

The Coordination Fund¹ – Explanatory Note –

1. Current status

Currently, the Resident Coordinator system is mainly funded through a combination of the UNDG Cost-Sharing Agreement and UNDP's backbone support, as well as some donor support up through 2018. In addition to these amounts, resident coordinators are sometimes able to raise small amounts of complementary funds locally, from UN country team members, host governments or other development partners.

Funding made available for the RC System through the UNDP's backbone support and the UNDG's cost-sharing contribution goes to pay for staff positions, services, facilities, general operating expenditures, security, and funding of RC coordination support and joint UNCT activities and advocacy, including mandated outputs such as the UNDAF. Facilities and general operating expenditures include rent of premises, electricity, telephone, furniture, equipment, supplies, and a vehicle and its maintenance for the resident coordinator. Services include human resources, procurement, finance, audit services, legal services, ICT services, logistics, travel, and security. The UNDP backbone has covered the staff cost of the Resident Coordinator, given they were also the UNDP Resident Representative. The UNDG cost sharing was covering the minimum core staff in the RCO, as specified in the UNDG Cost Sharing agreement.

RC coordination support and UNCT activities include expenditures for resident coordinator and RCO travel for coordination related activities, communications and advocacy, facilitation of joint UN country team activities, government and partner events with the UN, UNDAF preparation, joint program or partnership development, and other needs intrinsic to the coordination functions of the resident coordinator. UNDAF evaluations should also be included as part of these funds, but as the funding provided was insufficient, RCs/UNCTs have had to mobilize for this separately or it was never done.

In 2017, the UNDOCO Delivering Together Facility (DTF) for Sustainable Development was established to allow for the provision of complementary voluntary funds to close emerging coordination gaps that could not be met by UNDP's backbone support or the UNDG's cost-sharing contribution to the RC system. The DTF is managed by UN DOCO, building on the established practice and lessons learned from managing similar funding mechanisms in the past. The UNDOCO DTF was set up as a funding facility that provides small amounts of funds, usually under \$100,000, directly to RCs and UNCTs to support innovation, new business processes, leadership development, and surge capacity in complex country situations, as needed. Fund utilization and results are monitored by UN DOCO with support from the regional teams and reported on as part of the global annual UNDG results reporting which is made available to stakeholders.

2. What is the Coordination Fund?

The Secretary-General's vision for a repositioned UNDS that delivers on the 2030 Agenda has as a central element a reinvigorated RC System driven by an impartial, independent and empowered Resident Coordinator. The Secretary-General has asked Member States to consider funding the core capacities of the resident coordinator system through assessed contributions, at an approximate cost of \$255 million. This amount would go to cover the staff capacities of the RC System at the country, regional and global level, as well as services and facility costs of managing the RC system.

In addition, the UN Secretary-General strongly recommends that a discretionary integration fund – hereby termed the Coordination Fund – of \$270,000 on average per resident coordinator office, be established to cover the RC coordination support and joint UNCT activities and catalyze in-country coordination around priority activities and initiatives. The total cost of such a fund would amount to \$35 million per annum for the resident coordinator system in 129 countries, to be funded through extra-budgetary voluntary contributions. Without these funds the RCs and UNCTs would have no operational budget to carry out any of their joint work such as the development of the UNDAF, or other joint initiatives.

¹ Currently termed the Discretionary Fund in SG's Dec report

3. What will the Coordination Fund support?

The Coordination Fund is what will enable the resident coordination to bring to life a repositioned and reinvigorated UN development system response at the country level, covering for the coordination needs that go beyond the core staff, services and facility costs of the UN and resident coordinator system.

The Coordination Fund would enable the resident coordinator to incentivize collaboration and draw catalytically on the assets of the United Nations development system. It would not pay for the cost of resident or non-resident UN capacity, but would identify such capacities, and support joint assessment and analytics, enable joint data, joint program development, joint planning and innovation, communications and advocacy, and the systematic monitoring and reporting on the progress of UNDAF outcomes and conducting mid-term and end of cycle UNDAF evaluations. Other related activities which will require Fund resources, include the consultation and facilitation of national-UN steering committees, travel of the RC and RCO to UN coordination-related events, the production of UNDAF country results reports, transparency and communications of results.

The Coordination Fund is also expected to provide seed funding for innovation in UNDAF implementation, support joint business operations efficiencies, as well as upskilling of leadership and introducing of new development leadership and management tools for Resident Coordinators and RCOs, tailored to country needs.

Is \$270,000 per RC office sufficient for all the above?

No. the RC and RCO will have to mobilize further resources through local cost sharing and contributions from the host government, donors, private and philanthropic funds, crowd sourcing and the UN system.

It is also recommended that multi-country RCs and RCOs get a higher allocation, to enable coverage of multiple countries and UN country teams that still have to produce UNDAFs and have the full range of coordination needs.

How would the Coordination Fund be managed and administered?

The administration of the Coordination Fund would be by UNDOCO, and would follow well-established practices of managing other complementary and voluntary funds provided in support of the RC System and UNCT work. UNDOCO has many years of experience in allocating, monitoring and reporting on coordination-related resources in support of RC and UNCT team work, and it is expected that this well tested practice would continue in support of the management of the Coordination Fund.

The UNDG will develop allocation criteria that ensure all countries benefit from the Coordination Fund, and could include a special focus on vulnerable countries, complex country situations, countries rolling out their UNDAF, countries implementing common business practices, as well as to spearhead innovation in suitable countries to be scaled across UNCTs.

The current UNDOCO Delivering Together Facility could be joined-up with the Coordination Fund, or be administered separately, based on the source of funds and the respective financial rules and administrative arrangements to be decided.

As with the UNDOCO DTF, most of the funds will be allocated directly to resident coordinator offices at the country level, to ensure their direct and effective use by resident coordinators and their country teams. Part of the funds will be managed at the regional and global level for leadership development as well as to ensure effective support to core elements of the UNDAF process, such as the design, quality assurance and evaluation of UNDAFs, and global data synthesis and results reporting.