

External Mid-term Review of IMI-SDG6 Phase 2

Management Response

2022-07-28

1. BACKGROUND

Period of the review: January 2019 to February 2022

Authors of review: PEMConsult

Author of management response: UN-Water Technical Advisory Unit, on behalf of the IMI-SDG6 Steering Committee

Overall response to the review:

The Review assessed the performance and operations of the UN-Water Integrated Monitoring Initiative for SDG 6 (IMI-SDG6), with attention to recommendations for the third phase of the Initiative and beyond. The Review was conducted in a proficient and methodical manner. Evidence was gathered from a review of documentation, appraisal of the logical framework and other key project documents, attendance at the 2nd Global Workshop for SDG 6 monitoring (online), and numerous stakeholder interviews.

The Review provides a balanced and properly justified analysis together with a sound set of recommendations that will help to improve the effectiveness of IMI-SDG6's work. The Review confirms that the Initiative is relevant in its design and implementation, that it is showing positive signs of intended impact in terms of indicator-specific support to UN Member States and in terms of the reporting of most of the global indicators. It also notes the relevance and impact of the 'flagship' products of IMI-SDG6, including the SDG 6 Data Portal, SDG 6 Synthesis reports, and indicator-specific progress reports. The Review provided particular value through its interviews and feedback from numerous country stakeholders, which provide a critical insight at this point in the Initiative's lifecycle. IMI-SDG6 appreciates the recommendations made and looks forward to taking the necessary measures to address them.

It should be noted that due to the necessary timing of the Review and the need to feed into the planning of Phase 3 of IMI-SDG6, the scope could not include the final 10 months of the Phase 2 period and the work and incremental progress toward KPIs during that period. For similar reasons, it did take into account significant milestones that took place in the latter part of 2018 (technically Phase 1).

Planned use of the Review:

The recommendations of the Review are particularly valuable in helping guide the development of Phase 3 of the Initiative, and at the time of the finalization of the Management Response, a number of the recommendations have already been addressed. Other have been noted in the Phase 3 logical framework and will be implemented at the soonest opportunity.

2022-07-28

2. RECOMMENDATIONS AND MANAGEMENT RESPONSES

Below follows the Response of the IMI-SDG6 Steering Committee to each of the eight Recommendations contained in the final Review report, and an elaboration of the measures that will be taken toward their implementation.

Recommendation 1

TAU and the Steering Committee should implement procedures to engage SAG more in the life of IMI-SDG6 and to promote a more strategic function of the SAG. This recommendation can be implemented immediately and will secure that IMI-SDG6 get better strategic advice on both data provision but also the use and uptake of data and not the least on global messages on monitoring and the acceleration of the achievement of the SDG 6. To support this more strategic role TAU should:

- Distribute information and documents for the meeting at least one month in advance,
- Inform SAG members of the progress of IMI-SDG6 and key events and features,
- Prepare documents i.e., concept notes or discussion notes on key topics where IMI-SDG6 would like to have advice from SAG. These topics can be identified by the Steering Committee and TAU can get support from the relevant working groups on preparing more technical material,
- TAU should secure the follow up of SAG meetings and inform the members about the follow up.
- The Steering Committee and UN-Water should consider if SAG Chairperson should be invited to the open session of the yearly UN-Water meeting.

The Management agrees with the recommendation. It is noted that several of the points highlighted in the Recommendation (e.g. document sharing, followup to meetings) are already addressed in the SAG Terms of Reference, but Management acknowledges that these practices can be implemented more consistently.

Regarding the need to better engage the SAG, the Management agrees and will adapt the ToRs to include a second (virtual) meeting each year, and has requested the UN-Water Management Team to issue a standing invitation to the SAG Chair to attend the annual open session of the UN-Water meeting.

It was also noted that the SAG has not yet reached its full potential as an advisory body. This is partly for the reasons of engagement mentioned above, but also may be a function of its composition. The Steering Committee has agreed to fill future gaps in SAG membership (including three existing vacancies) through a 'competitive' process where potential members will be asked to highlight their motivation and where they may add value to the Initiative. An additional emphasis will be placed on strengthening representation from country SDG 6 monitoring experts as country engagement will be a priority and a challenge for Phase 3.

Recommendation 2

Develop a method that allows for monitoring of the financial execution over the course of the phases so that it can be used as a management tool and adjustments

Apart from an accountability tool, financial reporting should also be a management tool. In the case of IMI-SDG6 the financial reporting is not sufficiently detailed and timely to function as a management tool. The financial execution is a good indicator of the management of a project. In the Project Document the financial execution is envisaged to be 25% in 2019 and 29% in 2020 equalling 54% after the first two years of phase II. The reported expenditure is relatively low compared to what was planned although it has picked up in 2021. The Steering Committee should form a working group and analyse how the flow of funds can be mapped with more detail and timeliness so that the financial information can be used to adjust in allocation and in activities to be implemented. This flexibility will contribute to securing that funds can be allocated and reallocated if and when there is a necessity to boost some activities, to adjust the budget for some activities or to solve problems that impede planned execution. These tools should be developed in the course of 2022 so that it can be applied in phase III.

The Management partially agrees with the recommendation. The issue of financial transparency and financial management has long been a topic of reflection by the IMI Steering Committee. The SC highlights (as does the Review) that the current official financial reporting practices are in full compliance with the practices of UNOPS and of the individual UN custodian agencies, as well as with the agreed reporting in the Standard Administrative Agreements with the donors to the initiative. It also notes that it is against the policies of the organisations to provide financial reporting in any other format or other timeframe.

With this in mind, and recognising the need to have some form of financial overview for internal management purposes, the Initiative conducts its own informal financial reporting, resulting in the simple report shared with the Steering Committee in January of each year and seen by the reviewers. These data are sometimes incomplete and subject to the timing and availability of various parameters.

Management acknowledges the shortcomings of the current system, but highlights also the difficulty of doing otherwise.

It appears that the main reason this was flagged in the review is that the imperfections in the system resulted in a significant perceived underspend during the period under review. As noted in the review report, the Initiative disagrees that there is a systematic underspend and believes there are several important explanatory factors that should be considered, namely (as noted on page 35):

- The restrictions due to the COVID19 pandemic made it impossible to carry out a significant portion of anticipated face-to-face meetings and travel.
- Disbursement are late which affect financial execution negatively.
- Different reporting periods and practices influence the amount that is reported so the financial report doesn't necessarily reflect the reality i.e., some agencies only report audited amounts.

Another reason not reflected in this list is the prioritised use of co-finance for IMI work from other sources by certain agencies as these funds may be less flexible than IMI funds.

In response to the recommendation, Management proposes to continue with the current internal financial reporting system (for the reasons mentioned above), but also to address some of the underlying factors that contributed to the perceived underspend during the review period. In particular, the Initiative will:

- Make requests to its donors for an earlier disbursement time in the calendar year, which will allow for earlier and more complete expenditure that year. This was also done in 2021 and 2022 by two donors
- Seek an agreement with IMI agencies on how to account for committed expenditures during a period rather than exclusively executed expenditures
- Request to agencies to report informally on the income/expenditures, if possible, for third-party indicator-specific co-financing, separate to official financial reporting to UNOPS, as some agencies do already

Management would also like to point out that the TAU and agencies have their own internal expenditure tracking systems which ensure good day-to-day financial management and cash flow tracking, but are not able to report in the aggregate in a meaningful way.

Recommendation 3

With the use of the Resource mobilisation guide, IMI-SDG6 should begin to approach the present and potential new donors to secure financing for phase III

TAU should disseminate the resource mobilisation guide to the custodian agencies and as soon as possible the mobilisation of resources for phase III should begin.

The Management agrees with the recommendation. The resource mobilisation guide was disseminated to the agencies and to other UN-Water Members and Partners (and more widely) in March 2022. During the Phase 3 planning retreat, the Steering committee discussed roles and responsibilities for resource mobilisation and agreed that the TAU is responsible for leading resource mobilization of project-wide IMI-SDG6 support and for the Roof. and that agencies are

responsible for additional resource mobilization of indicator-specific support (Pillars). It also agreed that each Coordination Team meeting shall include an agenda item on updates on resources mobilization and that the Country Engagement Working Group should consider resource mobilization for activities in 'Focus Countries' (see recommendations 4 and 6).

Recommendation 4

In the preparation for the project document for phase III, the Steering Committee clarifies some basic elements that will smoothen the implementation of the work from 2023 – 2026 namely the specific tasks and responsibilities of the implementers, the construction of the log frame, and the principle for distribution and reallocation of funds.

Led by the Steering Committee, IMI-SDG6 should discuss the vision and end goal of IMI-SDG6 in 2030 with the view to clarifying who are the target groups in phase III, what are the tasks i.e., in relation to mobilisation of resources, capacity development at global and country level and what are the priority topics to achieve these goals. Secondly, it should be clarified who among the custodian agencies, UN-Water, TAU and perhaps other members of UN-Water have the responsibility for planning and implementing these tasks. Specific attention should be given to how the custodian agencies cooperate at the country level. This cooperation will depend on the present networks of the custodian agencies in the countries and the needs expressed by the Government and should therefore be flexible and customized to each country.

Furthermore, the Steering Committee must secure that there is a logical connection between the outcomes, the outputs and the KPIs. The KPIs should be measurable and informative about the real progress of the outputs and the outcomes. The outputs should preferably be formulated clearly and measurably. If a narrative is needed it should be explained in the project document. While the formulation of the outcomes should clearly be more overall and not directly measurable, it is preferable to use a terminology that is easy to interpret e.g., avoiding words like holistic with some many possible interpretations. The risk matrix particularly the mitigation measures should be updated.

The Steering Committee should also discuss the progress on the different indicators based on the state after the second data drive and analyse if there are some indicators that need specific attention in relation to data collection and monitoring but also in relation to the progress of its achievement. Recognising that all indicators have their specific challenges and specificities, it seems there are particularly big challenges with collecting data of water quality especially in developing countries (Target 6.3). This analysis should lead to setting up criteria for how funds should be distributed and when there is a need for reallocation of funds to address certain needs.

The Management agrees with the recommendation. IMI-SDG6 has evolved significantly since its start in 2015, beginning with methodology development and baseline data collection in Phase 1, moving to capacity building and further refinement of reporting in Phase 2. During Phase 3, the focus will shift to closer engagement with countries and on tools for mainstreaming data into policy. This will necessarily require a close look at the relative role of different UN stakeholders and a clear idea of how to best engage at the country level.

With this in mind, the Steering Committee has established a Country Engagement Working Group to examine all aspects of country engagement (e.g. overall and technical focal points; intersectoral collaboration; data collection, analysis, and use for policy; disaggregation; capacity building). Among other things, the WG will consider the indicators of success for good holistic monitoring, analysis, and use at the country level, as well as the specific respective roles of the agencies, TAU, UN Country Teams, etc. (see also recommendation 6).

As part of the planning for Phase 3, IMI-SDG6 is also revising and updating KPIs based on lessons from Phase 2, including, where possible, measures at the Outcome level, noting that the accountability for the IMI-SDG6 is only until the Outputs in the logical framework and that any Outcome KPIs would be used for targeting interventions and not at assessing our own performance.

Recommendation 5

IMI-SDG6 should continue core activities that are targeted to all member states

This recommendation includes that core activities of IMI-SDG6 related to the mandate of the custodian agencies i.e., i) maintaining the global database, ii) elaborating and disseminating progress and thematic reports and iii) feeding information into high level events.

It's crucial to continue the core activities of IMI-SDG6 which create the foundation for policy and decision making at the global level and provide the member states with key basic information on how to do the monitoring, data collection and reporting and what are the results on their efforts in term of progress in achieving the SDG 6. The maintenance of the database and the need for monitoring the progress at the global level of achieving the SDG6 will most likely require a data drive in phase III. It will also require the maintenance of the focal point database. The work with refining the collection of gender disaggregated data must also continue.

It also includes the joint and roof activities i.e., the maintenance of the focal point database, the reach out to the focal points through global workshops, newsletters, and topic webinars. There is some indication that overall focal points placed in units responsible for overall planning, budgeting, or overseeing the area of water and sanitation have greater capability of facilitating coordination and mobilising the technical focal points and the focal points from national statistical offices. An analysis and possible revision of the focal points should take place to make sure that the people appointed are in institutional positions where they have leverage to coordinate monitoring, data collection and the uptake of data in decision-making processes. As an additional activity it is recommended that south-south interaction is promoted through establishing platforms for focal points from different countries to communicate and share experience. The activities should be maintained as a base while intensify the work with focus countries as recommended in the recommendation 6.

The Management agrees with the recommendation. It is encouraging to receive the affirmation that the current core activities of IMI-SDG6 are well-received and are adding value to their target audiences. The Initiative looks forward to continuing these activities during Phase 3 and to continue to increase their reach and impact.

Management acknowledges that there have been challenges in identifying the correct overall focal points and ensuring that they are effective in their roles, and notes that certain 'central' government entities are more likely (though not guaranteed) to have the necessary institutional mandate and support. One of the objectives of the newly-formed Country Engagement Working Group will be to develop criteria for identifying the 'ideal' overall focal points and a strategy for finding them. It is likely that a number of focal points will be changed as a result. The WG will, at the same time, consider how IMI defines a successful group of focal points as well as successful intersectoral collaboration in a country and will feed this into the policy for selecting OFPs.

Finally, regarding the establishment of platforms for south-south interaction, although the review report does not specifically reference the existing LinkedIn community of practice, the Management is aware of the relatively low performance of the existing platform and is looking into ways to relaunch/invigorate the community. One possibility is a collaboration with GWP, which has launched an online communities platform as part of its IWRM Action Hub.

Recommendation 6

Based on the experience with the seed grants and the work with the overall focal points the Steering Committee should set criteria for selection of 25 - 30 countries for dedicated work with capacity development on integrated monitoring and mainstreaming of SDG 6 data into strategies, plans and policies

Experience from working with the first pilot countries and the countries that received seed grants and shows that long-term dedicated cooperation between IMI-SDG6 and specific countries yield good results in terms of coordination, awareness and capacity on monitoring and analysis of the challenges on water and sanitation in the countries.

It is also evident that achieving the end goal of IMI-SDG6 can only be achieved gradually and through a dedicated and close cooperation and support to the countries. This obviously not possible to do at the same time with all the 193 member states.

IMI-SDG6 should therefore opt for a phased approach where it's possible to cooperate closely with countries and achieve results over a four-year period. Therefore, the Steering Committee with assistance from TAU should set up criteria for selecting a first cohort of 25 - 30 countries with which IMI-SDG6 would focus the support on integrated monitoring and mainstreaming of SDG 6 data into strategies, plans and policies. This support should include capacity building on improving the quality of the data collected, identifying data gaps and strategies for closing them, assistance with refining the alignment of national indicators with SDG 6 indicators, reviewing the capacity of the overall focal point in particular in terms of institutional capacity. There is some indication that overall focal points placed in units responsible for overall planning, budgeting or overseeing the area of water and sanitation have greater capability of facilitating coordination, mobilising the technical focal points and the focal points from national statistical offices. Furthermore, they might be mandated to report upwards on progress and participate in government sector review and investment processes. Furthermore, the support should focus strongly on develop, capacitate and disseminate guidance in setting up coordination mechanisms and give active capacity development on translating data to policies.

The criteria for selection these focus countries should be:

- a. Expressed interest from the government.*
- b. Good performance on intersectoral coordination and monitoring. IMI-SDG6 estimate that there are 15-20 countries that have an intersectoral monitoring team in place. The 45 countries that have a complete and confirmed set of overall and technical focal points and the 30 countries that were contacted for the 2020 Data Drive.*

The number of focus countries should be scaled up in phase IV and there should be a strategy or procedure for phasing countries out when they have reached a certain level of maturity. A very rough target for IMI-SDG6 could be to have supported around 50 countries when reaching 2030.

The experience and good practice should be documented, shared in various ways and disseminated on the UN-Water website and relevant global, regional, and high-level events.

The Management partially agrees with the recommendation. This recommendation is insightful and speaks to challenges faced by IMI as it moves into its third phase and increasingly turns its attention to the two stated Outcomes and to its long-term impact and sustainability.

Although Management readily acknowledges that the uptake of data at country level, and more so its holistic use, has not been achieved, we feel the need to point out that, by design, the Initiative is accountable only to the Output level. Achievement of the Outcomes is somewhat beyond the zone of influence of IMI and will only happen with inputs from other entities and, in particular, of the countries themselves. That said, there is little argument that the sustainable achievement of several of the Outputs will be difficult if we spread ourselves too thin.

The need to find an effective and financially feasible model for more intensive country support is one of the primary objectives of the Country Engagement Working Group. In addition to the functions mentioned under previous recommendations, the WG will make recommendations for how IMI can support countries and the role, criteria, and modalities for possible intensive support to groups of 'Focus Countries'. The WG will also put together a draft list of possible groups of Focus Countries. Those countries may however at least partially differ between indicators, and may be selected following criteria different from those listed in the Recommendation. Furthermore, additional resources may be needed for in-depth country level work.

Noting that while good country intersectoral collaboration and use of data is currently far from universal, it does exist in a number of places. One supporting activity that IMI will be undertaking during Phase 3 will be case studies of these more successful countries looking at their models and mechanisms for intersectoral collaboration.

Recommendation 7

The Steering Committee and UN-Water should analyse the option of using the new UN country coordination structure to reinforce the anchorage of IMI-SDG6 at country level

From 2019 the UN coordination has been reformed at the country level. Although it's still new and not consolidated yet, it offers an entry point for IMI-SDG6 via UN-Water to a UN country coordination structure in the UN Country Team chaired by the UN resident coordinator and the resident coordinators office.

The advantage of going through the resident coordinator is that it's the formal entry point for the UN in the country, that the resident coordinator has the mandate of coordinating the overall assistance of the UN in the country and that he/she has an extended mandate to enter into dialogue at the highest level in the country. This means that IMI-SDG6 would get political leverage which is important for phase III and would get an opportunity to mobilise funds at country level as the SGD 6 would get increased visibility through the resident coordinator's attention. UN-Water has offered technical assistance on water to the resident coordinators and has been working with a couple of them for some time. So, in these countries there is an experience and interest to build on.

Following the principle of flexibility, it could be an option to place a coordinator in the resident coordinators office who would liaise with the overall focal point and be responsible for giving technical support in setting up or strengthening the intersectoral monitoring team and who would liaise with the custodian agencies and assist in the coordination of SDG 6 monitoring and reporting issues in the UN country team. This coordinator could be contracted fulltime or part-time in countries with which UN-Water is already cooperating and/or where there is not obvious solution for having this kind of coordinator placed with a custodian agency.

The Management partially agrees with the recommendation. The reform of the United Nations sustainable development system over the past several years has been a crucial step toward more streamlined and effective support of the UN system to countries around the world. And it is clear that any engagement with countries by UN headquarters institutions must be in collaboration with and in support to UN Resident Coordinators Offices (RCOs) and Country Teams (UNCTs). In addition to being a requirement of working in the UN system, collaboration with the country coordination structures will present a key opportunity for accessing country government policy and decision-making processes at the appropriate level.

During Phase 3, IMI-SDG6 will work closely with the UN country coordination structure to optimise its support to countries, in particular to the Focus Countries mentioned above. Potential areas of collaboration (to be further identified by the Country Engagement Working Group) will be identification of overall focal points, engagement in Common Country Analyses and Cooperation Frameworks, and national target setting.

It must be noted, however, that the new country coordination structure is still in its early days, and many RCOs are lacking in capacity to engage specific SDGs, SDG 6 included. Engagement with RCOs/UNCTs during Phase 3 of IMI-SDG6 should be therefore approached carefully and selectively and expectations should be held in moderation.

The proposal to embed SDG6-specific capacity within multiple RCOs, although understandable as a means to improve their capacity, does not appear to be feasible at this time, and is probably without precedent. UN-Water may however wish to examine ways to engage strategically with the Development Coordination Office either globally or regionally.

Recommendation 8

IMI-SDG6 should seek partnerships at the country level with like-minded organisations to consolidate the anchorage at country level and make use of in country experience and networks

As countries and regions are different and work on water and sanitation is organised in different ways, there is no one size fits all, so IMI-SDG6 approach to creating partnerships should be flexible and capitalize on the strong points that each

region and country offer. The partnerships would therefore depend on the country context but could be with a variety of organisations i.e. Cap-Net, AMCOW, GWP or others.

On the African continent AMCOW should continue to be a key partner because of the WASSMO monitoring program and the opportunity to access African Heads of State.

GWP has partnerships with organisations in 179 countries. Although the focus of GWP is IWRM the partners are also working with government on capacity on monitoring and reporting on the SDG 6. Some custodian agencies especially UNEP has already wide experience in working with GWP and GWP is open to strengthen the partnership with IMI-SDG6 in general. The advantage of a partnership with GWP is that it has presence in the country, close cooperation with relevant government institutions and wide knowledge in the water sector. Partnerships would help IMI-SDG6 to have anchorage and entry points in the country. The partnership could be direct or via contracting as UNEP has done several times.

The Management agrees with the recommendation. To date, IMI-SDG has worked very closely with a number of regional and global organisations, most notably GWP, UNDP, AMCOW, and the UN regional commissions, and we note the potential of partnership with DCO. It is clear that these organisations add value through their capacity, expertise, networks, and in some case, their political mandate through signatory Member States.

As IMI moves to more intensive engagement at country level, it acknowledged that the in-country presence and capacity of the eight IMI partner agencies varies considerably (as does the capacity of the RCOs/UNCTs). Strategic engagement with partner organisations will be key, and IMI is committed to working with them wherever appropriate.

However, at this time it is worth highlighting that each partnership must have clear objectives and clear roles for each partner, and there should not be partnerships just for the sake of partnerships. This is particularly important considering the narrow niche represented by country-level water and sanitation monitoring and policymaking. There are probably relatively few organisations who can add value in this area, and their role may be very country specific. Partnership is therefore likely to be at the country level rather than a blanket MoU agreement. IMI will conduct an analysis of relative strengths and potential contributions of other organisations, in particular of UN-Water Member and Partner organisations, to identify most strategic opportunities for engagement. It is noted also that partnerships will be additionally important in Phase 4 of IMI-SDG6.