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## Update on IFAD's Engagement in the Reform of the United Nations Development System

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## Abbreviations and acronyms

CEPEI	Centro de Pensamiento Estratégico Internacional
COSOP	Country Strategic Opportunities Programme
ECOSOC	United Nations Economic and Social Council
FAO	Food and Agriculture Organization of the United Nations
MAF	Management and Accountability Framework
QCPR	quadrennial comprehensive policy review of operational activities for development of the United Nations system
RBA	Rome-based agency
SDG	Sustainable Development Goal
UNCT	United Nations country team
UNDAF	United Nations Development Assistance Framework
UNDCO	United Nations Development Coordination Office
UNDS	United Nations Development System
UNSDG	United Nations Sustainable Development Group
WFP	World Food Programme

# Update on IFAD's Engagement in the Reform of the United Nations Development System

## I. Purpose of the update

1. This update is intended to brief the Executive Board on the latest developments related to United Nations reform since the update provided to the Board in December 2018.
2. It is not intended to provide an exhaustive account of how IFAD is responding to all areas of reform, but instead focuses on IFAD's engagement in the United Nations reform process, including: collaboration among the Rome-based agencies (RBAs); dialogue with Member States; implications for IFAD at the country level and corresponding opportunities and challenges; funding; outreach efforts to sensitize IFAD staff on the reform; and critical next steps.

## II. Background

3. Since the last update to the Board in December 2018, various elements of United Nations reform are progressing steadily, with some areas of the reform process still evolving. New developments in the beginning of 2019 include the launch of a reinvigorated resident coordinator system, a new generation of United Nations Country Teams (UNCTs) and the establishment of the United Nations Development Coordination Office (UNDCO). Developments related to revised United Nations Development Assistance Framework (UNDAF) guidance, the development of a management and accountability framework (MAF), funding of the resident coordinator system, regional review of assets and the preparation of a system-wide strategy document are reported below.
4. There has been a change at the helm of the United Nations Transition Team. Former team leader Robert Piper has been appointed Assistant Secretary-General and head of UNDCO, reporting to the Deputy Secretary-General. Gunilla Olsson, former Director of IFAD's Policy Division and Executive Director of change and reform, now leads the Transition Team.
5. Furthermore, a joint Sustainable Development Goal (SDG) fund is being introduced to support governments in achieving the SDGs. This country-focused instrument, to be hosted by UNDCO, will support inter-agency efforts at collaborative implementation on the ground. All UNCT members can access these funds provided the jointly agreed criteria are met.
6. At the end of December 2018, IFAD responded to a survey on the repositioning of the United Nations Development System (UNDS) in the context of the Quadrennial Comprehensive Policy Review (QCPR) of operational activities for development of the United Nations system. The survey was in line with the General Assembly request for the Secretary-General to report on progress made in implementing the 2016 QCPR (General Assembly resolution 71/243) and General Assembly resolution 72/279, as part of annual reporting to the United Nations Economic and Social Council (ECOSOC) on operational activities for development in 2019.

## III. IFAD's engagement in the United Nations reform process

7. Staff from different IFAD divisions were engaged in working groups related to the revised UNDAF guidance, the MAF and the preparation of a system-wide strategy document. Written comments were provided on several drafts of these documents and staff participated in several meetings, including through IFAD's New York office. On 8 March 2019, IFAD staff were also involved in discussions on the regional review of assets, hosted at IFAD headquarters. IFAD staff have held several telephone conferences with Gunilla Olsson and continue to participate in

weekly calls organized by the United Nations Transition Team and UNDCO in order to share the Fund's views and remain informed of the latest developments. Since IFAD is not a member of the United Nations Sustainable Development Group (UNSDG) core group, the Food and Agriculture Organization of the United Nations (FAO), a member of the group, has invited IFAD to participate as a silent observer in meetings of core group members. This has proven to be extremely useful for IFAD to remain informed and engaged in the reform process.

8. IFAD staff are actively engaged in developing a consolidated corporate position on business operations strategies, which outline the medium-term strategic focus of United Nations business operations at the country level in support of UNDAF implementation. IFAD has determined that all business operations strategies need to be reviewed individually along with their impact on current arrangements at IFAD Country Offices and in hosting organizations. In an effort to clarify IFAD's position, the Fund has convened a working group led by IFAD's Field Support Unit, which will undertake a detailed review to identify cost implications and recommend a way forward.

#### IV. United Nations reform in the context of RBA collaboration

9. RBA collaboration provides a concrete opportunity for taking forward many proposals to strengthen the coherence of the UNDS. The ongoing development of the joint RBA action plan for 2019-2020, joint country strategies and the joint RBA action plan for the Sahel are important examples of the synergies that can be developed across the RBAs for increased effectiveness and efficiency.
10. IFAD has been actively engaged with the other RBAs in developing common positions on key issues related to United Nations reform. All RBAs had expressed similar concerns about some aspects of the reform agenda, particularly the reinvigorated role of the resident coordinator and the MAF. The final version of the MAF, which was shared on 18 March with UNSDG principals and Member States, largely addressed the RBAs' concerns. Furthermore, the UNSDG and Chief Executives Board for Coordination meeting in May 2019, and joint informal meeting of the FAO Council and IFAD and World Food Programme (WFP) Executive Boards in September will provide further opportunities for joint dialogue and coordination.
11. IFAD recognizes that partnerships for achieving the SDGs go beyond RBA collaboration. Efforts are being made to improve cooperation with other United Nations entities, international financial institutions, the private sector and other development actors. The commitment made under the Eleventh Replenishment of IFAD's Resources of introducing a revised partnership framework and Private Sector Strategy aim to clarify IFAD's approach and commitment to partnerships more broadly.

#### V. Implications of United Nations reform for IFAD at the country level

12. There are at least three dimensions of the reform process that will impact the way IFAD works at the country level.
13. The first relates to the enhanced significance of UNDAFs and the need for IFAD to contribute to their formulation while ensuring alignment of country strategic opportunity programmes (COSOPs) and operations with UNDAF outcomes as well as national policies and strategies. If the latest version of the UNDAF guidance document is adopted in March or April, IFAD will also need to engage in the United Nations common country analysis, which will underpin all UNDAFs. Moreover, the Fund will need to ensure that COSOPs are developed in parallel with – and not ahead of – UNDAFs, and that COSOPs are presented to the Executive Board together with corresponding UNDAFs. The guidance also implies the requirement

for IFAD to review and adjust existing COSOPs once a new UNDAF is approved. Although the new COSOP guidelines make provisions for this alignment, they may require further elaboration once the UNDAF guidance is adopted.

14. Second, within the recently finalized MAF, the role of the reinvigorated resident coordinator and the objectives of a more cohesive UNCT will necessitate IFAD making adjustments on the ground. Specifically, IFAD will need to be more actively engaged in UNCT meetings than in the past. With a limited country presence and a focus on delivery, this will indeed be challenging. Creative means will be needed to remain engaged, especially in countries where IFAD does not have a permanent presence. In addition to in-person participation in these meetings whenever possible, the use of information and communications technologies could be increased. Stronger partnership with the other RBAs on the ground is also important since they have a greater country presence and can be tasked with representing IFAD in UNCTs when needed.
15. IFAD country directors will need to keep the resident coordinator consistently informed of IFAD priorities and activities. Since resident coordinators will be able to inform country directors' annual performance appraisals from 2019 onwards, their inputs will need to be factored into annual performance evaluation systems by regional directors. Country directors will also have the opportunity to provide inputs on the performance of resident coordinators. While resident coordinators will be appraised of their performance by the Secretary-General, these appraisals will include inputs from the regional UNSDG team through a process managed and facilitated by UNDCO.
16. Third, within the reform of the UNDS, country-level partnerships with other actors in the international development community will play an increased role in enhancing the efficiency and effectiveness of IFAD's development assistance. While partnerships within the United Nations system – and specially with the RBAs – are critical, identifying opportunities for cooperation with multilateral development banks is equally important to scale up results. Similarly, partnerships with domestic and international private sector actors are important to both mobilize resources and benefit from their innovations and expertise.

## VI. Funding

17. As of 7 March 2019, the final draft of the funding compact between Member States and the UNDS, which was devised in response to the General Assembly resolution on the repositioning of the UNDS in the context of the QCPR, was shared with Member State representatives and UNDS principals. IFAD has committed to doubling its share of contributions to fund the reinvigorated resident coordinator system. With the approval of the Fund's 2019 budget by the Governing Council, the transfer of funds is being executed by IFAD.
18. On 1 March, the 1 per cent coordination levy became effective. This levy is calculated at the time a new agreement is signed and is normally not revised up or down when the agreement is subsequently amended, except when the amendment exceeds 20 per cent of the initial budget on which the original levy calculation was made. However, the latest data indicate that there is still shortage of funds to support the first year implementation of the new resident coordinator system in 2019.

## VII. Regional reviews

19. IFAD is participating in regional reviews, which aim for a long-term restructuring of the United Nations system's regional assets. The Fund was requested to complete a survey aimed at understanding the quality, effectiveness and relevance of the United Nations work at the regional level; IFAD will have the opportunity to share ideas for future recommendations. In addition, IFAD was tasked with completing an

asset matrix related to its subregional offices, budgets and number of personnel. IFAD's response to both the survey and asset matrix were recently submitted to the International Strategic Thinking Center (CEPEI), a Colombia-based think tank, which the Transition Team has designated to lead the second phase of the regional review of UNDS. The CEPEI team is holding consultations across all five regions with representatives of regional bodies, United Nations agencies, civil society organizations and other actors to take stock of the assets in each region. On 8 March, CEPEI's director, Philipp Schöenrock, met with representatives of IFAD's regional divisions to discuss the Fund's contribution to the survey and the restructuring of UNDS regional assets.

## VIII. Outreach efforts

20. Various efforts are being made to sensitize IFAD staff about the United Nations reform process and its implications to the Fund's work. A dedicated session on the topic was held at the East and Southern Africa Division retreat in January and the Programme Management Department regional hub heads retreat in February. A similar presentation was held at the Latin America and the Caribbean Division retreat in Panama in March. Information received from the United Nations Transition Team is being shared widely. Staff are therefore becoming increasingly familiar with United Nations reform. These efforts need to continue, especially once key documents such as the UNDAF guidance have been finalized and adopted in the near future.

## IX. Conclusion

21. There are a number of next steps that will require IFAD's engagement. Some of the many milestones expected in the coming months include: (i) an upcoming special session of the UNSDG principals planned for 3 April in New York to discuss the final documents prior to their submission to the ECOSOC operational activities for development segment session on 21-23 May; (ii) the UNSDG and Chief Executives Board for Coordination meeting in early May, which is likely to include United Nations reform on its agenda; (iii) the ECOSOC segment on 21-23 May which will examine key elements of the response to the 2016 General Assembly resolution on the QCPR and the 2018 General Assembly resolution on repositioning the UNDS; and (iv) the joint informal meeting of the FAO Council and IFAD and WFP Boards in September, which is likely to include United Nations reform as a key topic.
22. In line with its mandate as a United Nations specialized agency and international financial institution, IFAD continues to support United Nations reform and is committed to taking forward the proposals detailed in General Assembly resolution on repositioning the UNDS.

## United Nations reform matrix: Immediate follow-up actions for IFAD (as of 11 March 2019)

<i>United Nations reform commitment – see General Assembly resolution 72/279</i>	<i>IFAD action</i>	<i>Deadline</i>	<i>Status</i>
<b>I. A new generation of United Nations country teams (UNCTs)</b>			
<b>(1) Alignment with United Nations Development Assistance Framework (UNDAF)</b>	<ul style="list-style-type: none"> <li>Revision of country strategic opportunities programme (COSOP) guidelines.</li> <li>IFAD's participation in the UNDAF Reference Group.</li> </ul>	<ul style="list-style-type: none"> <li>End of 2018</li> <li>Ongoing</li> </ul>	<ul style="list-style-type: none"> <li>Completed</li> <li>Ongoing</li> </ul>
<b>(2) Participation in UNCTs</b>	<ul style="list-style-type: none"> <li>Country directors to participate in UNCTs.</li> <li>If a country director is unable to attend, s/he may participate virtually, and, only if necessary, request FAO or WFP to represent the Fund.</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> <li>Ongoing</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> <li>Ongoing</li> </ul>
<b>(3) Target of 50 per cent common premises by 2021</b>	<ul style="list-style-type: none"> <li>More than 50 per cent of IFAD country offices are already co-located with FAO, WFP or other agencies. IFAD will continue to identify new joint locations when needed and feasible.</li> </ul>	<ul style="list-style-type: none"> <li>2021</li> </ul>	<ul style="list-style-type: none"> <li>On track</li> </ul>
<b>(4) Advance common business operations, including common back offices</b>	<ul style="list-style-type: none"> <li>Continued and closer engagement with business innovation group on United Nations reform to reduce costs and improve efficiency.</li> </ul>	<ul style="list-style-type: none"> <li>2021</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>
<b>II. Reinvigorating the role of the resident coordinator system</b>			
<b>(1) Annual performance appraisal of country directors to be informed by the resident coordinator</b>	<ul style="list-style-type: none"> <li>Adjustments need to be made to performance evaluation system and process</li> </ul>	<ul style="list-style-type: none"> <li>2019 onwards</li> </ul>	<ul style="list-style-type: none"> <li>The Director of the Human Resources Division has been informed and this will be factored into the enhanced performance evaluation system process.</li> </ul>
<b>(2) Country directors reporting to resident coordinators on results</b>	<ul style="list-style-type: none"> <li>Country directors to report to resident coordinators country-level results in furthering the Sustainable Development Goals (SDGs) and UNDAF objectives. Country directors also to report on individual activities at country level.</li> <li>Country directors to discuss format and timeline for reporting with respective resident coordinators.</li> <li>Change country directors' job description to reflect role and reporting requirements to the resident coordinator.</li> </ul>	<ul style="list-style-type: none"> <li>2019 onwards</li> <li>2019 onwards</li> <li>2019 onwards</li> </ul>	<ul style="list-style-type: none"> <li>Will come into force once MAF is adopted.</li> <li>Same</li> <li>Same</li> </ul>
<b>(3) 1 per cent coordination levy on tightly earmarked third party non-core contributions</b>	<ul style="list-style-type: none"> <li>Accounting and Controller's Division, in cooperation with Office of Strategic Budgeting, to conduct preliminary analysis on 1 per cent coordination levy based on existing tightly earmarked third party non-core contributions to IFAD.</li> </ul>	<ul style="list-style-type: none"> <li>May 2019</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>
<b>(4) Doubling contribution to resident coordinator system</b>	<ul style="list-style-type: none"> <li>Include provisions for enhanced IFAD contribution in 2019 budget and onwards.</li> </ul>	<ul style="list-style-type: none"> <li>Feb. 2019</li> </ul>	<ul style="list-style-type: none"> <li>Complete</li> </ul>



<i>United Nations reform commitment – see General Assembly resolution 72/279</i>	<i>IFAD action</i>	<i>Deadline</i>	<i>Status</i>
<b>III. Revamping the regional approach</b>			
<b>(1) Strengthen the role and functions of the UNDS at the regional level to support the 2030 Agenda for Sustainable Development</b>	• Preparation of regional operations approach.	• 2019	• Embedded within the IFAD Transition Framework approved by the Board in December 2018.
	• Increase cooperation with regional/subregional institutions (African Union, Association of Southeast Asian Nations, etc.).	• Ongoing	• Activities ongoing on various fronts (e.g. IFAD is engaging in all regional forums for sustainable development, etc.).
	• Strengthen South-South and Triangular Cooperation (SSTC).	• Ongoing	• Activities ongoing on various fronts (e.g. through the China-IFAD SSTC Facility, mainstreaming SSTC in COSOPs, etc.).
<b>IV. Strategic direction, oversight and accountability for system-wide results</b>			
<b>(1) Strengthen partnership with IFAD's Executive Board</b>	• Organize Board retreats, annual field visits for Board representatives, annual informal joint meetings of FAO Council and IFAD/WFP Boards, etc.	• Ongoing	• Numerous activities planned (e.g. Board visit to Cameroon in 2019, Board retreat in May, joint meeting of FAO Council and IFAD/WFP Boards in September, etc.).
<b>(2) Improve monitoring and reporting of system-wide results</b>	• Timely implementation of Development Effectiveness Framework.	• Ongoing	• Ongoing (e.g. IFAD10 impact assessment report to be presented to the Board in September with initial findings presented in May, etc.).
<b>V. Funding the United Nations Development System</b>			
<b>(1) Core resources to UNDS – adequacy plus adherence to principles of transparency</b>	• Strengthened organizational architecture through merger of IFAD's Global Engagement and Multilateral Relations Division and Partnership and Resource Mobilization Office for enhanced resource mobilization.	• 2019	• Expected in Q2 2019.
	• Timely implementation of transparency action plan.	• Ongoing	• Ongoing
<b>VI. Following up on UNDS repositioning efforts at the global, regional and country levels</b>			
<b>(1) UNDS to prepare a system-wide strategic document for United Nations Economic and Social Council in 2019</b>	• IFAD participating in the system-wide strategic document working group and contributing to the document.	• Ongoing until the end of March 2019	• Ongoing