversight and accountability for system-wide results

9. During this year of transition, the UN Environment Programme is focussed on ensuring that our work is well reflected and embedded in the new generation of UN country teams and reinvigorated resident coordinator system. To do so, we are actively engaging with the Secretary-General’s Transition Team and contributing to discussions at all levels of the [UN Sustainable Development Group](#). We are working to fully leverage our work and expertise at regional and country-level, including through engagement in the Regional UN Sustainable Development Groups, Peer Support Groups, UN Country Teams and UN Development Assistance Framework processes. Important in this regard, is the understanding, being embedded in different elements of the reform, that the UN Country Team is understood to encompass all UN contributions to national development priorities, through resident and non-resident entities.
10. UN development system reforms components being developed, that we are engaged in, include:
 - The new **Management Accountability Framework**: which outlines roles and responsibilities for the management and oversight of the new Resident Coordinator system, and contributions and accountabilities of all UN Sustainable Development Group members at the global, regional and country levels. The first part of the new Framework (to be finalised in the next few weeks) deals with the country-level and strengthening accountability within UN country teams. UN Environment Programme’s in-country representatives and staff that are UN Country Team members will have a dual reporting line. They will be expected to report to Resident Coordinators on our contributions to collective results on the ground, in addition to within the organisation. UN Environment will need to provide Resident Coordinator Offices with information on our country-level results and activities (planned and implemented), with baselines, targets, indicators and partners, including through the new online UN INFO global database. The second phase of the

new Management Accountability Framework will address regional and global contributions and accountabilities.

- The **UN System-Wide Strategic Document**: as requested in General Assembly resolution 72/279, is being developed at the global level, highlighting areas of programmatic convergence and identifying targeted measures to address gaps and overlaps in the UN development system. The UN Environment Programme is contributing actively as a member of the drafting team.
- A review of the model of **Multi-country Offices** is looking into the configuration, capacity, resource needs, role and development services of Multi-Country Offices, to improve existing set-ups and possibly apply this model to other country contexts. A dedicated Review Team has been established together with a Reference Group (with Resident Coordinators and agency representatives) and a Member States Steering Committee, to serve as sounding boards. Due to the current configuration of the UN Environment Programme, including all the actions taken to strengthen our strategic regional presence after Rio +20, we can share lessons learned and contribute to this review.

11. The UN Environment Programme has been actively involved in **redesigning the UN Development Assistance Framework guidance**. The guidance supports the development of a generation of strategic, flexible and results- and action-oriented Frameworks, as the most important instruments for planning and implementation of UN development activities in country. The UN Environment Programme, as a member of the UN Development Assistance Framework Design Team, is ensuring that environmental aspects within a context of policy coherence, and our service offerings, are well reflected and utilised. With Resident Coordinators expected to draw “on the expertise and assets of all UN development system entities, including non-resident agencies”, the need for UN Country Teams to leverage all assets of the UN system more systematically, at every stage of the UN Development Assistance Framework, including essentially in the Common Country Analyses, is being embedded in the new guidance.
12. In response to these developments, we are developing a succinct corporate ‘**Resident Coordinator/UN Country Team engagement note**’. The aim is for Resident Coordinators to be strong advocates for the environment, and related internationally agreed norms and multilateral environmental agreements, and to familiarize UN Country Teams with services that the UN Environment Programme can deliver, directly or through our partners, and how they can draw on our expertise and assets, and which could be customized for different countries’ contexts.
13. As demand for our services is expected to increase, especially our policy and technical advisory services, we are reviewing a range of scenarios to meet the likely increase in requests and strengthen our delivery models. In each scenario we need to effectively and efficiently draw on expertise from across the organization and from our partners. Some of these scenarios include:
 - The deployment of advisors of technical missions.
 - The establishment of project offices housed in UN common premises.
 - The strengthening of partnerships with other UN agencies and relevant partners: the recognition of UN Environment Programme’s mandate has triggered further interest and calls for partnerships with UN agencies from their angles of relevance in relation to environmental sustainability and climate change issues.
14. Our scenario analysis also involves:
 - Strengthening in-house capacity on, and engagement in UN Development Assistance Framework

preparation and implementation, and ensuring that our technical expertise and knowledge is available on demand;

- Facilitating increased engagement of regional and sub-regional staff with UN Country Teams and UN Development Assistance Framework processes: emphasising the environmental dimension of sustainable development; articulating UN Environment Programme initiatives (implemented by different parts of the organisation) at country level; more effectively catalysing UN Country Team action/projects around our priorities;
- Leveraging UN Development Assistance Frameworks when planning projects and deploying expertise;
- Compiling baseline data on current levels of engagement in UN Development Assistance Frameworks, identifying: direct participation in UN Country Teams, UN Development Assistance Framework related working groups, deployment of experts or provision of inputs to documents; and how expertise from the divisions and regional offices is being deployed.

15. Our Regional Offices are very much focussed on responding to the opportunities and challenges presented by the UN development system reforms and the new arrangements that are being put in place. They are taking concrete action to address the reform streams and engaging with Resident Coordinators, for example:

- In Asia Pacific, we are piloting new tools including a Regional Office staff Focal Point system for UN Country Teams and a new Environmental Assessment Tool to inform the development of UN Common Country Analyses and UN Development Assistance Frameworks. The tool will draw on analysis and data from across UN Environment Programme's Divisions, as well as from our Regional Office.
- In Africa, we are preparing a 'regional value proposition' for the Resident Coordinators, as well as contributing to stock-taking of UN assets at the country level. We are also involved in the preparation of UN country team retreats which will unpack the components of the reforms and discuss country-level modalities.
- In Latin and America and the Caribbean, we are actively working within the Regional UN Sustainable Development Group, producing policy guidance and tools for UN Country Teams, supporting implementation at country-level with regional initiatives, and supporting joint work on a diverse range of topics. We are actively participating in all UN Country Teams and UN Development Assistance Framework formulation processes, through our regional, sub-regional and country offices, as appropriate. We also already have a monitoring system in place to be able to report on planned and completed results at country level.
- In West Asia, we have developed a focal point system for countries, inclusive of UN Country Team representation, as well as a dedicated focal point for overall UN System engagement to keep abreast of developments and contribute to the dialogue and roll-out of the reforms.
- In Europe, we are looking to engage proactively in the UN's joint effort to further strengthen regional cooperation in support of the acceleration and implementation of the Sustainable Development Goals. UN Environment is in dialogue with Resident Coordinators in all countries in the region, identifying practical avenues to offer technical support and policy guidance on mainstreaming environmental sustainability. We are looking to strengthen our data collection and analysis capacity to offer a valuable service that is always in demand in the UNDAF context, and the development of smart indicators to track environmental sustainability in development efforts. In Belgium, the UN Country Team is strengthening UN cooperation to ensure a coherent partnership with the European Institutions on the new programming cycle (2021-2027).

16. The UN Environment Programme is also contributing to strengthening the **Resident Coordinator pool**. A number of senior staff have successfully completed the Resident Coordinator assessment and have been made available for deployments over the coming six and twelve months.
17. The UN Transition Team-led **Regional Review** is aimed at re-profiling and restructuring of the UN development system's regional assets to harness them better for delivering policy advice and results at country-level; and on cross-broader and regional responses. The aim of our engagement is to ensure that our services are fully considered in the architecture of the UN reform at the regional level. Once the Regional Review has been agreed, we will consider the implications and update all relevant policies such as the UN Environment Programme Operational Guidance Note for strengthening our strategic regional presence (from 2016), so as to fully align our offer and role at regional level with the reform. Regional offices will also be undertaking dialogue with the respective UN Regional Commissions and within Regional UN Sustainable Development Groups. We are also looking to regularly invite heads of Agencies, Funds and Programmes, select Resident Coordinators and chairs of Regional Coordination Mechanisms or global/Regional UN Sustainable Development Groups to participate in the UN Environment Assembly, as well as regional and sub-regional environmental ministerial conferences, forums and platforms. We also aim to leverage the UN Environment Programme supported regional forums of environment ministers. Since all new UN Development Assistance Frameworks will need to include transboundary analysis, our regional fora could provide concrete inputs/guidance on this and support the exchange of best practices.
18. We continue to contribute to **integrating environmental sustainability considerations into UN operations and management of premises**, building on the existing inter-agency efforts connected to the Greening the Blue initiative. Pipeline activities range from promoting green practices in our and other UN Agencies offices, to system contracts, energy efficiency in facilities, waste and water management, and staff awareness. This is within the broader context of measures to advance common business operations, including common back-offices, with the target of 50% common premises by 2021, to enable joint work and generate greater efficiencies, synergies and coherence, measures which we are expected to align with at country-level.

Funding the UN development system

19. We have been engaged in the discussions regarding the **Operational Guidance for Implementing the 1% Coordination Levy**. The levy will be applied to all contribution agreements signed on or after 1 January 2019, where the agreement tightly earmarks the contribution to UN development-related activities. The guidance for informing, collecting and reporting on the 1% coordination is expected to be finalized soon. This will be accompanied by a letter from the Deputy Secretary-General to all donors. Once this is issued, we will be in close touch with our donors to explain, manage and implement the 1% levy provisions.
20. As part of our scenario analysis during the transition period, we are assessing other possible financial implications, including:
- Implications if the General Assembly does not agree to the **UN Secretariat portion of the Resident Coordinator System cost-sharing** (under which the UN Environment Programme falls) for 2020 and subsequent years. For 2019, the General Assembly [5th Committee approved the \\$13.57 million](#) for the UN Secretariat share. The 2020 Resident Coordinator System budget is

under development. The General Assembly resolution calls upon governing bodies of all UN development system entities to double their agreed contributions.

- Implications for **budget allocations at corporate level for the regional/sub-regional offices**, as we provide Resident Coordinators and UN Country Teams with more policy and technical advisory services and we strengthen our participation in joint initiatives with UN Country Teams and at regional level.
- Measures required to ensure the **required allocation of at least 15% of non-core resources** to joint UN activities, for example country project and programme activities seeking/offering partnership with other UN entities, as a standard operating procedure.

21. We have also been closely following the development of the new **Funding Compact**, which is near completion, based on a Funding Dialogue with Member States. The Funding Compact between the Member States and the UN development system contains a set of commitments, indicators and monitoring mechanisms to help improve the quality of funding, increased transparency and accountability for results. Among the commitments from the UN development system is full compliance with international reporting and transparency standards. In this regard, the UN Environment Programme is developing an Open Data Portal to enable the public to access information on all our projects and where they are being delivered. Access to information is a key component of our commitment to the International Aid Transparency Initiative.

Implications on UN Environment Programme's Programme of Work and Budget

22. The UN development system reform presents an opportunity for a Programme of Work and Budget of a higher quality, more integrated, and for tailored policy support for governments in their efforts to meet the environmental dimension of sustainable development. The universal membership of the UN Environment Assembly approves the Programme of work and budget and defines what Member States want UN Environment Programme to do. The reform will make us more effective in how we implement at national level.

23. On the budget, out of the five funding sources of UNEP's Programme of Work, the application of the 1% levy, as one of the funding streams for the new Resident Coordination System, will impact all tightly Earmarked Funds. This would reduce the direct contributions for programmatic deliverables in donor agreements by 1%.

24. Whilst the UN Environment Assembly approves the Environment Fund budget, earmarked funds remain an estimate based on historical trends. As such, the budget envelope will be the same as expected income will remain unchanged, with the levy being deducted on this amount. Accordingly, we do not foresee any changes to the earmarked funds budgets in the Programme of Work and Budget.