

**The Road to Development Is Paved with Good Intentions:  
Inter-organizational dysfunction in the UN development system**

by

Tse Yang Lim

B.S. Biology

Yale University, 2011

Master of Environmental Management

Yale School of Forestry & Environmental Studies, 2014

SUBMITTED TO THE SLOAN SCHOOL OF MANAGEMENT IN PARTIAL  
FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF

MASTER OF SCIENCE IN MANAGEMENT RESEARCH

at the

MASSACHUSETTS INSTITUTE OF TECHNOLOGY

MAY 2020

©2020 Massachusetts Institute of Technology. All rights reserved.

Signature of Author: \_\_\_\_\_  
Department of Management  
May 08, 2020

Certified by: \_\_\_\_\_  
John D. Sterman  
*Jay W. Forrester Professor of Management*  
Thesis Supervisor

Accepted by: \_\_\_\_\_  
Catherine Tucker  
*Sloan Distinguished Professor of Management Science*  
Faculty Chair, MIT Sloan PhD Program

*The Road to Development Is Paved with Good Intentions:  
Inter-organizational dysfunction in the UN development system*

By  
Tse Yang Lim

Submitted to the Sloan School of Management on May 08, 2020  
in Partial Fulfillment of the Requirements for the Degree of  
Master of Science in Management Research

**Abstract**

The ability of multiple organizations to effectively collaborate in pursuit of shared goals is important across many fields, but perhaps nowhere more so than in sustainable development. Advancing sustainable development requires addressing numerous highly interconnected issues across multiple sectors. The interconnections present not only a substantive challenge, but an organizational one as well. Despite widespread agreement on the need for more integrative approaches and strong motivations to implement them, many organizations working on different aspects of sustainable development persistently fail to integrate their work effectively.

I examine the puzzle of persistent integration failure in the context of the UN development system (UNDS), which plays an important normative and operational role in guiding development efforts worldwide. Using causal loop diagrams informed by field observations and expert interviews, I present a dynamic explanation of the relationships between various parts of the UNDS and the challenges of coordinating work on sustainable development. I demonstrate how intendedly rational attempts to improve efficiency and performance by UN agencies and the countries that control them inadvertently set off self-reinforcing processes that drive persistent fragmentation and integration failure. Unless these dynamics are accounted for, ongoing attempts to improve integration in the system are likely to fail.

Thesis Supervisor:  
John D. Sterman  
*Jay W. Forrester Professor of Management*

## List of Acronyms

ASG	Assistant Secretary-General
HLPF	High-Level Political Forum on Sustainable Development
ILO	International Labour Organization
NGO	Non-Governmental Organization
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
QCPR	Quadrennial Comprehensive Policy Review
RC	Resident Coordinator
SDG[s]	Sustainable Development Goal[s]
UN	United Nations
UNCT	UN Country Team
UNDAF	UN Development Assistance Framework
UNDG	UN Development Group
UNDP	UN Development Programme
UNDS	UN development system
UNEP	UN Environment Programme
UNESCO	UN Educational, Scientific and Cultural Organization
UNICEF	UN International Children's Emergency Fund
USAID	United States Agency for International Development
WFP	World Food Programme
WHO	World Health Organization

## Introduction

When multiple organizations share an overarching goal that is best achieved cooperatively, why might they nonetheless fail to coordinate their actions toward effectively attaining that goal? A few obvious explanations come to mind. First, actors with power in or over the organizations (e.g. a corporation's shareholders) may not subscribe to the shared goal, and therefore refuse to cooperate. Second, the organizations may not understand the need for or benefits of cooperation. Third, the organizations may face minimal performance pressures, creating little need or motivation for improving effectiveness through coordination.

But what if a set of organizations were accountable to the same superordinate actors, who subscribe to a common normative agenda, share a theoretical understanding of the need for cooperation and coordination in addressing their problem, and exert strong pressure on the organizations to integrate their work more effectively – and yet those organizations still work in a fragmentary and uncoordinated manner, with resultant low performance? Under such circumstances, persistent integration failures cannot be ascribed to the aforementioned explanations. So what drives them?

One especially important instance of such integration failure comes from the field of international development, specifically the UN development system (UNDS). The UNDS is the loose family of intergovernmental and international bodies charged with improving the quality of life and well-being of billions of people in developing countries around the world. These bodies can be roughly categorised horizontally by sector or substantive focus, vertically by legal or organizational status, or geographically.

The work of the UNDS has evolved over its 70+ years of existence, but one recurrent theme in recent decades has been the need for its various bodies to collaborate better (UN General Assembly, 2006; UN Secretary General, 1997). Most recently, in 2015, UN member states unanimously adopted the 2030 Agenda for Sustainable Development (UN General Assembly A/RES/70/1, 2015), setting the strategic direction for the UNDS for the next 15 years. Central to the 2030 Agenda is a comprehensive list of 17 Sustainable Development Goals (SDGs) addressing issues such as poverty, gender equality, governance, urbanization, the environment and more. These issues are clearly interlinked, and the 2030 Agenda explicitly recognizes them as such, referring to the SDGs as “integrated and indivisible” (UN General Assembly, 2015). This recognition means the 2030 Agenda provides a renewed impetus for the UNDS not only to support the SDGs, but to do so in a more integrative manner than has heretofore been the case.

This paper focuses on the UNDS as it attempts to fulfil this ‘integration imperative’, using this case to develop inductively an explanation of the challenges of inter-organizational collaboration. I begin with some additional background on the case setting, explaining research methods, and describing the fragmentary state of the UNDS, at least up until 2016-17. Despite the strong and broad normative support for the 2030 Agenda and continued growth in flows of official development assistance (ODA) resources (OECD, 2018), progress on the SDGs remains “insufficient to fully meet the SDGs and targets by 2030” (United Nations, 2017). In particular, it remains to be seen whether

current attempts to improve cooperation and coordination across the UNDS prove any more successful than their forebears.

The remainder of this article then seeks to explain this persistent integration failure, especially how fragmentation is self-perpetuating. I further argue that in light of the drivers of integration failure identified here, proposed attempts at incremental reform of the UNDS aimed at improving cooperation will fail to make much progress, because high performance pressures on the UNDS will undermine the more radical changes needed for improvement.

## **Background & methods**

### **Sustainable development and inter-organizational coordination**

International development has traditionally been seen as primarily a matter of economic policy (Rostow, 1959; United Nations, 1951). Following the initial elevation of environmental issues to the international realm in 1972 (UN General Assembly, 1972), the Brundtland Report in 1987 and Rio Earth Summit in 1992 enshrined the concept of ‘sustainable development’ in the international development field, with its three interrelated facets of environment, society, and economy (UN General Assembly, 1992; World Commission on Environment and Development, 1987).

This concept recognized that issues in these three domains are interconnected. It grew in part from decades of hard experience with less-than-successful development projects plagued with serious unanticipated negative side effects or externalities (see e.g. Scott, 1998). Such experiences have underscored the need to address the interconnections between issues / domains. Yet environmental, social, and economic issues have traditionally been addressed by separate sets of laws, policies, and organizations. As understanding of the interconnections has grown, so too has the need for coordination (UN General Assembly, 2006).

In the last few years, the full complexity of sustainable development challenges has become increasingly apparent, as conceptual recognition of the interlinkages between issues has grown (UN General Assembly, 2012; UN Secretary-General’s High-level Panel on Global Sustainability, 2012). Such interlinkages can create negative externalities, but also positive externalities or synergies. These externalities exist regardless of whether they are fully recognized or not. But planning for them – trying to maximise synergies, minimise harmful ‘side effects’, and constructively resolve trade-offs – requires tapping into knowledge, experience, and expertise, as well as coordinating the design and implementation of policies, across multiple fields. Because such expertise and responsibility for policy typically resides in different organizations for different fields, even within a single organizational system like a national government or the UNDS, integrative planning requires a great deal of inter-organizational collaboration. As organizational scholars have previously noted, interdependency creates both substantive and organizational complexity (Galbraith, 1977; Gerlach & Palmer, 1981; Gulati & Singh, 1998; McCann & Galbraith, 1981).

The 2030 Agenda is the culmination of decades of refinement of the sustainable development concept. Its 17 SDGs and their 169 component targets (**Figure 1**) provide the most comprehensive and integrated vision of sustainable development to date. Many of the targets explicitly address linkages to other goals, forming a web of interconnections between them (UN General Assembly, 2015; Zhou & Moinuddin, 2017). With this integrated vision at its heart, the 2030 Agenda presents a challenge

for the numerous component bodies of the UNDS, requiring an unprecedented degree of cooperation to work not only around, but actively in concert with each other in pursuit of the SDGs.



Figure 1. The 17 Sustainable Development Goals.

## Research Setting

The international development sector is a diverse ecosystem of organizations, including NGOs, government agencies, and intergovernmental bodies. UN-linked organizations have been the cornerstone of the broader international development architecture for decades, having emerged after WW II to support the reconstruction of Europe under the Marshall Plan and the fledgling economies of newly decolonised nations.

The UN system, far from being a unitary body, is a constellation of organizations that includes the United Nations itself as well as several dozen funds and programmes, subsidiary bodies, and specialized agencies. These various organizations have different statuses and relationships with one another. The funds & programmes, such as UNICEF, the World Food Programme (WFP), and the UN Development Programme (UNDP), are subsidiary to the UN proper, reporting to the General Assembly and thus the full membership of the UN. In contrast, specialized agencies<sup>1</sup> like the World Health Organization (WHO), UNESCO, and International Labour Organization (ILO) are legally autonomous bodies, typically with their own separate constitution or charter, with formal relationships to the rest of the UN system determined by treaty. Specialized agencies have separate memberships from the UN itself (though since members are countries, there is considerable overlap), and mostly report to their own executive boards consisting of some or all of their own member states.

---

<sup>1</sup> Typically, most specialized agencies carry the name 'Organization', like the ones listed here, so much so that the name is practically synonymous with specialized agency status. For ease of reference, however, in this article I shall use the terms 'organization' and 'agency' in their less formal, general sense, to include both specialized agencies and other bodies. Where it is necessary to identify the specialized agencies specifically, they shall be referred to as such ("specialized agencies").

Most of these organizations are sector- or issue-focused, with mandates and work that relate to one or more aspects of sustainable development. For instance, the WHO is responsible for, *inter alia*, nutrition, food security, sanitation, and health; the ILO for inequality, sustainable production, inclusivity, etc.; and the UN Environment Programme (UNEP) for climate change, marine and terrestrial ecosystem protection, and sustainable natural resource use. No single organization is responsible for implementing the sustainable development agenda in its entirety. Collectively, the diverse UN bodies whose work bears on sustainable development are informally referred to as the UN development system; most but not all of these organizations are part of a formal umbrella body, the UN Development Group (UNDG).

While these organizations are horizontally separated by issue, within each organization, there is typically vertical structuring by geography, with a global headquarters and a (potentially large) number of country-specific offices or representatives that form the organization's in-country operational presence. Some organizations also have a handful of regional offices each serving multiple countries as well. Within any given country, the various offices and representatives of different UNDS organizations collectively form a UN Country Team (UNCT); one organization's representative, almost always the UNDP's, functions as the Resident Coordinator (RC), whose job, as the title implies, is to coordinate the in-country work of all UNDS organizations. UNCTs typically work closely with their host country governments to support their national development plans, with each UN agency often working closely with its corresponding ministry.

## Methods

In 2016, I conducted approximately three months of fieldwork at UN Headquarters in New York, focusing on the issue of integration in the SDGs and concomitant inter-organizational collaboration in the UNDS. Data collection followed standard grounded-theory-building practice (Glaser & Strauss, 1967; Miles & Huberman, 1994), with inductive analysis to identify patterns from interview transcripts and observational fieldnotes. The core of the data collected is a corpus of approximately 20 interviews, supplemented with observations of about 30 meetings both formal and informal,<sup>2</sup> including during the annual High-Level Political Forum on Sustainable Development (HLPF), which serves as the review and follow-up process for the 2030 Agenda. These data are further triangulated with publicly available written material – circulars, guides, reports, declarations, and so on.

As often arises in field research, the need to gain access was a serious constraint, especially given the seniority of many interviewees and the potentially delicate underlying inter-agency politics. I nonetheless managed to interview staff from 11 different organizations across the UNDS,<sup>3</sup> including professional and directorial staff (P- and D-level) as well as a number of Assistant Secretaries-General (ASGs, equivalent in rank to a deputy cabinet minister in national government). Interviews were semi-

---

<sup>2</sup> The UN makes a very particular distinction between 'formals', which are official, regularly scheduled sessions of some body (e.g. annual meetings), and 'informals', which are other structured meetings of that body – both of which are very much formal in the common sense of the term. Ordinary working meetings such as negotiations are known by the classically UN-ese term 'informal informals'. To avoid any such confusion, throughout this article, I use 'formal' and 'informal' with their common meanings. I did not attend any true formals during my fieldwork.

<sup>3</sup> Including 2 specialized agencies, 3 branches of the UN Secretariat, 3 subsidiary bodies, and 3 other entities.

structured, lasting from half an hour to over two hours. Most interviews were conducted in person, with a few by telephone or videoconferencing. Most interviews were one-on-one, with a few with two interviewees simultaneously.<sup>4</sup> All interviewees were guaranteed confidentiality; only one expressed any concern about confidentiality when the matter was raised as part of the interview protocol. All but two interviews were recorded, and completely transcribed within a week for maximum accuracy.

Following the interviews and field observations, I inductively generated a dynamic explanation of the relationships between various parts of the UNDS and the challenges of integrating work on sustainable development, using causal loop diagramming methodology drawn from system dynamics (Forrester, 1961; Sterman, 2000). Such diagrams have been widely used in organizational studies (e.g. Azoulay, Repenning, & Zuckerman, 2010; Masuch, 1985; Rahmandad, Henderson, & Repenning, 2016; Repenning & Sterman, 2002; Sastry, 1997). Causal loop diagrams provide a clear, concise visual representation of relationships between variables in a system, allowing us to identify self-reinforcing or self-correcting feedback processes, distinguishing between such endogenous processes and the effects of exogenous factors. Variables and the causal links connecting them were based on the categories and relationships that emerged from the interview and observational data, further corroborated with publicly available written material. The resultant causal loop diagram thus represents an empirically grounded, internally consistent dynamic hypothesis of how the intendedly rational (Simon, 1955; see also Morecroft, 1983) interactions between actors in the UNDS combine to produce emergent and undesirable macro-level integration failure.

### **The puzzle: Whose integration is it anyway?**

Scholars of organizations have long theorised about the conditions under which multiple organizations can successfully collaborate. Most such research has focused on collaboration between firms, with the concomitant assumption that the organizations involved are self-interested; the corresponding challenge, then, is how to ensure (or under what conditions) interests and goals of the organizations involved do not irreconcilably diverge. Theories of transaction costs (Williamson, 1981, 1985) and embeddedness (Granovetter, 1985; Uzzi, 1997), for instance, are aimed at addressing this challenge.

Gulati, Wohlgezogen and Zhelyazkov (2012) draw a useful conceptual distinction between this aspect of inter-organizational collaboration, which they term ‘cooperation’, and another aspect they term ‘coordination’. Where cooperation focuses on the alignment of multiple organizations’ *interests* and *goals*, coordination emphasizes the alignment of their *actions* to achieve shared goals (Gulati et al., 2012).

Failures of inter-organizational collaboration are often attributed to cooperation failure (Gulati et al., 2012; Ring & Van de Ven, 1994; Vangen & Huxham, 2003). But interpreting the difficulties of UNDS integration as such would be a gross oversimplification. For one thing, the agencies of the UNDS already have a broadly shared understanding of common substantive goals, namely the SDGs. Furthermore, I found widespread agreement on the importance of integration – virtually all interviewees acknowledged a need for more coordination and/or integration, and in meeting after

---

<sup>4</sup> In all cases of interviews with two concurrent interviewees, both interviewees were always from the same organization and unit and had a pre-existing close working relationship.



meeting, both countries and agencies mentioned it frequently, with no parties speaking against the 2030 Agenda's integrative imperative.

On top of that, even though agency interests may not always be fully aligned – UN agencies are not immune to the institutional imperatives of organizational growth and self-perpetuation (Selznick, 1957), after all – agencies are nevertheless not fully separate entities the way firms usually are. There exist superordinate actors, in the form of member states, which can exert effective control over the agencies to ensure continued commitment to common goals.

### **Countries as superordinate actors**

Countries espouse a desire for a more effective and efficient UNDS, and agency staff for the most part genuinely seem to want to work towards improved integration as well. In effect, they have agreed to cooperate, not only the substantive goals of the 2030 Agenda, but on the implicit organizational goal of integration.

While the former goals are explicitly laid out as the SDGs, the latter is less clear. Interviewees gave different definitions or descriptions of integration, and when asked, often acknowledged that the various parts of the UNDS do not have a shared understanding of what it entails. Definitions and understandings often differed in emphasis and scope, focusing on anything from streamlining of administrative activities, to policy coherence, to coordination of operations, to actual structural mergers of different organizations. Countries, for their part, often requested policy support or guidance from the UN system on how to implement an integrated sustainable development agenda.

This uncertainty, however, did not simply leave agencies with free rein to pursue their own institutional agendas. Member states (especially developing countries) were at pains to reiterate frequently that UNDS activities in each country should be 'country-led' or 'country-driven', and in particular that UNCTs and their strategic frameworks, known as UN Development Assistance Frameworks (UNDAFs), should be responsive to the 'national priorities and circumstances' of host countries. Countries thus sought to exert strong influence over the workings of the UNDS and its component parts, and continued to push the goal of improving system coherence even as they were uncertain what that entailed.

In this way, countries played the role of superordinate actors, asserting direction on UNDS agencies. Individual countries would do this by working directly with the country offices of various agencies they were hosting. Collectively, countries also exerted indirect control via the vertical reporting lines within each agency, whereby country offices would be accountable to their respective agencies' governing bodies or executive boards, of which countries were members. Besides such formal authority, countries also had an important means of indirect control, namely funding mechanisms.

### **Funding as an instrument of control**

Funding for UNDS activities comes primarily from country contributions. Depending on the specific organization, some portion of those contributions may be mandatory, but the majority are usually voluntary, mostly from a handful of donor countries (e.g. Germany, Japan, the UK, Scandinavian countries). Voluntary contributions are often earmarked for specific purposes, such as work on a particular issue or in a certain geographic region, or even for use on specific projects. As a

result of earmarking, only about 25% of the UNDS' overall budget are 'core' resources, over which agencies have discretion; the remaining 75% are 'non-core' resources earmarked to some degree, the vast majority (over 90%) quite tightly (UN Secretary-General, 2018a).

Donor countries earmark contributions for several reasons, often ideological or political. But earmarking is also used as an instrument of administrative control – a way to ensure efficiency and maximum impact from their contributions, while directing agencies toward the priorities countries set for them. Agencies in turn are responsive to the funding pressure that country earmarking exerts:

“There’s a big push here and I think with the other agencies to align much better our own programs with the UN framework in a country, so our results, most of our results can be reflected. We want that, actually, because that’s how we’re going to get money too [laughs], it’s how we’re going to get funding.”

Countries thus have access to effective means of asserting direction (if not outright control) over agencies' actions, which should allow them to function as superordinate actors to enforce cooperation between agencies.

### **Cooperation vs. coordination**

We have seen that both countries and agencies recognize the need for (and benefits of) more integrative approaches to development across the UNDS, and that countries have the means of control to direct UNDS agencies towards this end. Why then has greater integration remained so elusive?

I posit that the difficulties of closer integration are not due only to *cooperation* problems – i.e. misalignment of interests between agencies and/or countries – nor are they due only to *coordination* problems either, i.e. cognitive limitations and poorly designed processes. Instead, both cooperation and coordination are required for successful integrated approaches to development. As will be explored in the following sections, the challenges of each interact to create a self-fulfilling, self-perpetuating dynamic between agencies and countries that traps the system in a state of poor integration, efficiency, and performance.

### **A causal loop representation of integration failure**

To elucidate this dynamic, I use causal loop diagrams to encapsulate the underlying drivers of integration failure. I first consider the decision processes of donor countries, and how their behaviour is an intendedly-rational attempt to keep agencies and the UNDS as a whole working efficiently. Then I will consider how agencies respond to donor country actions in a likewise intendedly-rational way, followed by how donor country and agency behaviour combines to influence the integration of development work, in counterproductive ways.

### **Donor countries' decision processes**

Countries, in particular donor countries, seek to correct the perceived inefficiencies of the UNDS through control of UNDS funding.<sup>5</sup> This attempted control is represented by a number of

---

<sup>5</sup> Funding is not the only mechanism of control that countries have over agencies. The governance structures of agencies, whereby the agencies report to governing boards composed of member states, provide another means of control, one which

balancing feedback loops. Balancing loops represent self-correcting or goal-seeking processes, which exert control to achieve some target – in this case, to keep agencies and the UNDS as a whole working in what is perceived to be an efficient manner.

One major lever of control countries use is earmarking. Donor countries are understandably concerned about how their money is spent. By requiring that contributions only be used on specific projects, for instance, donors seek to ensure that their money is going to help those for whom it is intended, rather than being swallowed up in agencies' administrative overhead. There is some basis for this belief – of non-core resources, the fraction spent on programmatic activities is indeed higher compared to core resources (UN Secretary-General, 2018a). This concern is not restricted to the UN system and its member states – the whole international development sector and the non-profit world more broadly has long paid close attention to cost-effectiveness evaluations and metrics, such as ratios of programmatic to administrative expenses (Lecy & Searing, 2014; Sawhill & Williamson, 2001). Along these lines, I observed that donor countries frequently expressed concern about ballooning overhead costs, fearing bureaucratic bloat both at country level, where multiple agencies often have separate offices, and at headquarters level, where agencies typically have large HQ staff. This concern has some justification – as one advisor explained, during a meeting on UNDS reform:

“Some of the figures are really baffling... one agency in one country had one project for [an annual budget of] \$3500, but was maintaining an office [in the country] at a cost of \$1.3 million.”

Earmarking contributions for specific uses directly addresses this problem, as it restricts the latitude agencies have to spend that money, thereby reducing such wasteful expenditure. The balancing *Tighter Leash* loop (B1) represents this process, by which donor countries seek to rein in the ballooning costs of bureaucracy (Figure 2).

Earmarking contributions also reduces the perceived inefficiency of the UNDS by increasing transparency and reporting about what those contributions are achieving. Most earmarked funds go to specific issues and even specific projects:

“75% of [the UN's annual \$16.9 billion development budget] is earmarked funding, and then 90% of those 75% is tightly earmarked – this country, gender equality; this country, democratic governance; this country, resilience; this country, disaster risk reduction...”

Such funding typically comes with meticulous reporting and accountability requirements – generally, the more specific the grants, the more detailed the requirements (UN Chief Executives Board for Coordination, 2016) – so agencies using earmarked funds report back in detail on the outcomes of funded work, usually to their governing boards. Such reporting makes salient the impact of funding and agencies' work, thereby reducing the perception that the UNDS is ineffectual and inefficient, as represented by the *Keep a Close Eye* loop (B2). Results reporting and the consequent perception of effectiveness can also have a longer-term effect on how countries view the UNDS. If donor countries see UNDS agencies as relatively effective development organizations (especially compared to other, non-UNDS organizations), they become more willing to believe agencies are spending their budgets

---

gives less wealthy countries some say as well. In terms of the overall dynamics between countries and agencies, with the pressures countries exert and agencies' responses to them, funding and governance structures work in very similar ways. As such, I will be limiting my causal loop diagram and discussion here to the funding lever, for the sake of brevity and clarity.

in useful or necessary ways, and hence more comfortable with giving agencies more core (non-earmarked) funding. This effect of trust is captured in the *If It Ain't Broke...* balancing loop (B3) (Figure 2).

Through these processes, countries aim to reduce wasteful spending by the UNDS, increase the impact of their contributions, and incentivise more targeted and strategic work by agencies. Next, we turn to how agencies respond to these pressures.

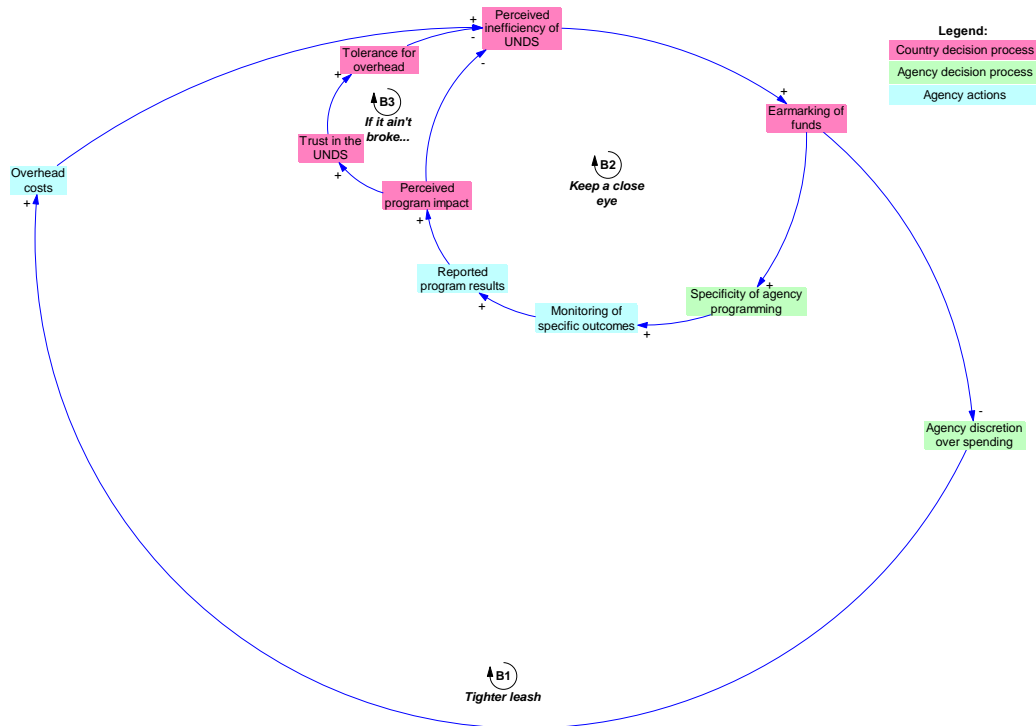


Figure 2. Countries exercise intendedly rational control processes over agencies through earmarking funds, thereby reducing agency discretion over spending (B1), receiving more specific and detailed reports on program results and outcomes from funding (B2), and in the longer term, building trust in the UNDS and its ability to achieve results (B3).

### Agencies' decision processes

UNDS agencies, for the most part, are responsive to the funding pressures that countries exert. There is, unsurprisingly, a general sense among agencies of being under-resourced, exacerbated by the low ratio of core to earmarked funds (Figure 3). Faced with this resource pressure, agencies adjust their programmatic work to meet the demands and conditions donors impose on their funding, in order to access more funding sources. This behaviour creates a further balancing feedback, the *Follow the Money* loop (B4), which works to alleviate the resource crunch that agencies experience (Figure 4). Note that this money-chasing behaviour is not inherently problematic; indeed it is what allows funding to function as an instrument of control in the first place.

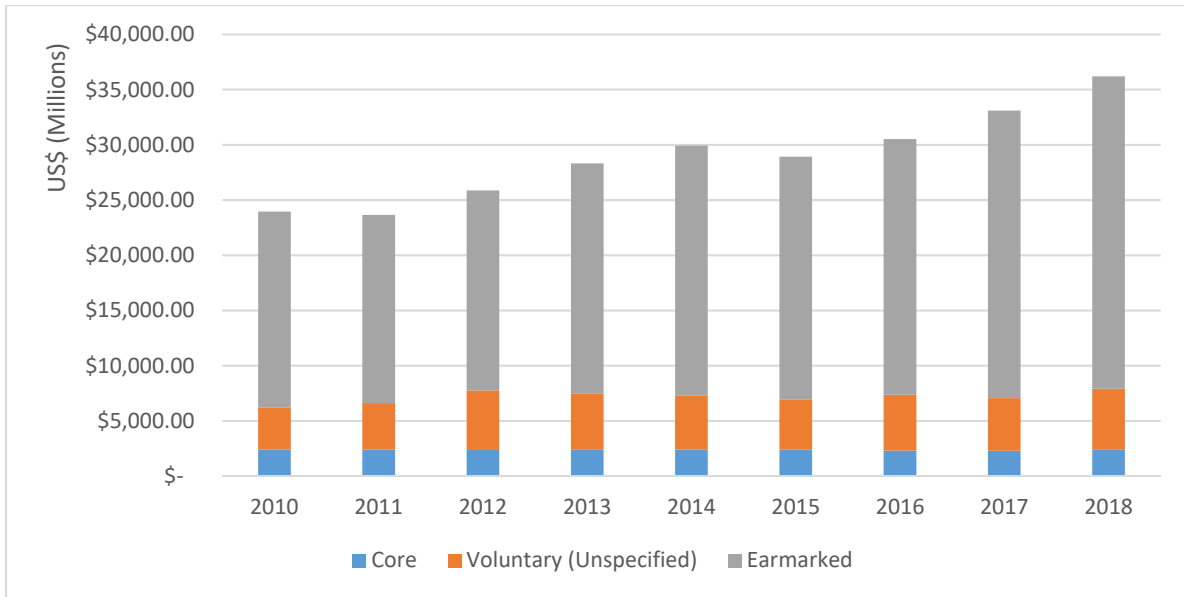


Figure 3. Assessed, Voluntary (Unspecified), and Voluntary (Specified) (i.e. earmarked) contributions to the entities of the UN Development Group from 2010-2018. Assessed contributions, which form the most reliable and flexible portion of agency funding, fell slightly from 2013-17 even as total funding mostly increased. The portion of specified, earmarked contributions has risen from 70% in 2012 to 79% in 2017-18.

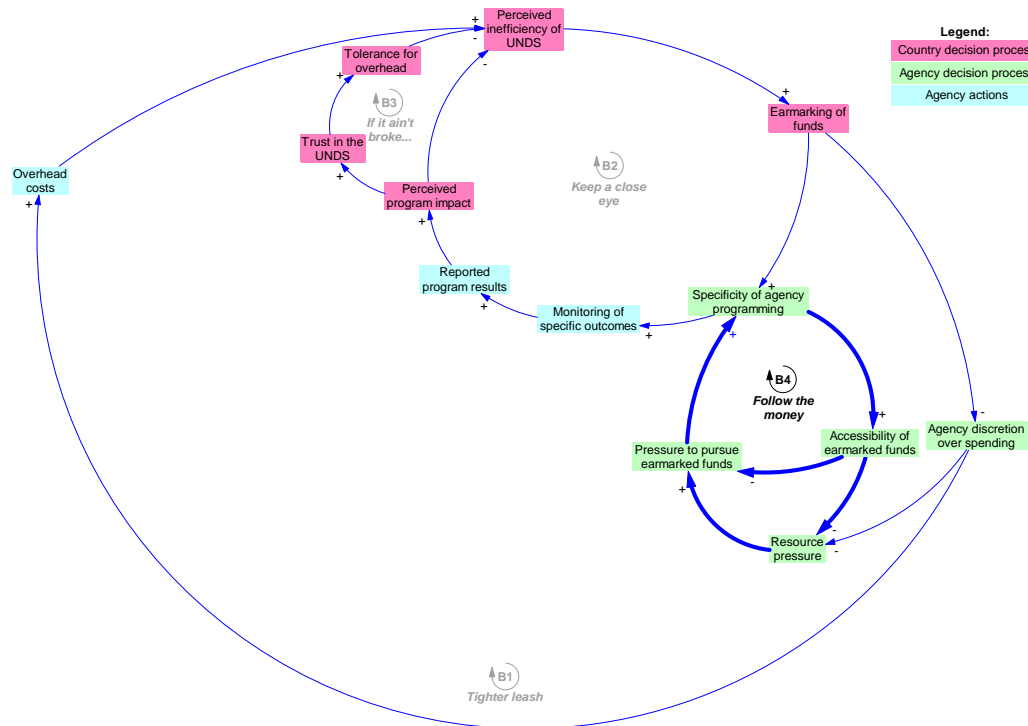


Figure 4. Agencies respond to countries' control efforts in a similarly rational way, by pursuing earmarked funds through more specific and targeted programming (B4).

Thus far, the balancing loops we have described all function to allow effective control by countries over the UNDS. Yet the widely espoused and explicitly agreed goal of greater integration in

sustainable development work remains elusive. It turns out there are other processes working to keep the system stuck in a state of high inefficiency and low impact.

The first such process arises from the sense of competition that resource pressure engenders. Different UNDS bodies often feel that they compete for funding and authority or ‘territory’; specialized agencies in particular can be defensive about their mandates. Many UNDS staff recognize the dangers and counterproductive nature of such competition, and try to take a systemic view, thinking of themselves as working for the greater UN system, as exemplified by the words of one UNDS staffer:

“I see myself as a UN system staff member who happens to be at [interviewee’s agency], I have a huge allegiance for [agency] because I’ve worked here for the vast majority of my career, so I’m very, you know, I feel a sense of loyalty to [agency], however, first and foremost, I work for the UN system”

Nevertheless, some staff still express more defensive or territorial sentiments, which are further reinforced by the vertical accountability and reporting lines within each organization, particularly specialized agencies. The need to compete for funding exacerbates these territorial tendencies:

“... the funding of the system is not very steady, and so there is a competition for funds which is to push entities to go and position themselves as if they were unique, and maybe not seek to cooperate when they should.”

“But the resources, as I said at the start, they’re limited and I think that’s always going to create tensions and pressures and competition, and I don’t know that necessarily everyone is ready to step outside of their own mandates to share resources effectively.”

This sense of territoriality and competition between agencies reduces their willingness to work together, which in turn makes coordinating programmatic work much more difficult in material ways. As one interviewee memorably put it, “At the UN, coordination is a charity, it is not a requirement.”

When there is trust and willingness to work together, coordination efforts can go smoothly:

“[Another agency] don’t have a lot of experience in the actual implementation of policy around those goals, and they come to us and say, well, could you help us in this facility. And so we say, yes. So here we have again, an originating agency wanting to improve the quality of its product. So the reaching out goes from one to the other.”

“So it all depends on goodwill, on the willingness to collaborate and work together, and so, yeah, that is what it comes down to. So you can imagine in some countries there is a great culture and great environment and spirit of collaboration, and in others there isn’t.”

Conversely, when there is mistrust between agencies, it is difficult even for formal coordination mechanisms to work effectively. A case in point is the Resident Coordinator (RC) system, which is intended to facilitate coordination between agencies working in a given country. The fact that RCs almost always come from one organization (UNDP) is a constant source of friction, a problem highlighted in several meetings on UNDS reform and raised by multiple interviewees:

“Having the same person as the Resident Representative of the UNDP and the Resident Coordinator is just an invitation for a conflict of interest. But more of what the problem is, it reduces trust. The more trust you can instil in this without forcing people to, the more trust you can instil in the system, the better it’s going to work.”

Such mistrust increases organizational friction, so to speak, which makes the work of coordination more onerous, with longer delays, less information sharing, more staff time taken up, and so on – which in turn leads to higher administrative overhead.

High administrative overhead costs are one factor contributing to countries' perception of the UNDS as inefficient in the first place. Competition for resources thus creates a new feedback loop, *Competition Impedes Coordination* (R1), as shown in Figure 5. Unlike the previous loops, this is a self-reinforcing feedback process, which drives the system toward an extreme. It can operate either as a virtuous cycle of improving interagency trust and collaboration facilitated by and in turn encouraging more flexibility in funding from donors, or as a vicious cycle of growing inefficiency and resource pressure.

Separately from its effects on competition for resources and coordination costs, earmarking exacerbates administrative overhead in another way. Ironically, the same close monitoring and heightened transparency requirements that make earmarked funds seem more impactful also increase transaction costs and reporting burdens for agencies:

“Can you imagine trying to create all of the tools that you would need to use just to determine whether or not someone has gone and lived up to what they had committed to? And would it be worth the effort... to determine how are we going to measure it, and then ask for all of that information and compile it and report on it, and then if you find out that people aren't conforming, there's nothing that can be done, because there is no authority to impose.”

“These sorts of funding mechanisms, multi-donor trust fund type things, for us the way we see it, they actually have higher transaction costs... because they require applying to the fund, they have different reporting than other, than our standard reporting, every donor has their own reporting that we're used to, but this is yet another reporting, who knows, auditing, it causes us problems with auditing, it's just a lot of details.”

An unintended consequence of earmarking is therefore that more staff time and effort goes into producing reports and funding applications, a form of *Costly Signalling* (R2) that contributes to the very bureaucratic bloat that donors are trying to minimise (Figure 6).

Thus far I have considered the perspectives and decision processes of countries and UNDS agencies, and the dynamics between them that result, with little mention of how those dynamics affect actual development activities and outcomes. It is to these on-the-ground effects that we now turn.

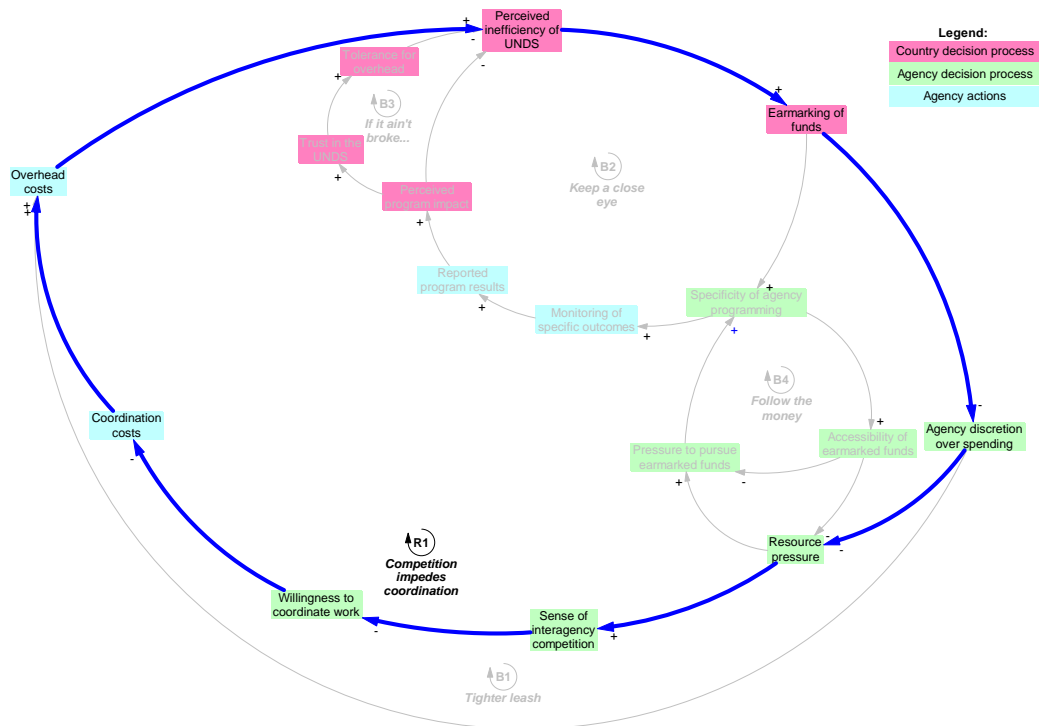


Figure 5. Agencies' feelings of resource pressure increase their sense of competition with each other, making it harder to coordinate their work and leading to higher coordination costs (R1).

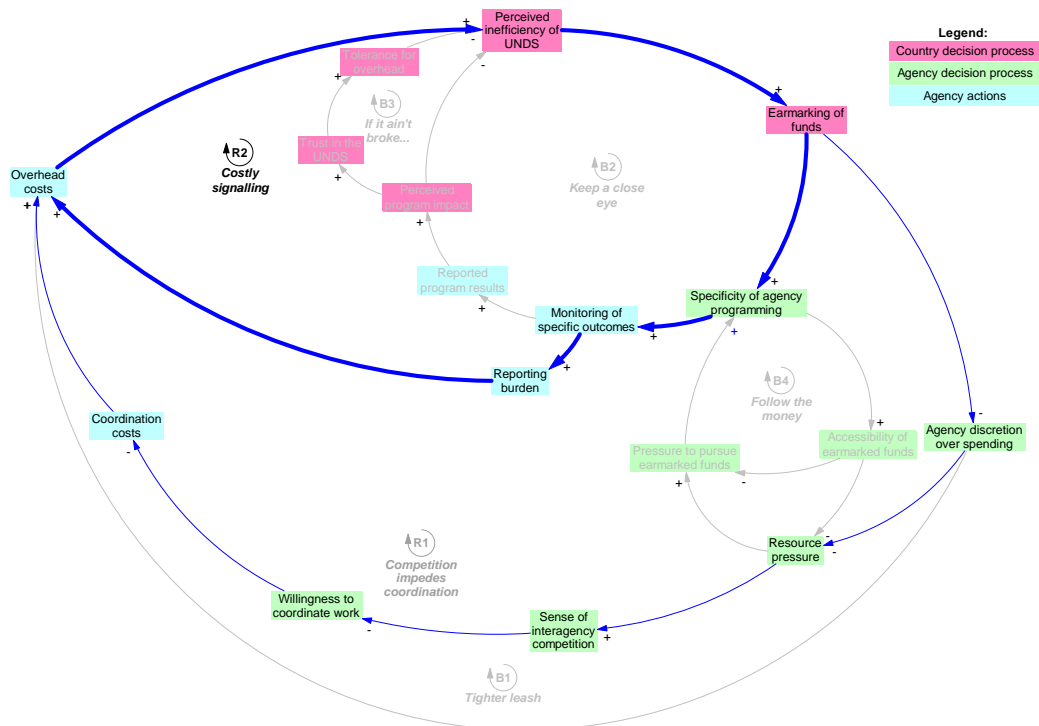


Figure 6. Detailed monitoring and reporting requirements for earmarked funds and specific programming add to overhead costs and perceived inefficiency (R2).



## On-the-ground effects

Impact evaluation in development is notoriously challenging, with long time lags, multiple causality, endogeneity, and other measurement challenges confounding the assessment of program effectiveness. As such, I distinguish in our causal loop diagram between the *actual* and *perceived* impacts of program work. Judgments about the efficiency and effectiveness of the UNDS are necessarily based on the latter. Perceived impact is biased by what data are measured and reported, how results are presented, and so on. That said, while the program impact that countries and others perceive is a lagged and skewed view of reality, it is not completely divorced from it. Eventually, actual development outcomes (or lack thereof) will come to influence judgments about the success of development work. A few important feedback processes function through this channel.

First, the transaction costs and reporting burdens outlined above, in addition to contributing to administrative overhead, also detract from the time agency staff have to dedicate to more substantive programmatic work. In the words of one interviewee:

“A lot of my time is also wasted on process, and very insufficient amounts, and I’m going to project onto others as well, insufficient amounts on the content and the intellectual analysis and engagement... A disproportionate amount, the majority of my time [is spent on reporting processes].”

Later, in response to a question about ongoing discussions of new management approaches to program work, the interviewee added:

“I’m sure someone will come up with a whole RBM framework for that, and then we will spend even more time filling out those things, and committees to decide on what an outcome would look like compared to an output, and... meanwhile people are dying, and people are starving, and women are being abused, and I feel very passionately that that’s what I joined the UN for. And that I spend insufficient time responding to that dire need, rather than servicing the institution and its donors and its interlocutors and not the people we were designed to serve.”

Similarly, another interviewee who served in a coordination role warned against excessive reporting requirements:

“Whether or not that needs any sort of large reporting mechanism that is independent of or in addition to anything else that’s already happening is another matter entirely. It’s of course always difficult to determine how the work that we do in the system actually impacts the situation on the ground, but we need to be careful not to weigh ourselves down with such things and distract people from actually doing the work.”

The risk of diverting disproportionate time and resources toward results reporting rather than “actually doing the work” is represented in the self-reinforcing *Reports Over Results* loop (R3) (Figure 7).

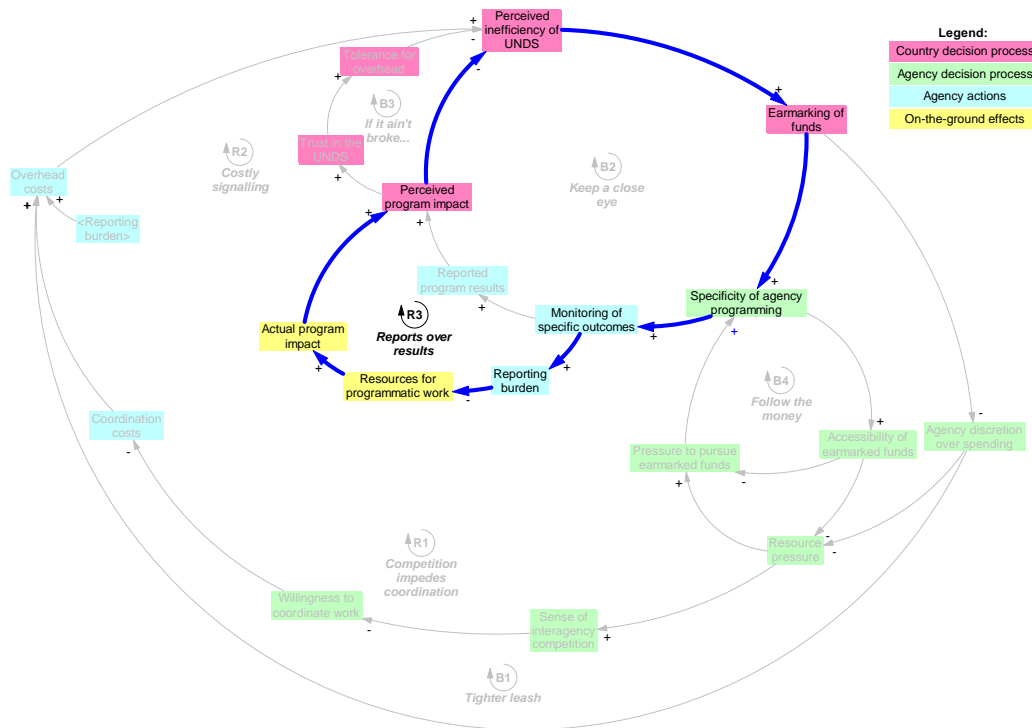


Figure 7. High reporting burdens also divert resources and attention away from more substantive work, which adversely impacts actual program results (R3).

A second problem undermining the actual impacts of UNDS work is fragmented and unintegrated development programs and projects. This fragmentation is perpetuated by agencies' pursuit of funding, as agencies engage in projects aimed at attracting donors, even taking on projects outside their normal scope of expertise in order to secure funding. The result is a mutual adjustment process of shopping around by both donors and agencies – countries seek to support agencies that will follow their directions and requirements (feedback loops B1 and B2), while agencies choose work based on what countries are willing to support (B3). Some senior interviewees expressed this phenomenon succinctly:

“It can be anything as simple as someone going to UNICEF and saying, look, can't you come and build some wells for me in sub-Saharan Africa, and UNICEF might tell you, well it's not really our mandate, and the donor will say, well I'm giving you \$15 million to do it, then it's, okay, let's do it!”

“Even agencies sometimes have a business model that is pretty much, you know, raise funds and implement projects according to what donors say, and try to do as much as possible, go into areas that are really not areas [where] they would have the real expertise and value-added, so perhaps for example the country would be better off with a consultancy company than with UN.”

This is the very problem that the 2030 Agenda and SDGs were designed to address:

“One of the main characteristics [of the SDGs] is the interlinkages between the goals, so multisectorality is key... because multisectorality is embedded in the design of the goals”

Virtually all the UNDS staff I interviewed understood the problem of fragmentation well, articulating clearly the need for more integrated approaches to sustainable development in order to achieve greater impact:

“You will need to find... the collaborative advantage, the advantage that results from several agencies working together, pooling together their expertise, their knowledge, their talent, and their operational capacities.”

“If, for example, we are doing environmental protection, and we can convince the productive sectors to produce in a way that is environmentally less damaging, then we are leveraging and amplifying the impact of what we do in the environmental protection sphere. It is supportive. And of course the inverse is true. If what we do is being unintentionally or intentionally undermined by what others do, then we don’t achieve as much.”

But they also recognized that agencies’ current sectorally-focused modes of operation, driven by the pressures of funding, are incompatible with greater integration:

“Unlike the previous agendas, which were very sector specific, [it] would be detrimental to the Agenda, if each [agency] tore apart the Agenda and picked up their goals and ran with them, it would undermine countries’ efforts to strike a balance in achieving all the desired dimensions of the Agenda. So even if you have a very well identified agency or programme who can take the lead on the goal, that does not mean that they do it alone. That means a very different level of policy integration and programming. Are [agencies] ready for it? The answer is no, they are not. They are tearing apart the Agenda.”

“I think that the 2030 Agenda, in theory, should be an integrating force for the UN system. It has the potential to be, the way it was designed, but... there are so many other forces at play, whether it’s how donors allocate funds, to the fact that we all go to different governing boards, there are so many forces that pull us in the opposite direction.”

In this way, continued fragmentation hurts actual development outcomes, further undermining countries’ belief in the ability of the UNDS to deliver. *Incoherence Reduces Impact* (R4) in yet another self-reinforcing process (**Figure 8**).

Finally, the disjointedness of agencies’ work on the ground also adds to the effort it takes to achieve even a minimal level of coordination. The proliferation of programs and projects means more time and energy needed to keep track of all of them, as some agency staff whose roles entailed such coordination work explained:

“If you have a country 15 and 20 different agencies with 15 and 20 reps and 15 and 20 offices, it’s going to be so difficult for your partners to actually get the overall integrated perspective.”

“If you look, we have a listing of all of our colleagues’ engagements in all of the various UN organizations, and these are tables that are 10 pages long, of the working groups, of the... It’s just extraordinary.”

Because there is *Not Much of a System* (R5), the high burden of coordination between agencies and their myriad projects and offices exacerbates the perception of the UNDS as functioning inefficiently, forming another reinforcing loop (**Figure 8**). This process occurs even apart from agencies’ willingness to cooperate with each other, as described above (R1), though the effects are similar.

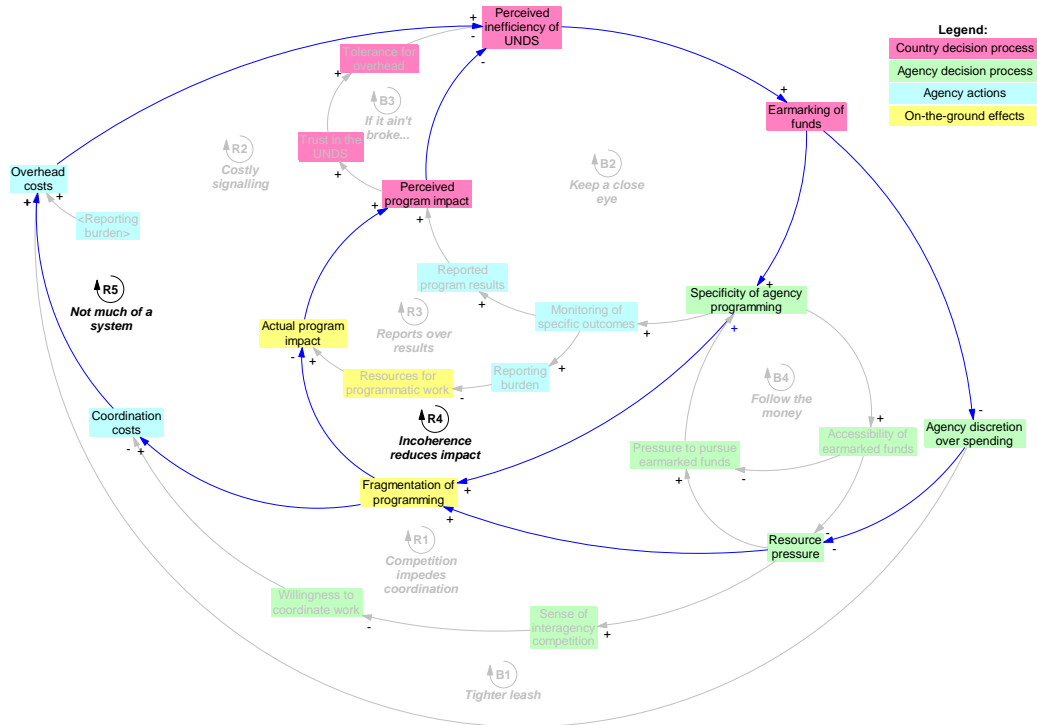


Figure 8. Fragmented agency programming, driven in part by the highly specific restrictions on earmarked funds, reduces actual program results (R4), while also adding further to the cost and effort required for coordinating among disparate agencies and projects (R5).

## Understanding integration failure

With our causal loop representation in hand, we can now return to the puzzle – despite widespread agreement, why is improved integration still so hard to achieve?

The answer to this puzzle has three parts. First, the processes by which UN member states try to steer agency actions inadvertently create self-reinforcing dynamics that overwhelm control attempts. Second, countries fail to recognize that coordination and integration are inherently difficult, and hence often want to have their cake and eat it too – to gain the benefits of integration without the costs. Finally and most tragically, the very desire and motivation for better and more integrated system performance could prove self-defeating, unless moderated by more realistic expectations.

### Self-defeating control efforts

The actions of member states are intendedly rational, aimed at ensuring the UNDS operates efficiently. These actions, however, interact with the behaviour of UNDS agencies to create a number of self-reinforcing dynamics (R1-R5) that neither countries nor agencies intend (**Figure 9**).

Formally, how a system behaves overall depends on the relative strength of the balancing and reinforcing processes in it (Sterman, 2000). If the balancing control processes dominate, the system should be stable at whatever intermediate level of efficiency and performance countries are satisfied with. On the other hand, if the self-reinforcing processes are stronger, we should see extreme outcomes – either very high performance with low fragmentation and inefficiency, or very low performance and

a highly fragmented, inefficient UNDS. Strictly speaking, determining which processes are stronger would require quantitative data and formal loop dominance analysis. But even in the absence of such analysis, the interview and observational data strongly suggest an answer.

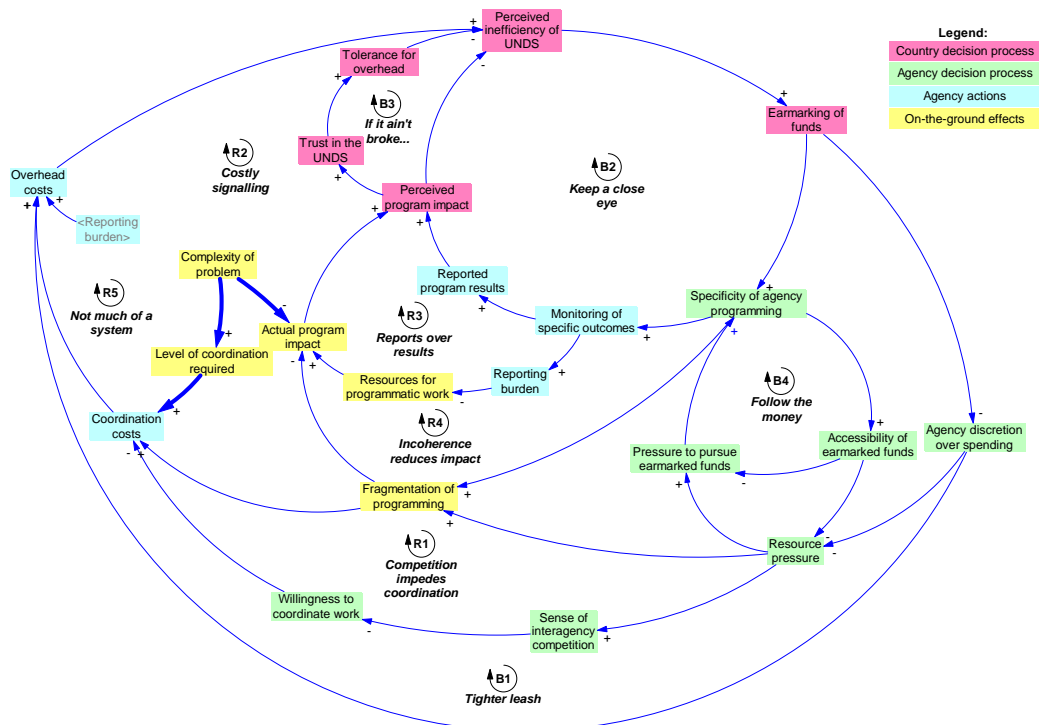


Figure 9. Overview of the balancing and reinforcing feedback relationships around inter-organizational coordination and funding control. As understanding of the complexity and interdependency of the SDGs deepens, the desired level of coordination increases.

There was broad consensus, reiterated in meeting after meeting, that the UNDS is too fragmented, too inefficient, and in dire need of reform – hence the existence of a formal reform process in the first place. Furthermore, virtually all countries expressed dissatisfaction with UNDS performance. From this we can infer that the reinforcing processes are out of hand, driving the overall system in a direction nobody wants it to go. Some interviewees explicitly recognized this self-reinforcing dynamic:

“I think the resource crunch has really hit us, and then it maybe becomes a self-fulfilling prophecy. ‘See? We knew the UN is fragmented.’ Hello, yes, we are going to be fragmented if donors insist on giving us small bits for very specific projects, because that’s how we live. But that cements the fragmentation, because we are doing what they want us to do. And they’re the same donors who complain that we’re not integrated, that we’re not coherent, that we’re not working with each other. The incentives they provide are for fragmentation. It is not for collaboration.”

Lending further support to this argument is the fact that occasional exceptions do exist. Many interviewees consistently cited one particular UNDS agency, as well as a small handful of countries (e.g. Vietnam, Colombia), as relatively successful examples of integration – where coordination is well

managed, programming is coherent, agencies are working efficiently, and performance in terms of development outcomes is high. The existence of pockets of high performance against a background of poor performance is consistent with the dominance of reinforcing processes. In the high performance cases, the reinforcing loops are functioning as virtuous cycles, entrenching good practices and results rather than bad ones.

The dominance of self-reinforcing processes provides the first part of our explanation, because the more countries try to exert control and reduce inefficiency and fragmentation, the more they actually exacerbate it. As one senior diplomat stated during a UNDS reform discussion, “Earmarked project grants are fragmenting the UN into oblivion.”

Reinforcing loop dominance alone, however, is not sufficient explanation for the puzzle we observe. In principle, the reinforcing processes could just as easily work as virtuous rather than vicious cycles, as is likely happening in the few high-performance cases. So why are such successes not more common, or at least roughly as common as failures?

### **Unrealistic expectations and the difficulty of integration**

To explain this asymmetry, we need to consider the difficulty of integration. Simply put, integration is hard. Having a coherent, integrated approach to sustainable development policy, programs and practice takes a lot of work, requiring both cooperation and coordination. The one agency often cited as a success had several staff dedicated just to interagency / intersectoral coordination work, as one explained:

“It takes a lot of energy to coordinate, and it takes a lot of persistence. I work in this full-time, I’ve worked on it full-time for almost 4 years now, a lot of my job... is walking an entity through the [coordination mechanism], following up five or six times, making sure that they have everything that they need. I think, you know, a lot of [units responsible for coordination] are understaffed, under-resourced, and adding a [coordination mechanism], we have to continually help them to communicate in-house why it’s important”

Such a situation is clearly an exception and not the rule. Far more common is what some staff with coordination roles in other agencies described:

“There’s a lot of bureaucratic overhead... Not only me, but our representatives on the various [interagency] working groups, they’re doing this on top of their full-time jobs, and it does take a lot of effort.”

“There’s very little resources to support this central function... in most countries it’s two-people national offices that are supporting [coordination] functions. So it’s really, if you think about it in some countries you have hundreds of millions of dollar portfolios of the UN, and there’s two people trying to keep it all together. And they don’t have time to... Their function is not as policy advisers or experts, they’re really just trying to run the shop, to go to all these formal meetings, to keep the basic kind of collaboration, to have people even talk to each other and coordinate, to appear coordinated at least in a minimum fashion.”

Similarly, the most successful countries typically had high-level offices, sometimes entire ministries, dedicated to integration of the SDGs.

The complexity of sustainable development problems themselves, and the growing recognition and desire to grapple with this complexity, only adds to the level of coordination required to deal with the interdependencies involved (Argote, 1982; Galbraith, 1977; Gulati & Singh, 1998). To properly account for the interrelationships of their substantive work, agencies need to liaise with one another to share expertise, coordinate meetings, and so on. Even with strong drivers of cooperation, and recognition of / agreement on the need for coordination, actual mechanisms for coordination are still required. Such mechanisms could include hierarchical or other formal administrative structures, or interpersonal connections and communication channels (Ancona & Caldwell, 2006; Galbraith, 1977; Gulati & Singh, 1998; Gulati et al., 2012; Provan & Milward, 1995) – both of which would require taking staff time and resources away from programmatic work.

Realistically, therefore, adopting a more integrated approach to programmatic work entails accepting a significant degree of administrative overhead in order to achieve the level of interagency / intersectoral coordination required, whether through formal or informal mechanisms. High overhead costs are not purely the result of bureaucratic bloat – they are, to some extent at least, an inescapable reality of tackling complex problems.

Yet member states seem reluctant to accept this trade-off, looking askance at any attempt to establish better coordination mechanisms and treating such attempts as stemming merely from the ‘bureaucratic imperative’ for growth. As one agency staffer in a coordination role explained:

“The risk is, we create actually more bureaucracy because coordination and collaboration and integration... take time, they require meetings, they require discussion. I think a lot of people fear that... in trying to get lean and mean... we are actually worse off for the amount of coordination it needs.”

Due to this fear, in multiple discussions on UNDS reform, member states roundly criticised proposals for improving coherence and coordination across UN entities. Some common themes of their criticism included fear of “creation of new structures”, wariness about “costly proposals” which might “burden existing structures”, and concern over “excessive centralisation”. Countries are thus seeking a free lunch – unwilling to accept the costs of improved integration and a more coordinated UNDS even as they push for such improvements.

### **Ambition and dissatisfaction**

Countries’ concerns about excessive bureaucracy, overhead costs, and inefficiency in the UNDS lead them to try to rein in agencies through tighter control of funding. But these very control attempts set off self-reinforcing vicious cycles of competition and fragmentation that trap the overall system in a low-performance state.

The tragedy is that the very ambitions that countries have for better UNDS performance, combined with the very insight central to the 2030 Agenda that improving integration is key to improving development outcomes, make it *more* likely that country and agency actors will tip the system into this vicious cycle. Firstly, a desire for better development outcomes increases countries’ dissatisfaction with current UNDS performance. Secondly, agencies’ understanding of the need for greater integration to deal with greater complexity means increasing coordination costs – which countries often interpret as increasing inefficiency (**Figure 9**).

The underlying problem is that the SDG agenda recognizes the complexity of the substantive challenge of sustainable development, but not of the organizational task it entails for the UNDS. It thus raises the bar for what is possible in development work, without acknowledging what it will take to get there. This is a recipe for dissatisfaction – and, thanks to the unintended self-reinforcing dynamics of country and agency behaviour, for disaster.

## **Discussion**

We have seen how the UN development system faces difficulties in adopting a more integrated, coherent approach to addressing the SDGs. These difficulties persist in spite of the strong levers of control that countries can use to direct the actions of UN entities and encourage cooperation. They also persist in spite of what appear to be, by and large, the best intentions and understandings of both country and agency actors, each striving to improve integration in development work in intendedly rational ways.

I have argued that these intendedly rational actions and reactions – the perceptions, expectations, and reactions of countries, along with the behaviour of UN entities – combine to create self-reinforcing processes whereby fragmentation in development programming and inefficiencies in UNDS operations perpetuate and exacerbate themselves. Fragmentation and inefficiency drive tighter control by member states, which ultimately undermines coordination and program impacts and increases costs. Furthermore, while these self-reinforcing dynamics could in theory work in a virtuous, performance-enhancing direction, in reality the confluence of growing ambition around development outcomes, increasingly complex integration challenges, and the refusal to acknowledge the tension between them tends to push the system to devolve into a low-performance state. In this way, countries' concerns over fragmentation and inefficiency in the UNDS turn out to be a self-fulfilling diagnosis (Azoulay et al., 2010).

### **The role of politics**

Perhaps the most obvious counterpoint to this explanation is that it does not address the role of politics, which most casual observers, as well as some scholarly ones (Barnett & Finnemore, 1999), often identify as the main source of any dysfunction in the UN system. While I have left these concerns out of this analysis, there are three reasons why I believe their omission is not invalidating.

Firstly, while I largely do not explicitly take account of the effects of political pressures, neither am I denying that they play a significant role. The actions of donor and recipient countries alike are indeed constrained by both domestic political pressures and intergovernmental relations. Many interviewees were themselves cognizant of these influences:

“It’s political, isn’t it? [Donors] are accountable to their taxpayers, their taxpayers are interested perhaps in least developed countries, or countries where there is conflict, or a refugee crisis that’s hitting their shores, right? They are not necessarily interested in long-term governance investments in a country they perceive to be corrupt, or antithetical to their values, countries where women may not be allowed to travel. There are political pressures.”

“... frequently in Rome [at the FAO] you have Ministries of Agriculture represented, and then at the WHO the Ministries of Health, and they are quite content in telling those agencies, don’t listen



to what's being said in New York [at UN HQ]. Quite content! Because then in New York it's the Ministries of Foreign Affairs that are mainly speaking."

However, I contend that notwithstanding the existence of these drivers, there is *also* a good deal of genuine, good-faith agreement on the need for more integrated development approaches, as well as genuine, good-faith desire among both countries and agencies to cooperatively improve UNDS performance:

"I do think there's a sense now, increasingly, there's the urgency... you *have* to do this, the system, something has to change. And I think people are also little bit more optimistic."

"... to deliver in the integrated form, I'm still saying we're not there yet... but the potential is there."

"We had the High-Level Political Forum here... you felt the buzz... you could feel the ownership, whether it's the private sector, the civil society, the UN entities, the governments, everybody, you could really feel that they owned this, this is their own. They helped create this, this is their Agenda, they want to... And this is good. That's the beginning of the change."

The cynical perspective that politics is *by far* the dominant barrier to change in the UN system simply does not accord with observed reality.

Secondly, the dynamics identified here exist even in the absence of bad-faith political manoeuvring or conflict. Self-fulfilling integration failure is insidious and tragic precisely because it can arise even when (or because) actors have the best intentions. Hence while I cannot claim these dynamics are the only source of UN system dysfunction, it is all the more important to be wary of them, as solutions focused only on political concerns will still fall afoul of the self-fulfilling trap.

Thirdly, one of the reasons self-fulfilling integration failure persists is that it is difficult to identify, precisely because political (and institutional) conflict play a role as well, with similar negative effects on UN system functioning. It is easy to blame negative outcomes on conflict. But doing so only obscures and disguises the counterproductive effects of well-meaning decision processes and actions. Leaving aside the glaring role of conflict allows us to shed greater analytical light on the subtler contours of well-meaning but misguided mistakes.

### **The potential for reform**

In the time since my fieldwork, the UN development system has entered a period of considerable change. Discussions on UNDS reform culminated in the Quadrennial Comprehensive Policy Review (QCPR) (UN General Assembly A/RES/71/243, 2017), followed by a number of Reports of the Secretary-General detailing the steps being taken to implement the recommended reforms (UN Secretary-General, 2017, 2018b, 2018a). Among the reforms that feature prominently are changes in the makeup and role of UNCTs, especially in the responsibilities and selection of the RCs who lead them, as well as changes in UNDS governance and funding mechanisms.

A detailed examination of the specific reforms proposed in the QCPR and their implementation is beyond the scope of the present work. However, our analysis does give some insight on how the reforms could potentially play out, and what may be needed to ensure the good intentions they embody do not end up as paving material.

On one level, the very existence of these recommended reforms, with the extensive discussions underlying their formulation and the high-level Secretariat support for their implementation, is in itself a good sign. It indicates a recognition, absent from the original 2030 Agenda, that major organizational changes are needed for the UNDS to overcome past fragmentation and adequately support the new, integrative approach to development in the SDGs. Formal recognition of the organizational demands of coordination, over and above cooperation, may have lagged behind the articulation of substantive goals, but at least it is now there.

That said, recognition alone is but a first step. It is practically a truism to say the UN development system is complex, with its dozens of component entities, each with their overlapping memberships of up to 193 member states, as well as their own mandates, programs, and organizational structures and cultures – all of which present potential barriers to coordination (Schreiner, Kale, & Corsten, 2009). This organizational morass is attempting to restructure itself, all while continuing to work – fixing the train while it’s moving, as it were – on one of the most challenging, wicked problems (Rittel & Webber, 1973) in human history. With this in mind, it is reasonable to expect that organizational reforms will take time. As one senior interviewee with decades of UNDS experience explained:

“Every manifesto, when it’s crafted and implemented, there’s always a time lag... [The Millennium Development Goals, which preceded the SDGs] had a five-year time lag. The system took three years to embrace [the MDGs], the governments took two more years... So [lag] is not unusual, yes. The risk is if at the end of 2 to 3 years from the adoption of [the 2030 Agenda], if we are still at the stage where we are today, then we’re in serious trouble. Then [the 2030 Agenda] has not achieved even the first change that is needed, that the system is thinking differently. As of now I would not be that pessimistic, because I have seen the UN system, more than three times in the last so many years... lived up to this expectation... the remedies will come through. So I’m fairly optimistic, and time lag is nothing new. One will always see it.”

Organizational change is a slow process in the best of times; compound that with the long time lags inherent in much development work, and it could take years or longer before the positive effects of reforms become evident in on-the-ground results.

Juxtaposed with the magnitude and enduring nature of this challenge, this analysis is a reminder of the need for patience. Too much performance pressure too early on, or an over-eagerness to apply the levers of organizational control, could tip the system back into its old self-perpetuating equilibrium state of high fragmentation and low performance. To avoid making the mistake of such a self-fulfilling diagnosis (Azoulay et al., 2010), countries and observers concerned with UNDS performance should adjust their expectations.

In particular, on traditional metrics of performance and efficiency, such as reported program results and overhead costs, countries should not expect rapid improvements, especially in the initial couple of years after reforms. Patience about efficiency improvements would, in effect, weaken or sever the link between coordination costs and the perceived inefficiency of the UNDS (via overhead costs), weakening or halting the numerous reinforcing loops (R1-R5) keeping the system trapped in a low-performance state for long enough to escape the trap. We should expect to see worse-before-better behaviour (Repenning & Sterman, 2001) in these performance indicators as the organizations involved hash out better coordination mechanisms and learn to integrate their substantive work. Instead of

focusing on (and applying pressure on the basis of) these performance measures, countries should emphasise progress on structural, operational, and cultural shifts that improve coordination and promote more integrative, collaborative development practice – in other words, signs that “the system is thinking differently”.

## Conclusion

Problems of inter-organizational collaboration are not new; but for organizations with shared goals, governance, and high performance pressures, persistent fragmentation presents a puzzle. Viewed in this light, the situation of the UNDS seems almost perverse. UNDS agencies, member states, and staff share a strong understanding of the challenges of sustainable development, and a desire to address them. Few issues in the world have higher stakes, or affect the lives of as many people. The idea that this system could be trapped in an underperforming state, with all the consequences of that mediocrity, simply for reasons of self-fulfilling inter-organizational dysfunction is depressing and tragic. Yet it also offers reason for hope, because in some ways, inter-organizational dysfunction is an easy problem to solve – certainly compared to genuine divergence of interests. The actors in the system need only a wise redirection of their own best intentions. In that sense, they hold the keys to their own salvation – and through it, perhaps, that of us all.

## References

- Ancona, D. G., & Caldwell, D. F. (2006). Bridging the Boundary: External Activity and Performance in Organizational Teams. *Administrative Science Quarterly*, 37(4), 634. <https://doi.org/10.2307/2393475>
- Argote, L. (1982). Input Uncertainty and Organizational Coordination in Hospital Emergency Units. *Administrative Science Quarterly*, 27(3), 420–434.
- Azoulay, P., Repping, N. P., & Zuckerman, E. W. (2010). Nasty, brutish, and short: Embeddedness failure in the pharmaceutical industry. *Administrative Science Quarterly*, 55(3), 472–507.
- Barnett, M., & Finnemore, M. (1999). *The Politics, Power, and Pathologies of International Organizations*. *International Organization* (Vol. 53). <https://doi.org/10.1162/002081899551048>
- Forrester, J. W. (1961). *Industrial Dynamics*. Cambridge, MA: MIT Press.
- Galbraith, J. R. (1977). *Organization Design*. Reading, MA: Addison-Wesley.
- Gerlach, L. P., & Palmer, G. B. (1981). Adaptation through evolving interdependence. In P. C. Nystrom & W. H. Starbuck (Eds.), *Handbook of Organizational Design, Vol. I* (pp. 323–384). Oxford, UK: Oxford University Press.
- Glaser, B. G., & Strauss, A. L. (1967). *The Discovery of Grounded Theory: Strategies for qualitative research*. Chicago, IL: Aldine.
- Granovetter, M. (1985). Economic Action and Social Structure: The Problem of Embeddedness. *American Journal of Sociology*, 91(3), 481–510. <https://doi.org/10.1111/1467-7660.00275>
- Gulati, R., & Singh, H. (1998). The architecture of cooperation: Managing coordination costs and appropriation concerns in strategic alliances. *Administrative Science Quarterly*, 43, 781–814.
- Gulati, R., Wohlgezogen, F., & Zhelyazkov, P. (2012). The Two Facets of Collaboration: Cooperation and Coordination in Strategic Alliances. *The Academy of Management Annals*, 6(1), 531–583. <https://doi.org/10.1080/19416520.2012.691646>
- Lecy, J. D., & Searing, E. A. M. (2014). Anatomy of the Nonprofit Starvation Cycle: An Analysis of Falling Overhead Ratios in the Nonprofit Sector. *Nonprofit and Voluntary Sector Quarterly*, 44(3), 539–563. <https://doi.org/10.1177/0899764014527175>
- Masuch, M. (1985). Vicious circles in organizations. *Administrative Science Quarterly*, 30(1), 14–33.
- McCann, J., & Galbraith, J. R. (1981). Interdepartmental relations. In P. C. Nystrom & W. H. Starbuck (Eds.), *Handbook of Organizational Design, Vol. II* (pp. 60–84). Oxford, UK: Oxford University Press.

- Miles, M. B., & Huberman, A. M. (1994). *Qualitative Data Analysis* (2nd ed.). Newbury Park, CA: SAGE Publications.
- Morecroft, J. D. W. (1983). System dynamics: Portraying bounded rationality. *Omega*, *11*(2), 131–142. Retrieved from <http://www.sciencedirect.com/science/article/pii/0305048383900026>
- OECD. (2018). *Net ODA (indicator)*. <https://doi.org/10.1787/33346549-en> (Accessed on 25 October 2018)
- Provan, K. G., & Milward, H. B. (1995). A preliminary theory of interorganizational network effectiveness: A comparative study of four community mental health systems. *Administrative Science Quarterly*, *40*(1 (March)), 1–33.
- Rahmandad, H., Henderson, R., & Repenning, N. P. (2016). Making the Numbers? “Short Termism” and the Puzzle of Only Occasional Disaster. *Management Science*.
- Repenning, N. P., & Serman, J. D. (2001). Nobody ever gets credit for fixing problems that never happened: Creating and sustaining process improvement. *California Management Review*, *43*(4), 64–88.
- Repenning, N. P., & Serman, J. D. (2002). Capability traps and self-confirming attribution errors in the dynamics of process improvement. *Administrative Science Quarterly*, *47*(June), 265–295.
- Ring, P. S., & Van de Ven, A. H. (1994). Developmental processes of cooperative interorganizational relationships. *Academy of Management Review*, *19*(1), 90–118.
- Rittel, H. W. J., & Webber, M. M. (1973). Dilemmas in a General Theory of Planning. *Policy Sciences*, *4*, 155–169.
- Rostow, W. W. (1959). The stages of economic growth. *The Economic History Review*, *12*(1), 1–16.
- Sastry, M. A. (1997). Problems and paradoxes in a model of punctuated organizational change. *Administrative Science Quarterly*, *42*(2), 237–275. <https://doi.org/10.1017/CBO9781107415324.004>
- Sawhill, J. C., & Williamson, D. (2001). Mission impossible?: Measuring success in nonprofit organizations. *Nonprofit Management and Leadership*, *11*(3), 371–386.
- Schreiner, M., Kale, P., & Corsten, D. (2009). What really is alliance management capability and how does it impact alliance outcomes and success? *Strategic Management Journal*, *30*, 1395–1419. <https://doi.org/10.1002/smj>
- Scott, J. C. (1998). *Seeing like a State: How certain schemes to improve the human condition have failed*. New Haven, CT: Yale University Press.
- Selznick, P. (1957). *Leadership in Administration: A Sociological Interpretation*. Evanston, IL: Row, Peterson.
- Simon, H. A. (1955). A Behavioral Model of Rational Choice. *Quarterly Journal of Economics*, *69*, 99–118. <https://doi.org/doi:10.2307/1884852>
- Serman, J. D. (2000). *Business Dynamics*. McGraw-Hill.
- UN Chief Executives Board for Coordination. (2016). Financial statistics: Definition of terms. Retrieved July 11, 2019, from <https://www.unsystem.org/content/financial-statistics-definition-terms>
- UN General Assembly. Report of the United Nations Conference on the Human Environment (1972). New York, NY: UN General Assembly. Retrieved from [http://www.un.org/ga/search/view\\_doc.asp?symbol=A/CONF.48/14/REV.1](http://www.un.org/ga/search/view_doc.asp?symbol=A/CONF.48/14/REV.1)
- UN General Assembly. Report of the United Nations Conference on Environment and Development (1992). New York, NY: UN General Assembly. Retrieved from <http://www.un.org/documents/ga/conf151/aconf15126-1>
- UN General Assembly. Follow-up to the outcome of the Millennium Summit (2006). New York, NY: UN General Assembly. Retrieved from <https://undocs.org/en/A/61/583>
- UN General Assembly. The future we want (2012). New York, NY: UN General Assembly.
- UN General Assembly. Transforming our world: The 2030 agenda for sustainable development (2015). New York, NY: UN General Assembly. <https://doi.org/10.1007/s13398-014-0173-7.2>
- UN General Assembly. Quadrennial comprehensive policy review of operational activities for development of the United Nations system (2017). New York, NY: UN General Assembly.
- UN Secretary-General’s High-level Panel on Global Sustainability. (2012). *Resilient People, Resilient Planet: A future worth choosing*. New York, NY. <https://doi.org/10.1590/S1676-06032012000100001>
- UN Secretary-General. Repositioning the United Nations development system to deliver on the 2030 Agenda: our promise for dignity, prosperity and peace on a healthy planet (2017). New York, NY: UN General Assembly.
- UN Secretary-General. Implementation of General Assembly resolution 71/243 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system, 2018 (2018). New York, NY: UN General Assembly.

- UN Secretary-General. Repositioning the United Nations development system to deliver on the 2030 Agenda: ensuring a better future for all (2018). New York, NY: UN General Assembly.
- UN Secretary General. Renewing the United Nations: A Programme for Reform (1997). New York, NY: UN General Assembly.
- United Nations. (1951). *Measures for the economic development of under-developed countries*. New York, NY. Retrieved from [http://dag.un.org/bitstream/handle/11176/289725/E\\_1986%3BST\\_ECA\\_10-EN.pdf](http://dag.un.org/bitstream/handle/11176/289725/E_1986%3BST_ECA_10-EN.pdf)
- United Nations. (2017). *The Sustainable Development Goals Report 2017*. New York, NY. <https://doi.org/10.18356/4d038e1e-en>
- Uzzi, B. (1997). Social Structure and Competition in Interfirm Networks: The Paradox of Embeddedness. *Administrative Science Quarterly*, 42(1), 35–67. <https://doi.org/10.2307/2393808>
- Vangen, S., & Huxham, C. (2003). Nurturing collaborative relations: Building trust in interorganizational collaboration. *Journal of Applied Behavioral Science*, 39(1), 5–31. <https://doi.org/10.1177/0021886303253179>
- Williamson, O. E. (1981). The Economics of Organization: The Transaction Cost Approach. *American Journal of Sociology*, 87(3), 548–577.
- Williamson, O. E. (1985). *The Economic Institutions of Capitalism*. New York, NY: Free Press.
- World Commission on Environment and Development. (1987). *Our Common Future*. Oxford, UK.
- Zhou, X., & Moinuddin, M. (2017). *Sustainable Development Goals Interlinkages and Network Analysis: A practical tool for SDG integration and policy coherence*. Hayama, Japan. Retrieved from [https://pub.iges.or.jp/system/files/publication\\_documents/pub/researchreport/6026/IGES\\_Research\\_Report\\_SDG\\_Interlinkages\\_Publication.pdf](https://pub.iges.or.jp/system/files/publication_documents/pub/researchreport/6026/IGES_Research_Report_SDG_Interlinkages_Publication.pdf)

## Acknowledgements

Special thanks to Maria Ivanova, JoAnne Yates, Jenna Myers, and the System Dynamics group at MIT Sloan for their feedback and guidance, and to my host office at the United Nations in New York and in particular the office Director for their generosity and insight.