

Information Note UNFPA Executive Board Annual Session 2023

Implementation of General Assembly resolution 72/279 on repositioning of the United Nations development system in the context of General Assembly Resolution 75/233 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system and General Assembly Resolution 76/4 on the Review of the functioning of the reinvigorated resident coordinator system, including its funding arrangement

1. Introduction

This information note provides an update on UNFPA's support to the implementation of the repositioning of the United Nations Development System (UNDS), in the context of the 2020 quadrennial comprehensive policy review of operational activities for development of the United Nations system (QCPR), the review of the functioning of the Resident Coordinator System, and UNDP/UNFPA/UNOPS Executive Board decision 2022/14 on the repositioning of the United Nations development system. This information note covers the period of April 2022 to April 2023, and complements previous information notes presented to the Executive Board.

This information note is aligned with the substantial elements contained in the UNSDG Checklist on the implementation of the UNDS Reform, which was transmitted to the Executive Board by the Chair of the United Nations Sustainable Development Group (UNSDG), pursuant to General Assembly resolution 76/4.

2. Update on UNFPA's Implementation of UNDS Reform

Five years into the implementation of the UNDS Reform, UNFPA continues to support the full implementation and consolidation of the reform agenda, to contribute to the achievement of the SDGs in the Decade of Action. As acknowledged by the Formative Evaluation on UNFPA's engagement in UN Development System Reform presented to the Executive Board in February 2023, the Fund has made important contributions to the design and implementation of the repositioned UN development system, and UNFPA intends to continue its active engagement as the reform agenda enters into its next phase.

At the global level, UNFPA continues to play an active role in inter-agency mechanisms, including the UN Sustainable Development Group (UNSDG), to maximize system-wide efficiencies and to ensure effective programming for results by UN Country Teams (UNCTs). As co-chair of the UNSDG Business Innovation Group (BIG) with UNICEF, the Fund continues to play a key role in driving the efficiency agenda within the UN system, particularly as the system begins to roll-out local shared service centres.

The Fund has continued to reap the benefits of the efficiency agenda, as follows:

Annual Distribution of Efficiency Gains					
	2019	2020	2021	2022	2019-2022
Agency-specific	4,315,245	7,131,805	8,062,085	9,520,333	29,029,468
Bilateral	2,304,345	1,216,807	1,206,737	1,012,393	5,726,920
BOS	2,581,829	2,908,947	3,554,780	5,101,135	14,146,691
GSS	-	-	-	13,632	13,362
Total	9,201419	11,257,559	12,823,602	15,633,861	48,916,441

Annual Distribution of Efficiency Gains

Internally realized operational efficiencies¹ for the period 2019-2022 added up to \$34.7 million. Of this amount, \$12.7 million was a result of cost savings; \$3.7 million was a result of cost avoidance; and \$18.3 million was a result of staff time reduction. Of the overall operational efficiency gains of \$34.7 million, \$29 million was generated from UNFPA-specific initiatives and \$5.7 million was a result of bilateral initiatives with partner United Nations organizations.

In addition to the internal efficiencies, UNFPA realized cost avoidance from Business Operations Strategies of \$14.1 million from 2019-2022, whereby \$5.1 million was realized in 2022 alone. Efficiencies from Global Shared Services were also realized in 2022 but are still low due to the fact that UNFPA has been using HR Services from the UNDP GSS for a long time and therefore the realized efficiencies are no longer eligible for reporting. UNFLEET and UN Booking Hub Services only started in 2022 and therefore did not reap a significant number of efficiencies yet.

In the context of effective programming for results, through UNSDG working groups, UNFPA has played an active role in the development and issuance of key system-wide programming guidance to support more coordinated and coherent implementation of the SDGs. In 2022, this included the revamped guidance on Joint Programmes, to catalyse joint work for the SDGs, and a system-wide Output Indicator Framework to enable more effective monitoring of the SDGs.

In the area of country-level programming, UNFPA has continued to support and leverage inter-agency coordination and coherence for the achievement of development results. The design and implementation of UN Sustainable Development Cooperation Frameworks has provided UNFPA with the opportunity to expand its partnerships with other UN entities to deliver effective results. For example, UNFPA remains among the UN entities participating in the largest number of UN joint programmes and in 2022 UNFPA received a total of \$217 million from UN-to-UN transfers, which represents one of the largest sources of funding to UNFPA – a reflection of UNFPA's commitment to delivering joint results.

As UNDS Reform enters into its next phase, and in line with the recommendations of the Formative Evaluation on UNFPA's Engagement in UNDS Reform, the Fund will continue to enhance its internal processes to ensure its effective contribution to the reform agenda, toward greater system-wide outcomes for the achievement of the three transformative results and the SDGs.

3. Results of UNFPA's Third Internal Survey on UNDS Reform Implementation

To assess the ongoing implementation of UNDS reform, UNFPA launched its third internal perceptionbased survey in December 2022. It was designed to better understand UNFPA's contribution to UNDS reform, the implications of UNDS reform on UNFPA's programme delivery, as well as lessons learned. The survey was also designed to support the development of a more strategic approach on UNDS reform, in response to the formative evaluation on UNFPA's engagement in UNDS reform.

The survey was administered to country, multi-country and regional offices. A total of 89 country-level responses were received, representing a response rate of 74 per cent. All 6 of UNFPA's regional offices submitted responses to the survey.

The overall findings based on the responses from the survey suggest that while UNFPA continues to benefit overall from the repositioned UN development system, there are still significant challenges in delivering fully on UNDS reforms at country level. The 2022 survey suggest that:

• Resident Coordinators continue to be supportive of UNFPA's normative mandate, and UNDS Reform has improved coordinated UNCT support to host governments.

¹ UNFPA utilizes the UNSDG standard methodology to calculate efficiencies generated by operational initiatives. It compares costs under two distinct states: the costs that were incurred after the initiative (new state), and the costs that would have been incurred in the absence of the initiative (old state). It includes four different types of efficiencies 1) cost savings 2) cost avoidance 3) time savings and 4) quality improvements.

- Cooperation Frameworks are leading to increased coherence to support the achievement of UNFPA's three transformative results and are leading to UNFPA's increased engagement in joint programmes.
- UNFPA continues to benefit from common business operations, but going forward it will be important to ensure the quality of services do not decrease.
- The spirit of UNDS Reform has not fully penetrated all UNCTs, and competition remains a challenge to enhanced collaboration.
- Enhanced coordination within the UNCT has not always translated into enhanced integrated SDG policy support and implementation to host governments.
- UNDS Reform at country-level continues to be driven by process and not results, with significant coordination transaction costs in multi-country contexts.

Going forward, UNFPA remains fully committed to supporting UNDS reforms, including through strong engagement with the Resident Coordinator system and United Nations Country Teams. Internally, the implementation of the recommendations of the Formative Evaluation on UNFPA's Engagement in UNDS Reform will provide an important opportunity for the Fund to address many of the challenges reflected in the 2022 survey.

Resident Coordinator system

The independent Resident Coordinator system and the principle of mutual accountability are cornerstones of the repositioned UN development system. Overall, the 2022 survey findings are mixed as it relates to the perception UNFPA Country Offices have of Resident Coordinators. In line with the Management and Accountability Framework, all Resident Coordinators are enabled to provide feedback on the performance of UNFPA Country Representatives.

In 2022, UNFPA Country Offices continue to maintain a positive perception of the independent Resident Coordinator system. The majority of UNFPA Country Offices responded that they have benefited from the new independent Resident Coordinator system. However, compared to the 2021 survey, the proportion of UNFPA Country Offices that perceive an overall benefit of the new Resident Coordinator system decreased by approximately 7 percentage points, from 83% in 2021 to 76% in 2022. One factor that may contribute to this overall decline is the growing number of protracted humanitarian crises being supported by the UN system. Some UNFPA Representatives responded that in protracted humanitarian crises, the UNCT is focused on humanitarian crises with a dedicated Humanitarian Response Coordinator, there may be less scope for the Resident Coordinator to focus on development issues. Some UNFPA Representatives also responded that due to additional processes related to UNDS reform, UNCTs have become less nimble.

The 2019, 2021 and 2022 internal surveys on UNDS reform have shown a positive trend in the perception of RCs support to UNFPA's normative mandate. When asked if UNFPA has observed any change in its ability to engage on normative issues at country level as a result of UNDS reform, in 2019 48% of respondents reported an increase, while in 2022 57% of respondents reported an increase. Moreover, when asked if Resident Coordinators specifically are supportive of UNFPA's normative mandate 93% of respondents reported yes in 2021 while 82% of respondents reported yes in 2022. Some UNFPA Country Offices responded that in some cases Resident Coordinators are not as effective in their engagement with host governments to ensure that the UN's normative agenda is reflected as a government priority in Cooperation Frameworks.

In countries where the Resident Coordinator also serves as the Humanitarian Coordinator, 84% of UNFPA country offices responded that the Resident Coordinator has improved linkages between the UNCT's development, humanitarian and peace work. In 2021, 83% of UNFPA Country Offices responded positively to the same question. Similar figures were shown in the Report of the Secretary-General on the implementation of the Quadrennial Comprehensive Policy Review, presented to the 2023 ECOSOC Operational Activities for Development Segment, where 80% of UNCT members responded that the Resident Coordinator is increasing synergies between development and humanitarian work.

New Generation of UNCTs

UNFPA continues to play an active role within UNCTs, including by leading results groups and theme groups, and by supporting UNCT coordination on system-wide priorities such as the protection against sexual exploitation and abuse. In general, the findings of the 2022 survey suggest that while there has been increased coordination among UNCT members, the spirit of UNDS reform has not sufficiently penetrated all UNCTs. UNFPA Representatives perceive competition within the UNCT as a challenge to the implementation of the UNDS Reform agenda.

In 2022, UNFPA Country Offices responded that there were general improvements in UNCT coordination as a result of UNDS reform. The majority of respondents to the 2022 survey agreed that RCs are improving UNCT coordination (77%) and RCs support an effective division of labour among UNCT members (60%). In addition, a majority of UNFPA Country Offices responded that the UNDS reform is improving coordinated UNCT support to host governments (66%) and is leading to improved collective results at country level (62%).

However, despite the improved coordination with UNCTs, in 2022, only 41% of country offices responded that all UNCT members are committed to UNDS reform. In addition, only 8% of UNFPA country offices responded that competition among UNCT members is decreasing, with 55% of respondents either disagreeing or strongly disagreeing with the statement, and 36% neither agreeing nor disagreeing.

United Nations Sustainable Development Cooperation Frameworks

UNFPA continues to prioritize the design, implementation and reporting on United Nations Sustainable Development Cooperation Frameworks. At global and regional levels, UNFPA has maintained a focus on internal capacity-building of Country Offices on the Cooperation Framework guidance. In addition, the Fund's internal policies require that all its Country Programmes are derived from and aligned with nationally-agreed and nationally-owned Cooperation Frameworks. To this end, UNFPA's internal policies require that Resident Coordinators sign-off on the derivation and alignment of UNFPA's Country Programme documents with the Cooperation Framework before UNFPA's Country Programmes are submitted for the consideration of the Executive Board. Moreover, UNFPA continues to provide Executive Board members with the relevant Cooperation Frameworks, to ensure that the Board is enabled to ensure that UNFPA's Country Programmes are derived and aligned.

The impact of close alignment of UNFPA's internal policies with those related to the Cooperation Frameworks can be seen through the Fund's increased level of engagement at all stages of the Cooperation Framework formulation process. UNFPA Country Offices responded that there was increased engagement in Common Country Analysis processes, from 80% in 2021 to 95% in 2022; in strategic prioritization exercises, from 70% in 2021 to 87% in 2022; and in the UNCT Configuration exercise, from 53% in 2021 to 68% in 2022.

Overall, the 2022 survey suggests that the design and implementation of UN Sustainable Development Cooperation Frameworks are enhancing collective and coherent support to host governments. There also continues to be a positive perception of the Cooperation Framework as a useful tool for the achievement of UNFPA's three transformative results. In 2022, 83% of UNFPA country offices responded that they believed that the Cooperation Framework was an important tool for integrated UN system responses to the three transformative results. The 2022 survey also saw 80% of respondents agreeing that the Cooperation Framework has led to increased coherence to support the achievement of the three transformative results, and 75% agreeing that the Cooperation Framework has led to UNFPA's increased engagement in joint programmes.

Additionally, in 2022, 90% of UNFPA Country Offices responded that issues related to the humanitariandevelopment continuum were either fully or mostly incorporated into the Cooperation Framework.

While UNFPA Country Offices generally responded positively to the Cooperation Framework, the same positive trend did not translate to perceptions on integrated SDG policy support and implementation by

UNCTs. When asked if UNDS reform led to more coordinated and integrated SDG policy support to the host government, in 2021 67% responded yes, while in 2022 56% of respondents responded yes.

Common Business Operations

UNFPA Country Offices continue to have an overall positive perception of the benefits of common business operations. However, some UNFPA Representatives responded that as common business operations and the efficiency agenda continue to be implemented, it will be important to ensure the quality of services does not decrease.

In the 2022 survey, the majority of UNFPA Country Representatives responded that they have experienced efficiency gains as a result of common business operations (77%). This represents an increase of 4 percentage points from the 2021 survey, where 73% of UNFPA Country Representatives responded that their offices had experienced efficiency gains as a result of common business operations.

In 2022, the majority of UNFPA Country Representatives also responded that their offices saved money or avoided costs as a result of common business operations (63%). Among those that saved money or avoided cost, the majority responded that they were able to use the resources for programming (62%). Moreover, the increase in efficiency and cost savings or cost avoided has generally not negatively affected UNFPA's internal operations capacities. Approximately 88% of respondents reported that common business operations have not led to a decrease in the number of administrative or operations staff in their offices.

However, a thin majority of respondents reported that common business operations have not impacted the quality of services received by UNFPA (58%).

Multi-Country Office Review

UNFPA continues to support the system-wide implementation of the recommendations of the multi-Country Office review. As previously reported, through UNFPA's Strategic Plan 2022-2025, the Fund increased its financial resource allocations to its multi-country offices in the Caribbean and the Pacific.

While respondents acknowledged that coordination for results has generally improved in multi-country office settings, the survey results suggest that UNFPA Multi-country Office Representatives perceive that there are significantly higher transaction costs due to coordination in a multi-country context.

In the 2022 survey, the UNFPA Multi-country Office Representatives responded that much of the high transaction costs due to coordination relates to the implementation of the multi-country cooperation frameworks in the Caribbean and the Pacific respectively. The Representatives noted that they represent the Fund in several UNCTs within their respective sub-regions.

To this end, respondents noted that UNFPA's Multi-country Offices are engaged in the work of several UNCTs to design and implement tailored Country Implementation Plans, as a part of the multi-country Cooperation Frameworks, in consultation with host governments. UNFPA's multi-country offices engage with 22 countries in the Caribbean and 14 governments in the Pacific to develop tailored interventions.

Regional Review

UNFPA has also continued to actively engage in all five Regional Collaborative Platforms, including issuebased coalitions on gender equality, human rights, youth and data, as well as the peer support groups, to drive joint actions towards accelerating the implementation of the ICPD Programme of Action and the SDGs.

UNFPA Regional Directors responded that while Regional Collaborative Platforms remain important mechanisms to support the achievement of the three transformative results, that issue-based coalitions are not sufficiently contributing to strengthening the work of UNCTs in their respective regions.

In both the 2021 and 2022 surveys, five out of six of UNFPA Regional Offices responded that their respective Regional Collaborative Platforms are effectively supporting integrated SDG policy support to UNCTs. Moreover, in the 2022 survey, five out of six UNFPA Regional Offices responded that the regional peer support group has effectively supported the quality assurance of CCAs and Cooperation Frameworks.

4. UNFPA's Contribution to Joint SDG implementation, follow-up and review

SDG Financing

UNFPA remains committed to SDG Financing agenda, including as a member of the Operational Steering Committee of the Joint SDG Fund. In line with the UNFPA Strategic Plan 2022-2025, the Fund has increased its focus on financing for sustainable development. At the country level, the majority of UNFPA Country Offices report that their offices support national financing for development efforts, including by supporting increasing domestic resources for development, South-South and triangular cooperation, as well as increasing private sector financing for development.

For example, in Rwanda, UNFPA coordinates an SDG financing initiative for primary health care posts with a combination of performance-based financing and renewable energy transformation/solarization financing. Also, in Kenya, UNFPA has worked on expanding an Impact Bond for client-centred adolescent sexual reproductive health service provision, in partnership with UN system partners and other public and private partners under the auspices of Kenya Sustainable Development Goal Impact Partnership Forum. Moreover, UNFPA has partnered with the Islamic Development Bank on evidence-informed adolescent asset framework in Egypt and Jordan and will develop an impact investing modality for this work in 2023.

To contribute to the broader SDG Financing agenda, UNFPA has set aside \$5 million annually under the current Strategic Plan to create a Strategic Investment Facility. Through this facility, UNFPA country offices, as a part of the UN Country Team, use modest amounts of regular resources catalytically, bringing projects to scale by leveraging additional sums of domestic government resources, international financial institutions funding, aligned external financing, in-country donor contributions, and investments from the private sector.

System-wide Reporting

UNFPA has continued to contribute to system-wide reporting on the UN system's contribution to the achievement of the SDGs. In 2022, nearly 100% of UNFPA Country Offices responded that they systematically contribute to annual UNCT results reports to the host government. In addition, 77% of UNFPA Country Offices responded that they systematically report results in UN INFO.

At the global level, UNFPA has also made significant contributions to support the implementation of the SDGs, through its engagement in key inter-agency processes. In 2022 UNFPA actively contributed to the development of the new system-wide Output Indicator Framework, which is designed to support UNCTs in the effective monitoring of their contribution to the achievement of the SDGs. Following the issuance of the new system-wide Output Indicator Framework, UNFPA organized a capacity building webinar with DCO on the indicator framework, and developed a guidance note to Country Offices on the implementation of the framework.

SDG Follow-up and Review

In support of the effective monitoring and reporting on the implementation of the SDGs, UNFPA continues to support the integration of human rights, gender, youth and population perspectives in Voluntary National Reviews (VNRs). UNFPA Country Offices continue to support national VNR processes, with 81% and 77% responding that they have been actively engaged in the process in 2021 and 2022 respectively. In addition, in 2022 65% of UNFPA Country Offices stated that they provide data and statistical support to host governments for SDG monitoring. As a result of UNFPA's active support to the VNR process at national level, 70% of governments presenting VNRs to the High-level Political Forum integrated key ICPD perspectives in their 2022 VNRs.

Moreover, at the global-level, UNFPA continued to support Member State deliberations ahead of and during the HLPF through substantive and technical inputs to the report on the theme of the HLPF and dedicated thematic papers on the SDGs under in-depth review. As a result of UNFPA's efforts at the global level to support the HLPF, the Ministerial Declaration adopted by Member States reaffirmed the importance of implementing the SDGs through a dedicated gender perspective.

5. Update on the Formative Evaluation on UNFPA's Engagement in UNDS Reform

Following the presentation of the <u>Formative Evaluation on UNFPA's Engagement in UNDS Reform</u> to the Executive Board at its first regular session in 2023, UNFPA has made progress in the implementation of its <u>management response actions</u> in response to the six evaluation recommendations. UNFPA will implement the management response actions across all six recommendations by December 2023. The Fund will report to the Executive Board on the full implementation of the management response actions within existing reporting, at its annual session in 2024.

The formal implementation process of the management response actions was launched by the UNFPA Inter-Divisional Working Group on UNDS reform. To broaden the ownership of UNDS reform amongst UNFPA staff and all levels, in line with recommendation 2 of the evaluation, UNFPA organized a dialogue with staff on cultural change in the context of UNDS reform. The dialogue sought to reinforce the spirit of collaboration that is required to effectively achieve the goals of the UNDS reform agenda. UNFPA has already begun developing processes to incentivize more staff to work in collaboration with UN system partners, in line with recommendation 3 of the evaluation. The Fund has included a set of standard performance indicators on UNDS reform for all heads of office and all supervisors.

In addition, efforts are underway to develop a dedicated UNDS reform engagement strategy, in line with recommendation 1 of the evaluation. UNFPA has begun internal consultations with staff on the strategy, including on how the strategy can address some challenges shown in UNFPA's third internal survey on UNDS reform. UNFPA will continue internal consultations on the strategy during the upcoming UNFPA Global Leadership Meeting, which will take place from 15-19 May 2023. Following internal consultations on the development of the Fund's internal strategy on UNDS reform, UNFPA will also engage other UN system entities, to ensure that the strategy supports the acceleration of system-wide results.

UNFPA sees the strategy on UNDS reform as foundational for the implementation of evaluation recommendations related to programmatic risks, multi-country office contexts and enhancing the knowledge of humanitarian staff on UNDS reform. To this end, UNFPA will begin implementing the aforementioned recommendations toward the end of 2023. The Fund looks forward to continuing to inform and update the Executive Board on progress related to implementing the recommendations of the Formative Evaluation on UNDS Reform.

6. Conclusion

With multiple complex challenges facing the international community, it has never been more important for the system to work collectively. The outcomes of the upcoming SDG Summit, the Summit of the Future and the review of the implementation of the ICPD Programme of Action upon its thirty-year anniversary, all provide critical opportunities for the international system to reaffirm its commitment to achieve sustainable development and prosperity for future generations. The ECOSOC Operational Activities for Development Segment, as well as the upcoming negotiations on the 2024 Quadrennial Comprehensive Policy Review (QCPR) also provide critical opportunities to ensure opportunities, challenges and lessons learned to inform the strategic direction of the UN system in support of the SDGs.

For UNFPA, under the overall framework of our Strategic Plan for 2022-2025, the Fund will work to leverage the collective UN system more effectively for the accelerated achievement of the three transformative results and the SDGs in the Decade of Action.
