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FOURTH ITEM ON THE AGENDA

Update on the United Nations reform

Purpose of the document

The purpose of this document is to present the main elements of United Nations General Assembly Resolution A/RES/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”, which was adopted on 31 May 2018, and their potential implications for the ILO. Based on its March 2018 discussion (GB.332/HL/1) and the 107th International Labour Conference General Discussion on Effective Development Cooperation (ILC107-PR7B(Rev.)) and resolution concerning effective ILO development cooperation in support of the Sustainable Development Goals, the Governing Body is therefore requested to review and debate the resolution with a view to providing guidance to the Director-General on its application (see draft decision in paragraph 35).

Relevant strategic objective: All.

Main relevant outcome/cross-cutting policy driver: Enabling outcomes A, B and C.

Policy implications: Yes.

Legal implications: Not fully known at this stage.

Financial implications: Yes.

Follow-up action required: Yes.

Author unit: Multilateral Cooperation Department (MULTILATERALS).

Related documents: GB.329/POL/5; GB.329/HL/1; GB.329/INS/3/1; GB.332/HL/1; GB.332/INS/13; GB.334/INS/3/1; GB.334/PFA/1.

I. Introduction and update on the reform of the United Nations development system

1. On 31 May 2018, the General Assembly of the United Nations (UN) adopted the resolution “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”.¹ The resolution contains UN member States’ decisions on concrete measures to enhance the capacity of the United Nations development system (UNDS) to better support countries in their efforts to implement the 2030 Agenda for Sustainable Development (2030 Agenda) and provides guidance to the Secretary-General and the UNDS on their implementation. The resolution has taken into consideration the proposals submitted by the Secretary-General in two reports² to the Economic and Social Council (ECOSOC) in June and December 2017 as follow-up to the quadrennial comprehensive policy review (QCPR) resolution³ adopted by the General Assembly in December 2016.
2. The ILO Governing Body discussed the current reform initiative at its 329th and 332nd Sessions.⁴ At the March 2018 session, the High-Level Section, meeting as the Working Party on the Social Dimension of Globalization, reviewed the Secretary-General’s proposals and their possible implications for the Organization. The Working Party was honoured by the presence of the UN Deputy Secretary-General, Ms Amina J. Mohammed, who addressed ILO constituents and responded to questions about the proposals. During the discussion, the constituents expressed support for reform, recognizing the critical need to reduce fragmentation, increase coherence and improve efficiency in UN development activities. Opportunities for the ILO were recognized, particularly with regard to demonstrating the value added of a tripartite model of policy-making to a wider audience and expanding the influence of the ILO and its constituents in promoting decent work and international labour standards. Important challenges were also noted. Key among them were the need for the recognition and incorporation of the ILO’s specific tripartite governance structure and normative activities in the reform measures and assurance of the independent functioning of the ILO’s supervisory mechanisms at country level. Greater clarity was also required on how the ILO’s normative mandate would be reflected in national planning processes. Employers, workers and governments alike stressed that UN Resident Coordinators (RCs) in a reformed UNDS would need to recognize the mandate and specificity of the ILO and the special status of ILO constituents as decision-makers within it. There was no draft decision for this item; however, participants were informed that the anticipated UN General Assembly resolution would be brought to a subsequent session of the Governing Body for debate and any appropriate decisions.

¹ Document [A/RES/72/279](#).

² *Repositioning the United Nations development system to deliver on the 2030 Agenda: Ensuring a better future for all – Report of the Secretary-General (A/72/124–E/2018/3)*, 11 July 2017, and *Repositioning the United Nations development system to deliver on the 2030 Agenda: Our promise for dignity, prosperity and peace on a healthy planet – Report of the Secretary-General (A/72/684–E/2018/7)*, 21 Dec. 2017.

³ The policies of the ECOSOC and the General Assembly for the UNDS are reviewed every four years in the context of the QCPR. The resulting General Assembly resolution guides the UNDS operational activities for development, and outlines how the system’s entities should work together for the subsequent four years.

⁴ [GB.329/INS/7](#); [GB.332/HL/1](#).

3. Following the March 2018 Governing Body discussion, the Chairperson shared his report of the Working Party with Deputy Secretary-General Ms Mohammed, the ECOSOC President, Ambassador Ms Chatardová (Czech Republic), and the co-facilitators of the intergovernmental negotiations on the repositioning of the UNDS, Ambassadors Mr Boukadoum (Algeria) and Mr Petersen (Denmark).
4. As the General Assembly resolution on UNDS reform has been adopted, the Governing Body is invited to review and debate its implications with a view to providing guidance to the Director-General on its application with regard to the operations of the Office. General Assembly resolutions are binding for UN entities that report to it, but not for specialized agencies like the ILO that have independent governance structures. However, as a member of the UN system, and in accordance with the provisions of the 1946 UN–ILO relationship agreement, the ILO is committed to contributing to the aims and objectives of resolutions relevant to its mandate. Today this would apply in particular to the implementation of the 2030 Agenda. The resolution, in which UN member States broadly supported the vision and direction of the proposals of the Secretary-General, is system-wide in scope with ambitious timelines. While there is some flexibility accorded to the Secretary-General in implementing proposals, it is clear that member States anticipate implementation by all UN development agencies – funds, programmes and specialized agencies alike.

Preparing the transition

5. The Secretary-General has established a transition team under the responsibility of the Deputy Secretary-General to prepare for implementation of the resolution's provisions, some of which will be operational from January 2019 and others that are expected to be completed within two to four years. The team will consult closely with the United Nations Sustainable Development Group (UNSDG) and its results groups, which also have an important role in implementation of the reform.⁵ Immediate deliverables include a transition plan for the reinvigoration of the Resident Coordinator (RC) system, which was to be presented to the General Assembly in September, and a revised system-wide strategic document that addresses gaps and overlaps in the UNDS in support of countries. The transfer of the UN Development Operations Coordination Office (DOCO) from UNDP to the UN Secretariat to become a stand-alone office with managerial oversight of the RC system reporting to the Deputy Secretary-General was to be completed by 1 November 2018. Two separate independent reviews – one of UN multi-country offices and another on the UN regional architecture – will be presented to the ECOSOC Operational Activities Segment in May 2019.
6. The ILO continues to be actively and substantively engaged in the reform process. The Director-General is a member of the UNSDG Core Group, which provides strategic governance and oversight and is composed of the executive heads of the 12 largest UNSDG entities, plus members of the UN Department of Economic and Social Affairs (DESA) and a rotating member representing the UN Regional Economic Commissions.⁶ Given the breadth of the reform and its expected impacts on ILO operations at headquarters and in the field and on its technical support to countries, senior ILO managers and specialists from the three ILO portfolios – Management and Reform, Field Operations and Partnerships, and Policy – represent the Office in the four UNSDG results groups on Sustainable Development

⁵ The UNSDG is the successor to the UNDG and is open to membership to the 40 UN entities that contribute to the attainment of the 2030 Agenda at the country level.

⁶ FAO, ILO, OHCHR, UNDP, UNEP, UNESCO, UNFPA, UNHCR, UNICEF, UN-WOMEN, WFP, WHO, the rotating coordinator of the Regional Economic Commissions (currently ECLAC), as well as the head of DESA. It is chaired by the UNSDG Vice-Chair (UNDP).

Goal (SDG) implementation, strategic financing, business innovations and strategic partnerships, while the regional directors continue to engage with the regional UNSDG entities. The ILO Director-General also co-chairs the UNSDG Strategic Partnerships Results Group, and the ILO is a member of the UNSDG Advisory Group for the UNDS repositioning that will advise the transition team.

7. As the Office prepares for the reform roll-out over the coming months, it will take forward the key messages of ILO constituents expressed during this and earlier Governing Body discussions.⁷ The Office's planning will also be informed by the follow-up to the resolution adopted by the International Labour Conference at its 107th Session (2018) concerning effective ILO development cooperation in support of the SDGs, which is also under discussion at this session of the Governing Body.⁸ In the Conference resolution, the constituents linked a future approach to ILO development cooperation to the guidance provided to the Office through the resolution on Advancing Social Justice through Decent Work adopted by the Conference at its 105th Session (2016). They also articulated key principles and actions for the Office in future development cooperation, highlighting the ILO's value added in the United Nations – tripartism, normative action and social dialogue – and stressing that the Office must both better serve its constituents while helping to empower them to participate in national SDG processes and raise their profile in the development of the United Nations Development Assistance Frameworks (UNDAF) in the context of a reformed UNDS, in order to give them a genuine role in the reformed UNDS and contribute towards achieving the SDGs. In this regard, targeted capacity building for constituents will be critical.

II. Implementation of the UN General Assembly resolution

8. With the adoption of the UN General Assembly resolution on UNDS reform, the Secretary-General is now proceeding with the implementation of his reform proposals. These proposals include measures: to reinvigorate the RC system and separate it from the UNDP; to create a new generation of UN country teams (UNCTs), including defining criteria for UNDS country presence; to advance common business operations, including common back offices and premises; and to revamp the UNDS regional approach and entities. Member States took note of the Secretary-General's proposal to revise the ECOSOC Operational Activities Segment.
9. While member States welcomed the Secretary-General's proposal for a funding compact to reinforce mutual commitment and accountability between the UNDS and member States, they did not approve the request for assessed contributions to support the core capacities of the RC system.⁹ Member States also affirmed the need to redefine the role of the UNDP as the support platform for the UNDS. The Secretary-General's proposals on partnerships were not specifically mentioned in the resolution but are to be advanced under existing mandates, such as the 2016 QCPR resolution.

⁷ At the time of writing of this report, many important details were yet to be worked out through the relevant transition and coordination mechanisms.

⁸ GB.334/INS/3/1.

⁹ See paras 21–23.

10. The reform proposals were conceived as a mutually reinforcing, indivisible package¹⁰ and member States have effectively endorsed this view in the resolution. The “how” to implement the reform and related details are the remit of the Secretary-General and have been delegated to the Deputy Secretary-General and the UNSDG. Recognizing that individual agencies within the system may have difficulties with the timing of implementation or need to consult their governing bodies on specific aspects of the reform, the UNSDG working arrangements, agreed by all member agencies, incorporates an “opt-out” principle for the UNSDG decisions when circumstances call for it. Opting out may be necessary in certain cases but could have financial, political or operational consequences, including access to pooled funding or influence in national policy debates around UNDAF priorities, for example. Measures related to common business services will be pursued on an “opt-in” basis, whereby a group of agencies takes the lead on forging solutions for implementation. Others are encouraged to join when they are ready and the business case for doing so is clear. Further information is provided in paragraph 19.

The new UNDAFs and their implications for Decent Work Country Programmes

11. Member States welcomed a more strategic, results- and action-oriented UNDAF as the most important instrument for the planning and implementation of UN development activities at the country level. The UNSDG roadmap for the remainder of 2018 identifies elements needed to ensure that the UNDAF can achieve its new status. This includes updating the existing UNDAF guidance; developing a new system-wide mutual accountability framework between the RC and UNCT, as well as between the UNCT and the government, development partners and other stakeholders; proposals for better harmonizing UNDAFs and agency-specific instruments; strengthening monitoring and evaluation; and developing a new set of standard operating procedures. It also foresees the strengthening of the UN Common Country Analysis to position it to make a stronger contribution to national development discourse. This will require making UNDS agencies’ capacities and expertise available to RCs and UNCTs for analytical support, which presents an opportunity for the ILO to provide critical inputs that highlight decent work deficits early in UNDAF development. Thus, the Office may need to devise more flexible and agile arrangements to deliver ILO technical expertise in a timely manner and on a time-bound basis.
12. Given the centrality of the UNDAF in the reformed UNDS, not only as the most important planning instrument at country level, but also in terms of its bearing on other areas of UN reform, including determining country presence, UNCT membership, reporting, joint programming and access to pooled funding, the alignment of ILO Decent Work Country Programmes (DWCPs) and UNDAFs will be of critical strategic importance to the Office and ILO constituents.
13. The timing of DWCP development in relation to the UNDAF cycle and the identification of clear entry points for constituent engagement will require careful consideration and planning. Thus, the development of DWCPs will need to take into consideration UNDAF preparation timing in order to ensure the appropriate recognition of ILO constituent priorities and needs. It will be in the ILO’s interest to arrive at modalities that will allow tripartite interests to be properly reflected in UNDAFs. Furthermore, as underscored in the March 2018 High-Level Section discussion, the ILO has the responsibility to serve its constituents and carry out its normative functions and these may fall outside the UNDAF. It will need to ensure that it has sufficient space to perform these functions and pursue DWCPs that allow for this broader scope of ILO activities at country level. To explore alternatives

¹⁰ [A/72/684-E/2018/7](#), para. 163, p. 38.

to better align the DWCPs with UN cooperation frameworks, the Office began a pilot initiative in June 2018 in Burundi, Iraq, the Philippines and Suriname. This will inform the development of a new generation of DWCPs as effective vehicles for implementing the 2030 Agenda and for achieving social justice through decent work.

Country presence and UN country team membership criteria

14. As of August 2018, the UN had UNCTs in 136 countries. The ILO is a member in 99 of these and participates in 37 others as a non-resident agency. Criteria for determining agencies' physical presence in countries and UNCT membership is currently under discussion within the UNSDG in line with the Secretary-General's proposals. The resolution refers to the "Charter of the United Nations and United Nations norms and standards" as relevant principles, which should ensure that the normative roles of specialized agencies will be reflected in such criteria. It is not clear what the net effect the new formulas would have on ILO country presence or UNCT membership at this stage. It is possible that, as a medium-sized agency with a mandate and expertise well anchored in the SDGs, the ILO could see demand for country presence and UNCT membership rise. In the cases where such demand cannot be met, the Office may be requested to participate through leveraging the capacities and presence of the wider UN system. As the final shape of the reformed UNDS at country level becomes clearer, it may be necessary to assess the ILO field structure and staffing arrangements. Such a review will seek to maximize ILO participation and influence and will build on the conclusions and recommendations of the independent evaluation of the ILO's field operations and structure (2010–16). Any staffing implications of the reform will be addressed in accordance with established procedures.

Resident Coordinator independence and increased authorities

15. The call for a more robust and adequately funded RC system with enhanced capacities, leadership, accountability and impartiality was also validated in the resolution. The two-year implementation plan for the new system, to be submitted to the General Assembly in mid-September, will be activated as of January 2019. By that time, several important aspects should be in place: the necessary legal and human resources changes; the reporting lines of RCs to the Secretary-General and the transition of DOCO to the Secretariat; the operational transition, including activation of the coordination fund; and recalibration of the coordinating role and functions of the UNDP at country level. Starting in January 2019, RCs will have the authority to ensure the alignment of both agency programmes and inter-agency pooled funding with national priorities and UNDAFs. Later in the transition, changes will be made to the profiles and selection of RCs and their staff, as well as to their training.
16. Implementation of the matrixed, dual reporting model described in paragraph 9(c) of the resolution whereby UNCT country team members report to their own hierarchies on their individual entity mandates and to the RC on their contributions to the collective results of the UNDS towards the achievement of the 2030 Agenda at country level, on the basis of the UNDAF, will have an impact for all UN entities that have staff who are members of UNCTs. In particular, specialized agencies like the ILO have independent governance, staff regulations, contracts and field structures. Each agency will need to examine the transition plan's requirements to see how this can be implemented in the context of their specific mandates. The ILO has recognized the leadership role of RCs in the job descriptions of ILO Country Office directors and Decent Work Team directors who have been UNCT members since 2010, and Country Office directors report to the RC and UNCT on mutually agreed results in the UNDAF. Some also participate in providing feedback on the RC performance

through the current mutual UNSDG accountability mechanism called the “Assessment of Results and Competencies of UN Resident Coordinators and UN Country Teams (ARC)”. However, full integration into a dual reporting model for ILO UNCT members to both the RC and the ILO regional director would necessitate changes to the ILO’s performance management system and staff regulations and require a subsequent Governing Body discussion and decision.

17. Training activities for RCs and UNCT members are foreseen. This should offer opportunities for them to better understand the ILO, its normative mandate, strategic objectives and tripartism. The Office will promote a role for the International Training Centre of the ILO (ILO–ITC) in the development and delivery of RC training within the UNSDG. It will also invest in further engagement in the selection and assessment of RCs, including through the regional UNSDG mechanisms. The change of profile and enhanced responsibilities of RCs might open new opportunities for ILO staff, and the Office will encourage them to consider RC positions as part of their career development.

Common back offices and co-location

18. Important changes in UNCT structures and operations at the country level include a drive towards much greater physical co-location of UN offices and a step change in common back offices for UN agencies. The UNSDG’s Business Innovations Results Group is responsible for implementing the reform’s targets in this regard, which are: establishing common back offices for all UN country teams by 2022; ensuring that all UNCTs have improved business operations strategies by 2021; and raising the share of UN common premises to 50 per cent by 2021.
19. Recognizing that seeking consensus and harmonization of rules and procedures among UNDS agencies would be extremely complex, five agencies among the UN funds and programmes ¹¹ have taken the lead, with a commitment to co-locate their offices and consolidate back-office functions for location-dependent services in areas such as finance, procurement, human resources, information and communications technology, logistics and facilities management. Working in close collaboration with the UN High-Level Committee on Management, emphasis is being placed in the short- to medium-term on removing blockages through mutual recognition of business processes that would allow agencies to accept and use each other’s procedures. Full harmonization is a longer-term goal. The pilot exercise will be data-driven and evidence-based in order to quantify savings and demonstrate progress. The expectation is that other agencies will join (opt in) in due course as the business case for them becomes clearer. For the Office, “opting in” would first depend on having a clear framework and then, to the extent possible and advisable, adapting financial, human resources or other rules and procedures accordingly. The ILO can build on its experiences to date in procurement as well as finance, where mutual recognition of procedures allows the UNDP to carry out financial transactions on behalf of the ILO and other UN agencies.
20. Governments are supportive of this effort and a number of host countries are currently looking into consolidating UN presence. The Office is negotiating the possible relocation of its Viet Nam Office to the Green One UN House in Hanoi, where all other UN agencies are now co-located. This and future decisions to relocate ILO country offices will consider the financial costs and benefits of the move, the Government’s desire to have UN agencies in one compound, the guarantee of ease of access for ILO tripartite constituents and integrity of the ILO’s identity and mandate. A further issue of concern for the Office is the status and

¹¹ UNDP, UNFPA, UNHCR, UNICEF and WFP (representing a group of smaller agencies).

possible relocation of the ILO national coordinators, who are often housed at ministries of labour at no cost to the ILO.

Funding the RC System

21. The UNSDG has been implementing a system-wide cost-sharing arrangement in support of the RC system since 2014. At present, 19 UN entities, including the ILO, contribute to this mechanism, which currently complements significant “backbone” support from the UNDP. The Secretary-General’s vision for a reinvigorated and independent RC system includes a better staffed and more predictably funded RC system. To meet the needs of a reformed UNDS, he put the cost of the RC system at US\$255 million, an US\$80 million increase over the current system. He recommended that member States consider covering this funding requirement through assessed contributions, also requesting voluntary contributions to a discretionary integration fund of US\$35 million for the coordination activities of RCs. In the resolution, member States did not retain this proposal. Instead, the agreed hybrid formula provides for voluntary, predictable, multi-year contributions to a dedicated trust fund to support the inception period, a doubling of the UNSDG agencies’ cost-sharing arrangement from 2019, and a 1 per cent levy on tightly earmarked third-party non-core contributions to UN development-related activities, to be paid at source. As of mid-September 2018, member States had pledged US\$75 million to the inception trust fund.
22. A doubling of the annual agency cost-sharing contributions for 2019 is expected to bring in US\$77 million, of which the ILO’s share would be almost US\$4.35 million. After 2019, the cost-sharing formula will be readjusted to include 11 new agencies that have been invited and are expected to join the UNSDG. The impact on future ILO contribution levels remains to be seen. It should also be noted that the 2018 budget for the RC system is in deficit of US\$8.6 million, principally due to the missing contribution of the UN Secretariat. The Fifth Committee has yet to approve the Secretariat’s contribution but is scheduled to take this matter up in November 2018. A doubling of the ILO’s share for 2019 will require additional resources of US\$2.2 million. Along with other organizations, the ILO has informed the Secretary-General that no budgetary provisions exist for this unanticipated increase. Decision point paragraph (c) provides a scenario for identifying the required funds within the current budget.
23. With regard to the 1 per cent levy, it is unclear how much of the funding gap this mechanism will cover. Donors will be asked to transfer a 1 per cent fee to a trust fund for each grant they make to agencies that is tightly earmarked for specific programmes or projects. Based on 2016 figures for UNDS earmarked non-core resources of US\$8 billion, the levy could potentially raise US\$60 million.¹² Specific modalities for collecting this levy from donors and clearly defined criteria for applying it will be worked out in the coming months. The levy is additional to the existing cost-recovery fees charged by the agencies for project administration and support. To the extent that this levy would discourage donors from directly financing programmes and projects through earmarked funds, the amounts raised by the levy would decline over time.

Funding compact

24. The need to replace the highly fragmented funding base within the UNDS with more stable longer-term core funding for the RC system and individual entities of the UNDS has been a key aim of the reform from the outset. In the resolution, member States welcomed the

¹² Final Draft, Secretary-General’s Implementation Plan for the inception of the reinvigorated Resident Coordinator system, 31 Aug. 2018, p. 7.

Secretary-General's call for a funding compact, which aims to bring the level of core resources for the UNDS to a level of 30 per cent of total contributions over the next five years in exchange for greater transparency and accountability on the part of the UNDS. The mutual commitments of the compact outlined in the resolution are currently being worked out through a funding dialogue with member States, which is to be completed before the ECOSOC Operational Activities Segment in February 2019.

25. In exchange for more predictable funding, the UNDS will commit, among other things, to improving the transparency and accountability of and access to financial data on resources, independent system-wide evaluation and greater visibility for member State contributions. The Office has provided financial data for the voluntary contributions it received over the period 2012–17 as part of the International Aid Transparency Initiative and is assessing further enhancement of its transparency efforts.
26. The funding compact will place greater emphasis on a new generation of pooled funds for system-wide activities, including capitalization of the Joint Fund for the 2030 Agenda for Sustainable Development (Joint Fund) at US\$290 million and large increases to the Peacebuilding Fund. In response to the call for greater inter-agency collaboration and integrated programming as called for in the 2030 Agenda, the ILO has been seeking opportunities to increase its activity in pooled mechanisms. In 2017, the Office received US\$22.4 million from UN multi-partner trust funds. It was also instrumental in the creation of the Joint Fund's window for social protection floors with UNDP, UNICEF and UNHCR, and the ILO is one of five UN agencies represented on the Joint Fund's Executive Board.

Partnerships

27. Expanding partnerships is critical to achievement of the SDGs and the Secretary-General provided a number of ideas to effect this at country level in his proposals. The UNSDG Strategic Partnerships Results Group, which includes representation from UNSDG entities, the UN Office on South–South cooperation, the United Nations Office for Partnerships and the Global Compact, is mandated to streamline, simplify and create greater UN-wide synergy in partnerships. The group is working on harmonization and operationalization of common UN partnership approaches through shared due diligence processes and common memoranda of understanding for use with companies, foundations and non-profit organizations and risk management and transparency frameworks. It will also seek to advance multistakeholder participation through minimum standards for UNDAFs that are informed and monitored by a range of partners, including citizens, civil society, trade unions and foundations. The Office's engagement in such undertakings is informed by the key external partnerships being pursued in relation to the ILO programme and budget policy outcomes and the future of ILO development cooperation strategy. It will also contribute its unique experience as a tripartite organization in engaging in public–private, South–South and other forms of partnerships.

Review of regional assets in 2019

28. Member States agreed to a two-step phased approach for revamping the UNDS regional structures, which would focus better on equipping the regional bodies to function as convening platforms and deliver integrated policy advice, normative support and technical capacity on regional priorities. At the next ECOSOC Operational Activities Segment in 2019, the Secretary-General will submit to member States options for longer-term re-profiling and restructuring of the UN's regional assets. The first phase is focused on rationalizing certain functions of the United Nations Regional Economic Commissions, regional UNSDGs and the country-level activities of DESA. The second phase will look at

the wider constellation of UNDS presence, including UN entities' regional structures, to identify potential efficiency gains and recommend means to achieve these.

29. Active participation of the ILO in the regional coordination structures will be crucial, since this will also have implications at the country level. In the first phase, the ILO will look to increasing further its engagement in regional UNSDG mechanisms. The social partners could be brought into relevant consultations, such as the forums for sustainable development, to ensure that the views of the social partners are well reflected in the regional reports submitted by the regional commissions to the high-level political forum every year.
30. Moreover, the ILO's membership in regional UNSDGs, which have an important role in the selection and performance assessment of RCs and UNCTs, is an additional means of ensuring better appreciation of the ILO's normative mandate, particularly among those assigned to countries where the ILO is a non-resident agency.

Concluding remarks

31. The unfolding of the UNDS Reform as approved unanimously by UN member Governments is setting out increasingly clear guidance and expectations for all UN entities. Continued engagement in all relevant processes offers the opportunity to position the ILO optimally in the new arrangements for integrated UN system support to countries to achieve the SDGs.
32. In this regard, the ILO will need to be particularly attentive to ensuring that its tripartite constituents are able to input to and influence national programming processes through quality DWCPs, and that the system as a whole is responsive to their promotion and needs. Capacity building for constituents will be central to that effort. Similarly, it will insist on full maintenance of the crucial normative function of the ILO and the system as a whole. The reinforcement of the authority of RCs and the new coordinating role of the UNDP will be important factors in regard to both issues.
33. Questions related to possible changes in the ILO's field presence arising from the reform will need to be addressed as criteria for UNCT membership are clarified, and the review of the UN's regional assets proceeds. Any issues relating to the redeployment of technical capacities, staff mobility, and impacts on locally recruited staff will be addressed through the Governing Body and in conformity with established internal procedures.
34. Securing adequate and sustainable funding for the new RC system will be critical for the success of the reform. The funding compact will offer new opportunities for the ILO to access greater financing of its activities, but does not guarantee it. It will be incumbent on the organization to lever its comparative advantages – notably tripartism – to best effect, as well as to continue the development of partnerships for the realization of the SDGs which are likely to attract resources.

Draft decision

35. *The Governing Body:*

- (a) *took note of the United Nations General Assembly Resolution “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” (A/RES/72/279) adopted on 31 May 2018 and the implications for the work of the ILO;*

- (b) requested the Director-General to continue to actively participate in the implementation of the resolution and related inter-agency coordination mechanisms, taking fully into account the views and positions expressed by the Governing Body on this matter at its current and previous sessions; and*
- (c) decided that the cost of the doubling of the cost-sharing contribution to the Resident Coordinator system for 2019, estimated at US\$2.2 million, would be financed in the first instance from savings that might arise under Part I of the budget for 2018–19 or, failing that, through the use of the provision for unforeseen expenditure, in Part II. Should that not prove possible, the Director-General would propose alternative methods of financing at a later stage in the 2018–19 biennium.*