

**INDEPENDENT EVALUATION OF
LESSONS LEARNED FROM DELIVERING AS ONE**

DRAFT FINAL REPORT

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MAIN REPORT

10 April 2012

N.B.: This draft final report has been prepared by the International Evaluation Team composed of consultants for the consideration by the Evaluation Management Group. It is circulated among stakeholders, who have been involved in the evaluation process, for factual validation of the evidence and consultation on lessons learned. The draft has not been edited to publication standards. Some of the annexes are not complete and subject to further updating.

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ACRONYMS AND ABBREVIATIONS

CEB	Chief Executives' Board for Coordination
CET	Core Evaluation Team
CLE	Country Led Evaluation
DaO	Delivering as One
DOCO	Development Operations Coordination Office of UN
DP	Development Partner
ECOSOC	Economic and Social Council
EFW	Expanded Delivering as One Funding Window for Achievement of the Millennium Development Goals
EMG	Evaluation Management Group
FTOR	Framework Terms of Reference
HLCM	High Level Committee on Management
HLCM	High Level Committee on Programmes
HQ	Headquarter
IADG	Internationally Agreed Development Goals
IE	Independent Evaluation
JP	Joint Programme
M&A	Management and Accountability
M&E	Monitoring and Evaluation
MDG	Millennium Development Goal
MPTF	Multi-Partner Trust Fund
NGO	Non-governmental Organisation
NRA	Non-resident UN Agency
ODA	Official Development Assistance
OMT	Operations Management Team
OP	Operational Paragraph
QAP	Quality Assurance Panel
QCPR	Quadrennial Comprehensive Policy Review on Operational Activities for Development
RC	Resident Coordinator
RCO	Resident Coordinator's Office
RDT	Regional Directors Team
SWC	(High Level Panel on) System Wide Coherence
TCPR	Triennial Comprehensive Policy Review on Operational Activities for Development
TOR	Terms of Reference
TWC	Tripartite Working Committee
UN	United Nations
UNCT	United Nations Country Team
UNDAF	United Nations Development Assistance Framework
UNDAP	United Nations Development Assistance Plan
UNDESA	United Nations Department for Economic and Social Affairs
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNEG	United Nations Evaluation Group
UNICEF	United Nations Children's Fund

EXECUTIVE SUMMARY

1. Background to Delivering as One

1. The Delivering as One (DaO) approach emerged from a process of intergovernmental decision-making concerning operational activities for development of the UN system. Resolutions of the Triennial Comprehensive Policy Review (TCPR) of operational activities for development of the United Nations system (TCPR resolutions) adopted in 2001, 2004 and 2007 called for a strengthening of the UN development system, and DaO initiatives can be considered as attempts to respond to these provisions on a pilot basis. The 2005 World Summit Outcome Document suggested approaches to make the United Nations development system more coherent, effective and relevant. Member States recommended implementation of operational reforms aimed at strengthening the results of UN country activities through such measures as an enhanced role for the senior resident official, whether special representative, resident coordinator or humanitarian coordinator, and a common management, programming and monitoring framework. The General Assembly invited the Secretary General to launch work to further strengthen the management and coordination of the United Nations operational activities and to make proposals for consideration of Member States for more tightly managed entities in the field of development, humanitarian assistance and the environment.

2. In response to these recommendations from Member States, the Secretary General appointed a High-Level Panel (HLP) on UN System-Wide Coherence in the Areas of Development, Humanitarian Assistance and the Environment; which finalized its report, entitled “Delivering as One” in November 2006. One of the key recommendations of the HLP was that the UN system should “Deliver as One” at country level. In the vision of the HLP, this would include the adoption of the “Four Ones”, namely One Leader, One Programme, One Budget and, where appropriate, One Office. This proposal was conceptualized within the framework of enhanced progress towards the MDGs and other internationally agreed development goals. The HLP report also contained far-reaching proposals with regard to new governance and funding arrangements at central level to support a DaO approach. Although the recommendations of the Panel were not accepted by Member States, they catalysed the adoption of resolutions on system-wide coherence in 2008, 2009 and 2010.

3. At the end of 2006, the Secretary-General formally announced the selection of the eight countries that had volunteered to pilot the DaO approach. These were Albania, Cape Verde, Mozambique, Pakistan, Rwanda, Tanzania, Uruguay and Viet Nam. The Secretary-General requested the Chair of the United Nations Development Group (UNDG) to lead an effort with the Executive Heads of the UNDG to move forward with the “One United Nations” initiative based on the interest expressed by programme

countries¹. The purpose of these pilots was to allow the UN system, in cooperation with host governments, to develop approaches that would enhance its coherence, efficiency and effectiveness at country level and reduce transaction costs for national partners; as well as to provide an opportunity to test different approaches to see what works best in various country situations.

4. Representatives of the governments of the eight pilot countries, as well as of other countries that had voluntarily adopted the DaO approach, met in Maputo (Mozambique) in 2008, in Kigali (Rwanda) in 2009, in Ha Noi (Viet Nam) in 2010, and in Montevideo (Uruguay) in 2011 for exchanges of experiences and lessons learned; and to consider the way forward. In 2007, the United Nations Evaluation Group (UNEG) conducted evaluability assessments of the DaO pilots and in 2010, seven of the eight pilot countries (Albania, Cape Verde, Mozambique, Rwanda, Tanzania, Uruguay and Viet Nam) conducted extensive country-led evaluations (CLEs).

2. The Independent Evaluation of Delivering as One

5. The Independent Evaluation was mandated by General Assembly resolution 64/289 (OP 21) of 2 July 2010 on system-wide coherence. The original mandate of the independent evaluation was contained in General Assembly resolution in the 2007 TCPR resolution (62/208, OP 139). The evaluation is conducted in accordance with the Note of the Office of the Deputy-Secretary-General of 21 May 2010 on the ad-hoc arrangements for the Independent Evaluation of the Delivering as One (DaO) pilot initiative, to which reference is made in General Assembly resolution 64/289.

6. The overall *objective* of the Independent Evaluation is to assess the contribution and value added of the Delivering as One approach and to draw lessons learned for the UN system as a whole. In terms of the *scope* of the evaluation, it covers the period from 2006 (the year before DaO started) to 2011 and is mandated to assess:

- *The voluntary DaO initiatives* in the eight pilot countries
- *Progress, processes and context*, as well as *lessons learned* from pilot experiences; and remaining challenges to use the DaO approach;
- *Systemic issues* of UN reform related to or triggered by the DaO approach at headquarters, regional and country levels.

¹ Letter from the Secretary General to the Chair of the UNDG of 22 November 2006

7. In assessing the overall progress of DaO, the evaluation has used the criteria of relevance, effectiveness, efficiency and sustainability.

3. Methodology

3.1 Establishing an Evaluation Framework for Delivering as One

8. Since there was no agreed common framework of how DaO should be implemented, it was first necessary to establish a basic model against which to assess its effects at country and wider systemic levels.

9. According to the framework developed the UN system faced four specific challenges at country level. The first was posed by various types of *duplication* and overlap. For example, it was common to find different Agencies in any country performing similar roles. The same issue could be addressed in the same country by several Agencies, often without consultation with each other; and with varying concepts or approaches. This obliged the same set of national beneficiaries and institutions to adapt to several different operational and conceptual modalities, all focused on the same issue. This presented a picture of incoherence and lack of coordination to Government, donors and other stakeholders; and added to the transaction costs of partners of the UN system.

10. The second challenge was widely referred to as *fragmentation*. This again had several dimensions. In the first place, the UN in any country appeared to have as many leaders as there were Agencies, with minimal attempt to prepare or deliver common positions on issues affecting the country. The UNDAF as a programming instrument did not prevent fragmentation of activities between Agencies, since it was not linked to budgetary frameworks and funding. Programmes continued to function within agency specific accountability frameworks, contributing to the overall “fragmented” approach of implementation of UN assistance at country level. This made it difficult to assess either the *efficiency* or *effectiveness* with which the UN system managed resources to support national development priorities.

11. The third challenge (related to the previous two) at country level was that of competition for funds. The combination of decentralisation of funding responsibilities of some donors to country level and stagnating UN core resources, placed pressure on agencies to mobilize much of the resources for country programmes locally. Agencies often competed with each other to gain funding for their programmes.

12. The fourth challenge can be seen as a natural outcome of the first three. The UN system lost much of its capacity to develop and implement strategic approaches, and was seen to lack focus on complementarity and coherence.

13. Having defined the challenges, which DaO was intended to resolve, the Evaluation then set out to compare what was done at country level, and the results this produced, with a simple “Theory of Change,” which set out how the “Four Ones” were intended to work.

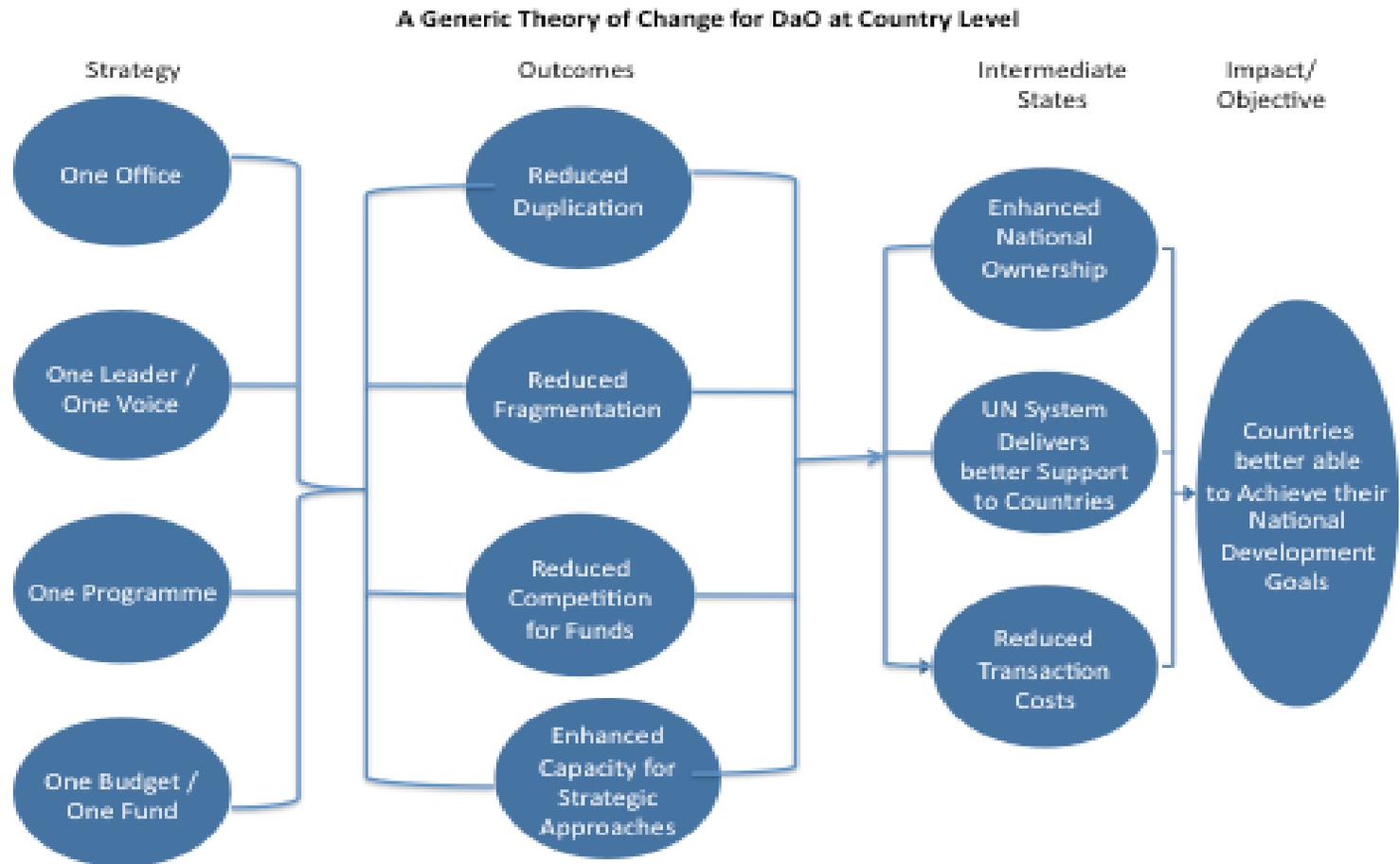
3.2 A Theory of Change of How DaO Should Improve UN Delivery at Country Level

14. The Theory of Change (see Figure 1) shows the pathway along which the pilot countries were intended to move in order to achieve the ultimate objective (impact) of being better able to address their National Development Goals. The Theory shows the measures, which the UN system would need to take at country level to address its four key challenges and move towards the objective. These challenges were duplication, fragmentation, competition for funds and weak capacity for strategic approaches. In order to overcome them, the DaO approach adopted four strategies, namely the “Four Ones” of One Office, One Leader, One Programme and one Budget/Fund. The application of these strategies was intended to contribute towards four outcomes; namely reduced duplication, reduced fragmentation, reduced competition for funds and enhanced capacity for strategic approaches.

15. The outcomes would not in themselves deliver the ultimate objective (impact) of countries being better able to achieve their National Development Goals. Before this could be reached, another level of effects of DaO would need to be attained. These effects are referred to as “Intermediate States”, since they would be delivered by successful outcomes, which would together move the pilot countries towards the intended impact. Three major Intermediate States were identified, namely enhanced national ownership, UN system delivers better support to countries and reduced transaction costs. If these are all adequately attained, they will strongly promote achievement of the objective (although they may not be sufficient for its attainment).

16. The underlying methodological approach of the evaluation was therefore to evaluate how far along the pathway the pilot countries as a set have travelled, by assessing the achievements of the strategies in terms of outcomes and progress towards the Intermediate States.

Figure 1: How DaO should Contribute towards its

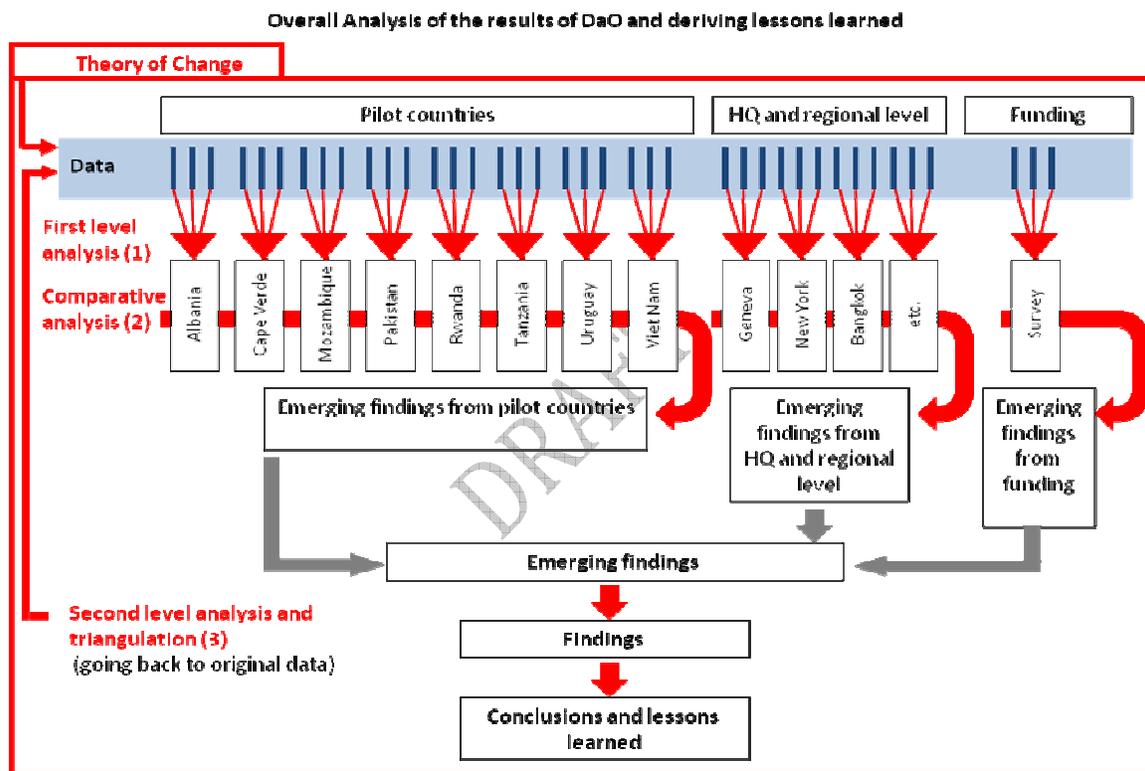


Objective

3.3 Data Collection and Analysis

17. This Theory of Change approach formed the basis for the overall methodology of the evaluation. It was a key element in generating the guidelines used for data collection at country (and other) levels and was a core element in the process of analysing what was done, why and with what results within and across countries. The overall approach used for data collection and analysis is shown in Figure 2 below.

Figure 2: Data Collection and Analysis Processes of the DaO Evaluation

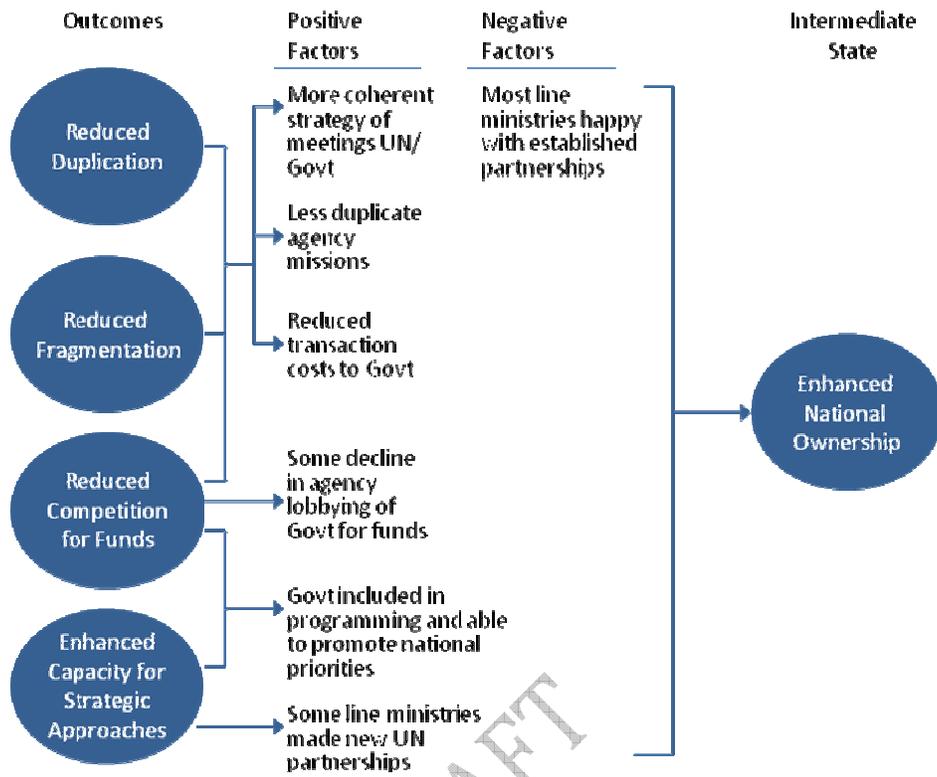


4. Key Findings on the Progress of Delivering as One

18. The evaluation first assessed to what extent the four outcomes have contributed towards the three Intermediate States, on the way towards the intended impact of DaO. The first of the three is enhanced national ownership and the achievements and contribution of the outcomes towards this are examined in Figure 3 below.

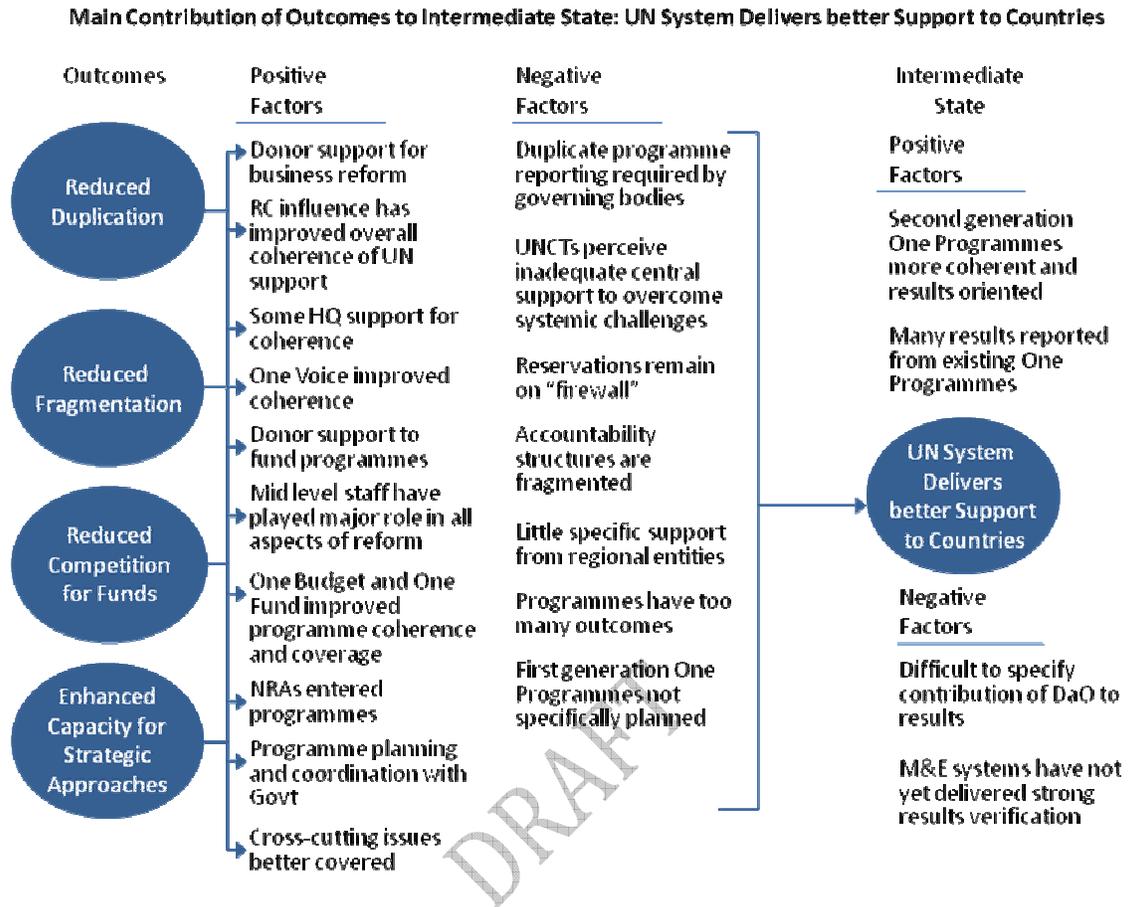
Figure 3. Contributions Towards Enhanced National Ownership

Main Contribution of Outcomes to Intermediate State: Enhanced National Ownership



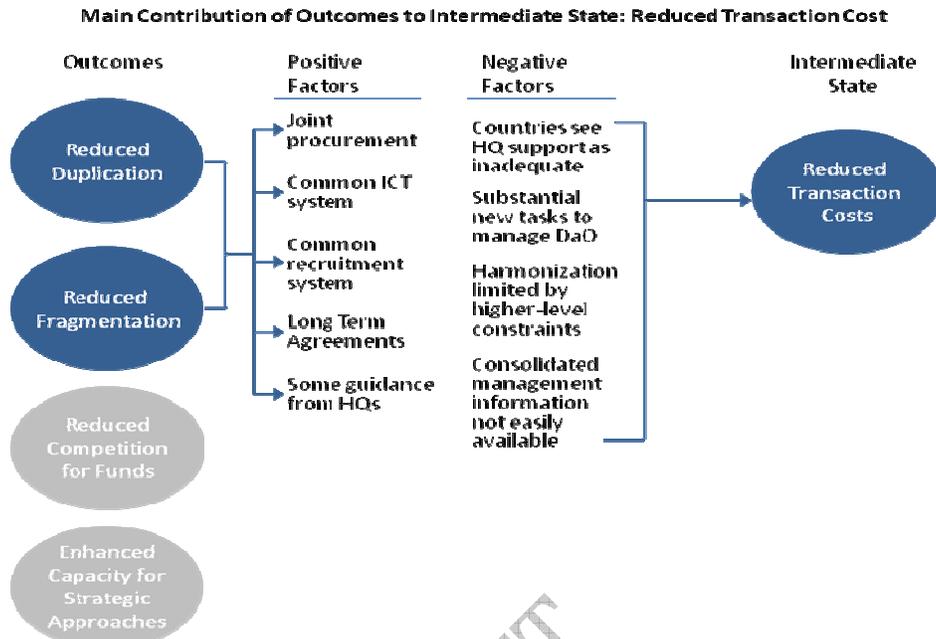
19. Contributions of the four outcomes towards the second Intermediate State, UN system delivers better support to countries, are shown in Figure 4 below.

Figure 4: Contributions towards UN System Delivers Better Support to Countries



20. Contributions of the four outcomes towards the third Intermediate State, reduced transaction costs, are shown in Figure 5 below.

Figure 5: Contributions towards Reduced Transaction Costs



21. The above findings show that the four strategies have made varied levels of progress towards achievement of the three Intermediate States. The evaluation analysed and assessed this evidence, in order to draw conclusions, which are presented below.

5. Conclusions

5.1 Progress of the Four Strategies

22. It is concluded that the strategies One Programme, One Leader (with One Voice), and One Budget/Fund all achieved a moderate level of progress; having a number of strengths, which were challenged by countervailing weaknesses (See Table 1). The One Office strategy made little progress. Despite major efforts by UNCTs and staff and some notable achievements, the countervailing weaknesses were substantial; and showed the limits of the reforms that Country Offices can achieve without necessary reform “higher” up the UN system.

Table 1: Level of Progress of the Four Strategies

Strategy	Strengths	Weaknesses	Level of Progress
One Programme	<p>Coverage of cross-cutting issues improved Programmes have delivered results More coherent programmes Larger assistance programmes than pre-DaO NRAs able to participate at higher level according to country need Learning experience and second One Programmes better designed. Trend from Joint Programmes to Joint Programming Lowered transaction cost to Govt.</p>	<p>First One Programmes largely retro-fitted Some Joint Programmes too many partners and outcomes to manage High number of small-scale activities High transaction cost to UNCT M&E not yet able to capture additional development results from “jointness” or participation in DaO</p>	Moderate
One Leader (One Voice)	<p>Increased coherence among Agencies Helped UNCT coordinate One Programme Strengthened collaboration with Government. RCO provided assistance to resident and non resident agencies through human and other resources One Voice improved coherence of communications within and outside UNCT; especially to Govt Agencies gained external profile through critical mass Helped internal “buy-in” to DaO</p>	<p>Agencies remain accountable to own Governing Bodies Little horizontal accountability in UNCT Unequal accountability RCO-UNCT</p>	Moderate
One Budget/Fund	<p>Some increased flexibility for Government & UNCT Enabled NRAs and small Agencies to participate.</p>	<p>Overall, One Programme still heavily reliant on non-core funds Sustainability of One Fund levels in question</p>	Moderate
One Office	<p>Progress in common services Economies of scale Improved services</p>	<p>No harmonised rules and regulations Common measures of transaction costs not used No consolidated cost data to enable assessment of savings Operational costs remain high Staff time use to generate savings very high Only few common premises</p>	Little

5.2 Progress towards the Four Outcomes

23. Table 2 below gives an overview of the level of progress made towards the four outcomes, placed in the context of the challenges, which the DaO pilots sought to address. This assessment is made with reference to the findings presented earlier.

24. Progress towards the outcomes, “reduced competition for funds” and “enhanced capacity for strategic approaches” has in both cases been moderate; with notable achievements challenged by weaknesses. Overall, it is concluded that there has been relatively little progress towards “reduced fragmentation” and “reduced duplication”. This relates to the weaknesses noted above in the “One Programme” and “One Office” strategies.

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Table 2: Level of Progress of the Four Outcomes

Outcome	Strengths	Weaknesses	Level of Progress
Enhanced capacity for strategic approaches	Inclusion of broader range of Agencies enables more strategic approach, related to stated country needs. First generation One Programme coordinated with Government. Second generation One Programmes, jointly planned by Agencies and Government. One Voice ensures better communication among Agencies and with Government, assisting more strategic approaches.	Desire to maximise inclusion of Agencies and partners has sometimes reduced strategic dimension.	Moderate
Reduced competition for funds	Improved programme coherence has reduced competition for funds. One fund helped NRAs and smaller Agencies compete for place in programmes. Governments report less “lobbying” for individual agency projects.	Reservations remain on funding implications of “firewall.” Most programmes still highly dependent on Agency non-core funding.	Moderate
Reduced duplication	Joint procurement procedures. Common ICT systems. Common recruitment systems. Joint programming introduced to reduce duplication.	Inadequate HQ support. Incompatible regulations and procedures prevent some desired reforms. Duplicate reporting required by Governing Bodies and Boards.	Little
Reduced fragmentation	Long term supplier agreements. More coherent programmes. Joint programming introduced to reduce fragmentation.	Slow decisions from HQs. Some Joint Programmes fragmented by excessive number of agencies and partners. Programmes fragmented into excessive number of outputs or outcomes. Accountability structures fragmented.	Little

5.3 Progress towards the Three Intermediate States

25. Progress towards the three Intermediate States (enhanced national ownership, UN system delivers better support to countries and reduced transaction costs) is analysed in Table 3 below. Based on the findings presented above, enhanced national ownership is an area of strong progress. This is evident both from enhanced procedures to involve Government in programming, planning and management; and from the perceptions of Government stakeholders. With regard to the UN system delivering better support to countries, it is clear that there have been many achievements, particularly through lessons learned by the pilot countries in the first One Programme and incorporated into design of the second. These achievements have been sufficient to strike an even balance with the many weaknesses also noted at this level. It is concluded that there has been little progress in terms of reduced transaction costs; where a set of strong weaknesses have offset the gains that have been noted in this report.

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Table 3: Progress Towards the Three Intermediate States

Intermediate State	Strengths	Weaknesses	Level of Progress
Enhanced national ownership	<p>Governments report stronger ownership of their UN programme under DaO.</p> <p>Governments were more widely consulted under the first One Programmes than before DaO.</p> <p>In the second generation of One Programmes, Governments have been closely involved in planning processes and will play a major role in management.</p> <p>Central coordinating ministries are chief Government drivers and beneficiaries of DaO.</p> <p>Some Line Ministries made new partners under DaO, particularly through the catalysing effects of the One Fund on NRAs and Agencies.</p> <p>DaO has been built on a strong tri-partite alliance between Government, the UN system and donors.</p>	<p>Line Ministries mostly had well-established relationships with specific UN partners and have gained less than Central Ministries from DaO.</p> <p>The tri-partite alliance between Government, the UN system and donors needs to be strongly maintained if DaO is to continue its progress. However, it is not clear that all of the key donors will be in a position to continue at the same level of support as to date.</p>	Strong
UN system delivers better support to countries	<p>First generation One Programmes responded to country priorities, but largely by retro-fitting planned activities into a modified framework.</p> <p>One Programmes produced results, particularly in the area of cross-cutting issues.</p> <p>Second generation One Programmes have been conceived and planned with Government and have tried to have strong strategic focus; often with little or no emphasis on Joint Programmes.</p> <p>Some countries have concluded, based on the experience of their first One Programme, that it will be more strategic and effective to have Joint Programming rather than Joint Programmes.</p> <p>The One Budgetary Framework has been an important innovation, allowing UNCTs to present all planned and costed programme activities in one place, together with available and expected funding resources, including the One Fund.</p> <p>The additional financial resources</p>	<p>First generation One Programmes faced challenges to balance the desire for inclusiveness with the need for strategic focus; particularly with regard to Joint Programmes.</p> <p>Joint Programmes and One Programmes as a whole had numerous and complex outcomes, which were difficult for M&E systems to address.</p> <p>Little firm evidence of the difference between DaO results based on One Programme and “normal” UN business approaches.</p> <p>Although second generation One Programmes have more developed M&E systems, it is not clear that there will be adequate M&E specialists and field monitoring to make them effective.</p> <p>Although Governments and UNCTs have been able to rationalise their programming processes with the Funds and Programmes through the</p>	Moderate

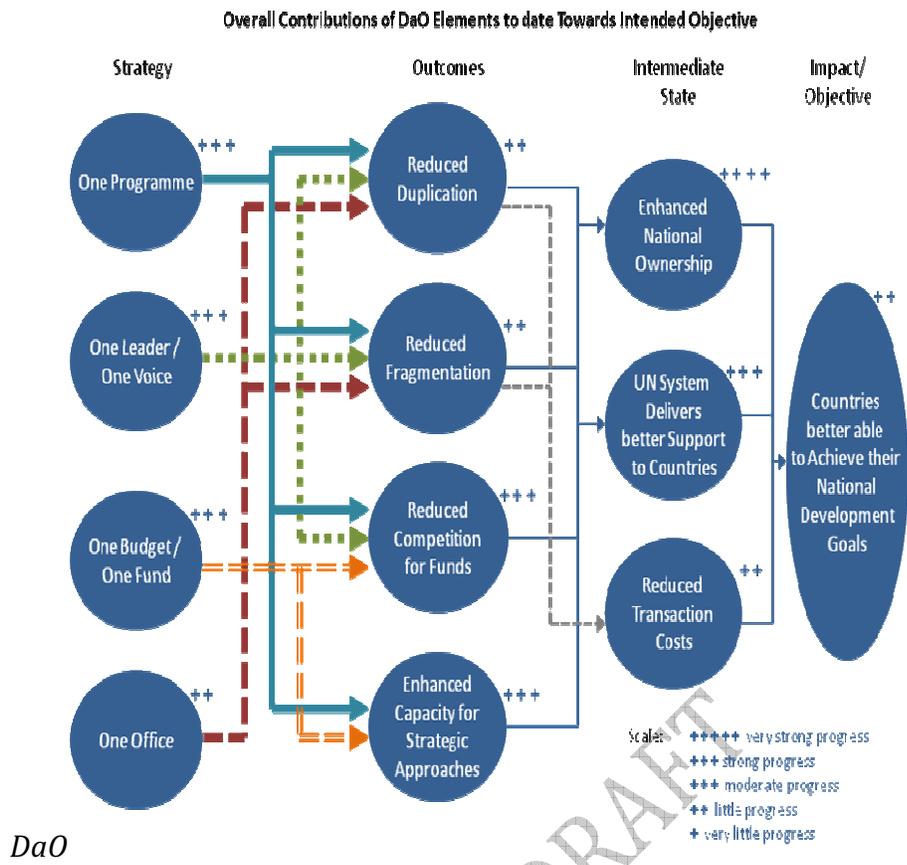
	<p>from the One Fund have enabled a broader range of Agencies to collaborate.</p> <p>Several donor countries have supported pilots through the One Fund: and sometimes through funding the RCO or the reform process, or seconding staff. Donors have also supported system level structures such as DOCO and regional UNDG teams.</p> <p>Pilot countries have sought to enhance leadership role of RC and mutual accountability with UNCT: e.g., through Codes of Conduct. Common ownership of RC system has been strengthened, assisted in particular by appointment of UNDP Country Directors.</p> <p>“One Voice”, implemented in most pilots, has provided greater coherence in advocacy and policy dialogue; as well as increased visibility and strengthened UN identity and culture among staff.</p> <p>National and international mid-level staff have played a critical role in the innovation of many processes, in the programming and operational areas. Most UN Agencies have become more active in system-wide coherence efforts during the DaO pilot period; usually as one element of their engagement in wider UN reform processes.</p> <p>Most UN organisations have made special efforts to support the country pilots and broader DaO processes. UNDG and other high level bodies have provided significant support to the DaO pilots and broader system-wide coherence efforts. Conversely, the pilot experiences have provided important inputs into system-wide reform.</p>	<p>preparation of Common Country Programme Documents, Executive Boards have approved these separately.</p> <p>Accountabilities between RC and UNCT not yet reciprocal: (whilst RC is assessed by UNCT, reverse is not true).</p> <p>Reservations still remain concerning effectiveness of “firewall”.</p> <p>Realisation of the DaO concept is challenged by predominance of agency-specific accountability at all levels.</p> <p>Support to pilot countries by Agency regional offices and UNDG Regional Teams was little more than that provided to other countries.</p>	
<p>Reduced transaction costs</p>	<p>Some efficiency gains for UN system in country through expansion of common business practices. Governments note reduced transaction costs: reduced mission duplication and in-country meetings. Some donors report reduced transaction costs through less in-country meetings.</p> <p>HQ of Agencies and the System have issued substantial guidance.</p>	<p>Compared with overall costs of UN operations, savings in transaction costs to date are modest.</p> <p>Processes to generate reduced transaction costs among UN Agencies are themselves time consuming, and therefore costly. RCs and UNCTs report insufficient support from HQ levels to meet their needs in a</p>	<p>Little</p>

		<p>timely fashion. DaO has not resulted in consolidated management information and it is difficult to gain an accurate aggregate picture of the effects of DaO on finances and business practices.</p>	
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5.4 Progress towards the Objective of DaO

26. The long-term objective to which DaO hopes to contribute is that countries should be better able to achieve their national development goals. There has been little progress towards this objective to date. This is to be expected, since such an objective could easily take decades to achieve; particularly when it is borne in mind that even the total UN development system is but one player amongst many in the countries concerned. Although specific gains, have been made in most countries, these are small in comparison with the development challenges faced. Furthermore, it is clear that the One Programme, which is a critical element of the results chain, was a substantial learning exercise and challenge in all pilot countries. All maintain that the second One Programme, which is either in preparation or has recently started, will be better than the first. Some have completely changed the approach, from one based on Joint Programmes to another based on Joint Programming. The contribution of such changes to countries’ ability to achieve their national development goals is in its early stages. The overall contribution of the various elements of DaO and of the process as a whole to the intended objective is summarised in Figure 6 below.

Figure 6: Progress and Contributions Towards the Objective of



5.5 Performance of DaO Against the Evaluation Criteria

Table 4: Overview of Performance against the Evaluation Criteria

Evaluation Criterion	Corresponding Intermediate State	Progress /Rating	Key Factors
Relevance	Enhanced national ownership	Strong	Govt. perceptions. Increased Govt. involvement in UN planning and programming processes.
Effectiveness	UN system delivers better support to countries	Moderate	Strong alliance between UNCT, Govt. and donors Main increase in effectiveness not from first One Programme, but expected from second One Programme. These just started or in preparation. Weak M&E results on specific effectiveness of DaO. One Budgetary Framework and Fund improved funding effectiveness, but future of DaO additional funding uncertain. One Leader improved coherence, but no authority over UNCT, in which Agency-specific accountability predominates. Increasing body of guidelines on such reform processes as One Programmes (but not unique to DaO).
Efficiency	Reduced transaction costs	Little	Some efficiency gains through expansion of common business practices and reduced duplication System guidelines on procedures and processes Staff costs to achieve gains very high Necessary high level decisions not taken in timely fashion No consolidation management or financial information on DaO
Sustainability	Nil	Moderate	Mixed performance of DaO on the other three Evaluation criteria reduces prospects of sustainability Strong commitment by “champions” of DaO among UNCTs, pilot country Govts, donors, some high level UN system bodies and some Member States provides positive support for sustainability

Based on the assessment of the overall performance of DaO provided above, it is now possible to provide ratings against the four evaluation criteria, as shown in Table 4 below.

6. Lessons Learned from the DaO Pilot Experience

27. As shown below, lessons learned from the DaO pilot experience are classified at four levels, according to the level of the UN system to which they relate.

6.1 What has been learned by / from the DaO experience? *Lessons concerning the performance of DaO at country and systemic levels*

Lesson 1: Voluntary adoption of the DaO approach by national Governments of programme countries has greatly contributed to their ownership and leadership of the reform process.

Lesson 2: The DaO pilot process has shown that the UN system is able to tailor its country level presence to respond to the specific needs and priorities of very different countries, including Least Developed and Middle-Income Countries.

Lesson 3: The DaO approach is found to enable Members States to gain enhanced access to the range of expertise and resources of the UN system for the purposes of their development agendas.

Lesson 4: The DaO pilots have shown that there are limits to what can be achieved with voluntary coordination through existing systems, which are very diverse. Given the fact that each UN organization has its own governance structure, mandate and culture, individual agencies remain the primary unit of account for performance and management.

Lesson 5: DaO allows the UN system to more adequately address cross-cutting issues in developing countries with the added benefit of enhancing its ability to support the Governments on other multidisciplinary development issues (e.g. poverty, child mortality or local governance).

Lesson 6: The DaO experience has shown that the promotion of gender equality and women's empowerment can be effectively pursued with full management commitment, adequate staff incentives and monitoring of results.

Lesson 7: While other UN reform initiatives have focused on specific aspects of programming, funding, management and accountability, the uniqueness of DaO is that it considers all these aspects in an interlinked package composed of "the Four Ones".

Lesson 8: The One Budgetary Framework / One Fund approach has enabled the government leadership role and fostered a close interaction between Governments, donors and UN agencies

at the country level throughout the resource management cycle. In this way, it has ensured a better alignment with and more flexible responses to national priorities. It also offers some potential to reduce donors' preference for earmarked funding.

Lesson 9: UNCTs, with the support of RCOs, in pilot countries are approaching the limits of what can be achieved in terms of reducing transaction costs and increased efficiency through country level innovations.

Lesson 10: Only significant systemic change could make country level coordination easier and cheaper.

6.2 What has been learned about issues that require decision-making by UN organizations, drawing on existing TCPR/SWC mandates, which would have enabled further advancement? *Lessons concerning the performance of DaO, which would need to be addressed at the level of CEB/HLCM/HLCP/UNDG, drawing on existing TCPR/SWC mandates.*

Lesson 11: There is currently a lack of clarity and shared vision among UN organizations and stakeholders concerning the desirable extent of integration and how it can best be achieved, including on how coordination is perceived and approaches to enhance coordination.

Lesson 12: The One Programme has not led to one line of accountability and this has implications for the measurement of performance, which remains primarily within organisations.

Lesson 13: There must be clear and transparent accountability for the contribution of the results of the "One Team", combined with incentives to all involved UN staff, if the current levels of motivation around Delivering as One are to be maintained.

Lesson 14: On numerous occasions, localised "solutions" have been found to present management challenges at corporate levels. Whilst solving one issue, new approaches have often created a countervailing challenge at corporate level, where efficiency is characteristically achieved through standardization, rather than through the acceptance of diversity. Since so many high level systemic elements have not been changed, the marginal cost of enhanced coordination at country level is increasing. Only significant systemic change could make country level coordination easier and cheaper.

Lesson 15: There is currently an unintentional and undesirable side effect of the principle "One Size Does Not Fit All", in that UN system-wide transparency in terms of financial data beyond the One Fund cannot be achieved under the current approach to DaO documentation. While the approach has been productive in giving space for experimentation in the pilot countries, if it were to be more widely adopted, the UN system would need to evolve a set of standardised (or at least

easily comparable) operational and reporting tools, including definitions and templates for key elements in country programming, fund management and implementation, covering not only the One Fund but all activities of the UNCT.

Lesson 16: Within the DaO pilots, it has been demonstrated that transferring resources and authority for managing and allocating some unearmarked funds to the country level allows a better and more flexible response to the needs of programme countries. However, as this process has been on a pilot and experimental basis, there have also been shortcomings and flaws. For this new approach to work, the reporting systems covering the activities of the UNCT need considerable strengthening in order to create the conditions for a system-wide approach. This cannot be achieved without support from corporate levels.

Lesson 17: Improvements in country-level accountability and reporting systems of new DaO funding mechanisms are still necessary in order to satisfy expectations of donors.

Lesson 18: The successful application of the concept of working for the system rather than for one agency demonstrated by the role of the MPTF Office for the One Funds offers a model that could be adapted to the broader range of support services that UNDP performs on behalf the UN system.

6.3 What has been learned about what requires reform through the QCPR process and / or in governing bodies of individual agencies? *Lessons concerning the performance of DaO, which would need to be addressed through inter-governmental decision-making through a new QCPR resolution and / or Governing Bodies of individual agencies.*

Lesson 19: DaO has not been fully institutionalized and requires further engagement by inter-governmental structures and processes. One Programme documents, notably Common Country Programme Documents, still need separate approval by the Executive Board of each Fund and Programme, while UNDAF documents are potentially to be considered by the governing bodies of all involved agencies. Member States may wish to explore options to streamline governance procedures to make approval of One Programmes and related mechanisms more efficient.

Lesson 20: The current RC system has serious limitations in terms of the RC's ability to coordinate the UN operational activities and ensure financial transparency. Governing bodies of UN organizations would need to approve considerable modification of their current accountability frameworks if they wished to allow RCs to take full financial responsibility for resources made available through individual agency internal control frameworks and to be accountable for results achieved.

Lesson 21: Funding is a major driver of organisational change and the One Fund has proved an important incentive for agencies to work together. The One Fund is not limited to agencies' mandates and it is also less earmarked and more predictable than other forms of non-core

funding. These characteristics make it a valuable addition to traditional core and non-core funding and give it the potential to address a broader range of the needs and priorities of programme countries than do traditional core and non-core funding, which are limited to those addressed by the agencies mobilizing the resources.

Lesson 22: The DaO pilot experience, including related reform attempts at the systemic level, have clarified the urgent need for inter-governmental leadership and decision-making to insist more vigorously on further simplification and harmonization of business practices. This should encompass the areas of planning, reporting and evaluation, as well as human resource rules and procedures, financial management and reporting, and support services such as procurement and information technology. This will require time and resources, but if adequately supported by the various governance structures, this could catalyse the convergence of key management systems and processes, enabling the development of one corporate vision and approach of the UN system despite its diversity.

6.4 What has been learned about issues that are beyond the DaO experience? *Lessons concerning issues that would require reforms at a yet higher level (e.g. political will of Member States, comprehensive restructuring of governance structures).*

Lesson 23: Although there is a need for more system-wide coherence at the systemic level, it is important to maintain the principle that individual programme countries should be free to choose the approach to their partnership with the UN system that most suits their national priorities and needs.

Lesson 24: In the interest of greater burden-sharing and of ensuring the sustainability and potentially wider dissemination of the approach, it should be considered to expanding its funding base. This would also entail attracting resources from countries outside the traditional donor community, which are in a position to contribute to funding of the UN development system.

Lesson 25: Many stakeholders, in Member States and within the UN system, perceive DaO to be a relatively limited and unambitious reform package. Whilst its efforts at reform are often positively assessed, many stakeholders believe that DaO is not the radical approach required to put the UN system onto a new track in development. They feel that bolder measures should be enacted through discussion and agreement at the highest levels of the system, notably through a concerted vision of reform emanating from Member States.

MAIN REPORT

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1. INTRODUCTION

1.1 Report Structure and Content

1. This report summarises the work of the Independent Evaluation of Lessons Learned from the Delivering as One (DaO) Pilot Countries². The current Chapter introduces the Delivering as One pilot initiative and describes this evaluation, including its methodology.

2. Chapter 2 presents the context of DaO and the way it has been implemented across the eight pilot countries. Chapter 3 discusses the key findings of the evaluation. According to the DAC Glossary³, “A finding uses evidence from one or more evaluations to allow for a factual statement”. Chapter 3 therefore aims to give an empirical account of the eight pilots. Chapter 4 presents the Evaluation conclusions⁴, while Chapter 5 presents the “lessons learned” from the DaO pilots⁵.

1.2 The origins of Delivering as One (DaO)

3. The Delivering as One (DaO) approach emerged from a process of intergovernmental decision-making concerning operational activities for development of the UN system. TCPR resolutions adopted in 2001, 2004 and 2007⁶ called for a strengthening of the UN development system and DaO initiatives can be considered as attempts to respond to these provisions on a pilot basis. The 2005 World Summit Outcome Document⁷ suggested approaches to make the United Nations development system more coherent, effective and relevant. Member States recommended implementation of operational reforms aimed at strengthening the results of UN country

² Throughout this report, the term “Pilot Countries” includes national Governments, UNCTs and all other stakeholders associated with the initiative.

³ “Glossary of Key Terms in Evaluation and Results Based Management” of the Development Assistance Committee of the OECD.

⁴ Conclusions are defined in the DAC Glossary as follows: “Conclusions point out the factors of success and failure of the evaluated intervention, with special attention paid to the intended and unintended results and impacts, and more generally to any other strength or weakness. A conclusion draws on data collection and analyses undertaken, through a transparent chain of arguments”.

⁵ The DAC Glossary defines these as: “Generalizations based on evaluation experiences with projects, programs, or policies that abstract from the specific circumstances to broader situations. Frequently, lessons highlight strengths or weaknesses in preparation, design, and implementation that affect performance, outcome, and impact”.

⁶ General Assembly resolutions on the triennial comprehensive policy review of operational activities for development of the United Nations system (TCPR): A/Res/56/201 adopted on 21 December 2001; A/Res/59/250 adopted on 22 December 2004; A/Res/62/208 adopted on 19 December 2007. The TCPR is a review of operational activities by the General Assembly, which takes place every three years (as from 2012: every four years becoming the quadrennial comprehensive policy review or QCPR).

⁷ General Assembly resolution A/60/1 2005 World Summit Outcome Document.

activities through such measures as an enhanced role for the senior resident official, whether special representative, resident coordinator or humanitarian coordinator, and a common management, programming and monitoring framework. The General Assembly invited the Secretary General to launch work to further strengthen the management and coordination of the United Nations operational activities and to make proposals for consideration of Member States for more tightly managed entities in the field of development, humanitarian assistance and the environment.

4. In response to these recommendations from Member States, the Secretary General appointed a High-Level Panel (HLP) on UN System-Wide Coherence in the Areas of Development, Humanitarian Assistance and the Environment⁸; which finalized its report, entitled “Delivering as One” in November 2006. The out-going Secretary General presented the recommendations of the HLP to the General Assembly in a Note in November 2006⁹ and the in-coming Secretary General analyzed the main recommendations in a formal report in April 2007¹⁰. One of the key recommendations of the HLP was that the UN system should “deliver as one” at country level. In the vision of the HLP, this would include the adoption of the “Four Ones”, namely one leader, one programme, one budget and, where appropriate, one office. This proposal was conceptualized within the framework of enhanced progress towards the MDGs and other internationally agreed development goals. The HLP report also contained far-reaching proposals with regard to new governance and funding arrangements at central level to support a DaO approach. The debate on the recommendations of the HLP among member states revealed wide gaps not only between donor countries and countries of the South, but within each of these groups as well and gave rise to an informal process of debate on system-wide coherence. Consequently, the recommendations of the HLP, although already available at the end of 2006, were not taken into consideration in the deliberations for the TCPR resolution at the end of 2007. The only reference to DaO in the TCPR resolutions of 2007 is in OP 139 calling for a) exchange of lessons learned among pilot countries and b) the independent evaluation.

5. These conceptual debates have contributed to the development and adoption of resolutions on system-wide coherence in 2008, 2009 and 2010¹¹; which have enriched intergovernmental guidance to the UN development system already contained in the 2007 TCPR resolution.

6. At the end of 2006, the Secretary-General formerly announced the selection of the eight countries that had volunteered to pilot the DaO approach. These were Albania, Cape Verde, Mozambique, Pakistan, Rwanda, Tanzania, Uruguay and Viet Nam. On 22 November 2006, the Secretary-General requested the Chair of the United Nations Development Group (UNDG) to lead an effort with the Executive Heads of the UNDG to

⁸ The Panel was composed of high level representatives from many countries, including the serving Prime Ministers of Pakistan, Mozambique and Norway, former Presidents of Chile and Tanzania and other eminent figures from the United Kingdom, Egypt, Canada, Sweden, Belgium, France, the United States and Japan as well as from the UN system.

⁹ Note of Secretary General Kofi Annan to the General Assembly A/61/583 of 20 November 2006.

¹⁰ Report of Secretary General Ban Ki Moon to the General Assembly A/61/836 of 03 April 2007.

¹¹ Resolutions A/RES/62/277 adopted on 15 September 2008; A/RES/63/311 adopted on 14 September 2009; A/RES/64/289 adopted on 30 June 2010.

move forward with the “One United Nations” initiative based on the interest expressed by programme countries¹². The purpose of these pilots as expressed in their documentation was to allow the UN system, in cooperation with host governments, to develop approaches that would enhance its coherence, efficiency and effectiveness at country level and reduce transaction costs for national partners; as well as to provide an opportunity to test different approaches to see what works best in various country situations.

7. As noted above, the total concept of DaO endorsed by the High Level Panel was not adopted by Member States; so that no “unified” definition of the concept exists. Rather, the concept embraced a “menu” of approaches, which could be used, and also added to, in various ways by the pilot countries; in keeping with the view that “no one size fits all”.

8. At the request of the Chief Executives’ Board (CEB) and the High Level Committee on Programmes (HLCP), the United Nations Evaluation Group (UNEG) conducted evaluability assessments of the DaO pilots in 2008; which described and analysed the parameters that would make it possible, at a later stage, to evaluate the results of the DaO pilot initiatives and the processes that led to these results¹³.

9. Representatives of the governments of the eight pilot countries, as well as of other countries that had voluntarily adopted the DaO approach, met in Maputo (Mozambique) in 2008, in Kigali (Rwanda) in 2009, in Ha Noi (Viet Nam) in 2010, and in Montevideo (Uruguay) in 2011 for exchanges of experiences and lessons learned; and to consider the way forward. In addition to exchange experiences and lessons learned, the intention of these meetings was to communicate progress and critical issues of the DaO initiative to concerned parties, so as to mobilize support of programme and donor countries as well as of the broader UN system in order to strengthen reforms, which could help deliver stronger results at country level.

10. In 2010, seven of the eight pilot countries (Albania, Cape Verde, Mozambique, Rwanda, Tanzania, Uruguay and Viet Nam) conducted extensive country-led evaluations (CLEs). These were carried out in accordance with the provision of the 2007 TCPR resolution for “*programme country pilot*” countries to evaluate and exchange their experiences, with the support of the United Nations Evaluation Group” (OP 139). TOR and various interim and draft final products of these evaluations were reviewed by UNEG before they were finalised¹⁴. In the case of Pakistan, instead of a country-led evaluation, a stocktaking exercise took place and the report was prepared in 2010, in consultation between the Government of Pakistan and UN organizations involved.

¹² Letter from the Secretary General to the Chair of the undg of 22 November 2006

¹³ The CEB and HLCP decided at a later stage to suspend the planned evaluation of Delivering as One in view of the fact that the General Assembly had already requested an independent evaluation of the initiatives.

¹⁴ The reports for the CLEs can be found at <http://www.undg.org/index.cfm?P=1292>

1.4 Mandate and modality of the independent evaluation

11. In accordance with General Assembly resolution 64/289 of 2 July 2010 on system-wide coherence, an independent evaluation of lessons learned from Delivering as One (DaO) has been undertaken. The original mandate of the independent evaluation was contained in General Assembly resolution 62/208 (OP 139) adopted on 19 December 2007 containing the Triennial Comprehensive Policy Review (TCPR) of operational activities for development of the United Nations system. The evaluation is being conducted in accordance with the Note of the Office of the Deputy-Secretary-General of 21 May 2010 on the ad-hoc arrangements for the Independent Evaluation of the Delivering as One (DaO) pilot initiative, to which reference is made in General Assembly resolution 64/289 (OP 21).

12. The Secretary-General appointed an Evaluation Management Group (EMG) responsible for the conduct and management of the independent evaluation. (Note A/65/737 of 15 February 2011 and Note A/65/737/Add.1 of 10 May 2011). The nine member EMG is composed of representatives of Member States from all regions, the Chair of the UN Evaluation Group and a Member of the Joint Inspection Unit (JIU). The United Nations Department of Economic and Social Affairs (UN-DESA), has been mandated to provide administrative, logistical and technical support to the EMG, ensuring a fully independent process.

13. A team of consultants was appointed to support the EMG in the conduct of the evaluation. The evaluation team was composed of a) a senior evaluation expert as team leader (coordinator), b) a senior evaluator as a deputy team leader (deputy coordinator), c) two programme evaluation specialists, d) two UN development assistance specialists, and e) national consultants recruited in six of the eight pilot countries. The evaluation team made inputs to the evaluation in terms of methodology development, evaluation implementation through collection of primary and secondary data, analysis and preparation of a report, submitted to the EMG.

14. The EMG was also assisted by a two-person Quality Assurance Panel composed of a) an expert on the role and contribution of the UN system to development policies and development effectiveness in developing countries; and b) an expert in the design and implementation of complex and strategic evaluations.

1.5 Purpose, objective and scope of the Independent Evaluation

15. The current Independent Evaluation is *mandated* in accordance with General Assembly resolution 64/289 of 2 July 2010 on system-wide coherence; and with the Note of the Office of the Deputy-Secretary-General of 21 May 2010 on the ad-hoc arrangements for the Independent Evaluation of the Delivering as One (DaO) pilot initiative. The Secretary-General appointed an Evaluation Management Group (EMG) to be responsible for the conduct and management of the independent evaluation; while The

United Nations Department of Economic and Social Affairs (UN-DESA), was mandated to provide administrative, logistical and technical support to the EMG.

16. The ultimate *purpose* of the Independent Evaluation is to inform the Quadrennial Comprehensive Policy Review on Operational Activities for Development (QCPR) in late 2012; as well as other inter-governmental processes concerning system-wide coherence.

17. The overall *objective* of the evaluation is to assess the contribution and value added of the Delivering as One approach and to draw lessons learned in this context that are significant for the UN system as a whole.

18. In terms of the *scope* of the evaluation, it covers the period from 2006 (the year before DaO started) to 2011 and is mandated to assess:

- *The voluntary DaO initiatives* in the eight pilot countries (Albania, Cape Verde, Mozambique, Pakistan, Rwanda, Tanzania, Uruguay and Viet Nam);
- *Progress, processes and context*, as well as *lessons learned* from pilot experiences; and remaining challenges to use the DaO approach;
- *Systemic issues* of UN reform related to or triggered by the DaO approach at headquarters, regional and country levels.

19. The evaluation does not cover the so called “self-starters”; additional countries that have adopted the DaO approach or elements thereof on a voluntary basis. Furthermore, it does not assess the overall performance of the UN development system in the pilot countries.

1.6 Evaluation Criteria Used

20. The following evaluation criteria are used as key elements of the assessment process¹⁵:

- *relevance* of the DaO pilot initiatives and of the approach as a whole: in terms of responsiveness to the needs and priorities of the individual pilot countries and enhanced relevance and coherence of the UN development system
- *effectiveness*: in terms of strengthened national ownership and leadership and enhanced national capacities / capacity development in pilot countries; contribution of the UN system to development results; implementation of

¹⁵ These definitions of the evaluation criteria are taken from Page 11 of the Framework Terms of Reference: Implementation Phase, Evaluation Management Group, 7 October 2011.

- appropriate processes and production of results, including on crosscutting issues, notably gender equality and women's empowerment
- *efficiency*: in terms of the reduction of transaction costs for the countries, the UN system and other partners; new ways of doing business; simplification and harmonization of rules, regulations and procedures; additional, more predictable and more flexible funding mechanisms
- *sustainability* of the Delivering as One approach: in terms of the probability of continuing it over time and the likelihood of long term benefits from DaO, both at the level of the pilot countries and for the UN development system as a whole.

1.7 Key Evaluation Questions

21. On the basis of the Framework Terms of Reference for the Independent Evaluation, the following set of Key Evaluation Questions has formed the basis of its work¹⁶:

- Q1: What were DaO's original intentions?
- Q2: Why did countries volunteer and how can the intentions of DaO be related to their country circumstances?
- Q3: What processes and resources have been put in place to operationalise the DaO at country, regional and global level?
- Q4: What happened at country level and how did the context influence how DaO was implemented?
- Q5: What were the most significant changes (at country, regional and global levels) to which DaO contributed, recognising intended objectives and were there any unintended consequences of DaO? How and why did these changes and consequences come about?
- Q6: In what ways has the UN system (particularly headquarters of UN organizations) supported and/or constrained DaO implementation and results – or led to unintended consequences?
- Q7: What are the key lessons, based on positive contribution or challenges faced by the DaO initiatives that can be carried forward into the future work of the UN?

1.8 Defining the Challenges which DaO aimed to address¹⁷

22. The Delivering as One pilot programme posed a difficult methodological issue before the evaluation process could begin; based on its Evaluation Question 1; “What were DaO's original intentions?” Generally, evaluands¹⁸ have a clear definition of their objectives and a more or less pre-determined set of activities or processes intended to contribute towards their achievement. In contrast to this “normal” situation for an evaluand, the DaO initiative was conceived as a multiple country-led approach to reform the delivery of UN development assistance. There was therefore no agreed common framework of how it should be implemented. In order to establish a basic framework

¹⁶ An Evaluation Matrix used to ensure that key evaluation questions were appropriately addressed.

¹⁷ This Section addresses Evaluation Question 1: Q1: What were DaO's original intentions?

¹⁸ The evaluand is the subject matter of the evaluation: that which is being evaluated.

against which to assess the effects of DaO at country level, (as well as at the wider systemic levels) it was therefore necessary to first establish an understanding of what the DaO approach was trying to achieve across all eight pilots.

23. The evaluation constructed this understanding on the basis of its detailed review of TCPR and SWC resolutions, together with the suggestions of the High Level Panel. Analysing these formative documents it was concluded that DaO is a global initiative intended to address a set of generic challenges, which have been identified by Member States and a Panel of Experts as inhibiting UN performance, particularly at country level. The key challenges, which required a response both at country and systemic levels, are shown diagrammatically in Figure 1 (“The Challenge Tree”) below and discussed in this section.

24. The overall challenge (shown on the right-hand side of Figure 1) facing the UN system at country level was that it was making a sub-optimal contribution towards helping Member States to meet their national objectives, including their commitments associated with the Millennium Development Goals and/or other Internationally Agreed Development Goals. In terms of the four evaluation criteria¹⁹, this relates closely to the issue of *sustainability*, since it is likely that both Member States and UNCTs will wish to continue with approaches, which have been found to be relevant to national priorities, to provide effective support and to do so efficiently (i.e., an optimal contribution).

25. Two underlying issues (shown on the left hand side of the “challenge tree”) interacted to set in motion the processes, which generated this overall challenge. The first of these concerned the governance systems of the UN, which were assessed by the High Level Panel and SWC resolutions as inefficient and ineffective. The second was the predominance of “earmarked” funding²⁰ in the system, which gave rise to fundamental issues on how effectively the UN could do its business. Although valuable, earmarked resources may not be designed or respond to national development priorities and may limit the development of coherent UN country programmes. This is because they focus on issues often identified by donors, usually on a global or regional basis, rather than on areas identified in discussion between programme country Governments and the UNCT.

26. At country level, four specific challenges arose from these two underlying issues. The first such challenge was posed by various types of *duplication* and overlap. For example, it was common to find different Agencies in any country performing similar roles. The same issue could be addressed in the same country by several Agencies, often without consultation with each other; and with varying concepts or approaches. This obliged the same set of national beneficiaries and institutions to adapt to several different operational and conceptual modalities, all focussed on the same issue. Attempts were rarely made to prepare approaches in which each Agency would adapt its contribution to best fit the overall national context. This in turn meant that the same services could be provided by several different sources within the UNCT, presenting a picture of incoherence and lack of coordination to Government, donors and other stakeholders; and

¹⁹See Section 1.6

²⁰“Earmarked” funding is provided by donors to meet specific objectives, regarded as important in a global, regional or national context.

adding to the transaction costs of partners of the UN system. Further, there was substantial inconsistency of procedures, with virtually each Agency having its own procurement, recruitment and other systems, with no overall harmonisation. This situation signaled to outside stakeholders that there were problems in terms of efficiency, value for money and transaction costs; which discouraged discretionary resource flows from other development partners into the UN system. Further, from the national viewpoint, UN assistance imposed transaction costs, which were disproportionate to the relatively modest contribution of the UN in terms of Official Development Assistance in most countries.

27. The second challenge was widely referred to as *fragmentation*. This again had several dimensions. In the first place, the UN in any country appeared to have as many leaders as there were Agencies, with minimal attempt to prepare or deliver common positions on issues affecting the country. Even though the UN system has developed the UNDAF as an instrument to promote coherence, this has not proved fully effective; since it is not linked to resource mobilisation, which still relies on individual agencies, each of which is responsible to its own governing body. The UNDAF as a programming instrument did not prevent fragmentation of activities between Agencies, each pursuing its own mandate. Nor was it effective in addressing national priorities in a coherent fashion, through maximising synergies between Agencies. Since the concept of the UNDAF was not linked to budgetary frameworks and funding, programmes continued to function within agency specific accountability frameworks, contributing to the overall “fragmented” approach to implementation of UN assistance at country level. This made it difficult to assess the *efficiency* or *effectiveness*²¹ with which the UN system managed resources to support national development priorities.

28. The evaluation found the issue of fragmentation a difficult one to conceptualise and analyse. This is because, historically, each UN Agency has been established with its own specific mandate; which has evolved over time to involve a number of types of activity, in response to decisions of the relevant Governing Bodies. Thus, in the history of the development of Funds and Programmes and Specialised Agencies each has pursued its own mandate; often leading to a set of overlapping activities at country level. Inter-agency mechanisms at headquarters level have not effectively promoted cross-Agency coordination or coherence, owing to differences in business models and levels of delegated authority. This creates apparent or real duplication or overlap of services, functions and mandates; as well as “fragmentation” of one issue into several parts, which may be treated in an isolated and unrelated manner, rather than through comprehensive and coherent support from the entire UN system. The evaluation concluded that, since the UN system was not designed as one, it cannot have “fragmented”. Rather, it was assembled through a historic process of the creation of separate (but overlapping) mandates, or “fragments”, which have not yet been brought together in a coherent manner. Delivering as One can be seen as an attempt to catalyse this process.

²¹ See Section 1.6

29. The third challenge (related to the previous two) at country level was that of competition for funds. The combination of decentralisation of funding responsibilities of some donors to country level and stagnating UN core resources, placed pressure on agencies to mobilize much of the resources for country programmes locally. Far from consistently collaborating, Agencies often competed with each other to gain funding for their programmes. This process led to what was seen by outside stakeholders as “mandate creep,” as some Agencies actively sought funding for activities, which appeared to be somewhat loosely connected to their core mandate.

30. The fourth challenge can be seen as a natural outcome of the first three. The UN system lost much of its capacity to develop and implement strategic approaches, and was seen to lack focus on complementarity and coherence.

31. As shown in Figure 1, these challenges at country level caused three negative effects on UN performance. In the first place, the combination of inter-Agency duplication, fragmentation and competition meant that Government became somewhat peripheral to UN processes, with minimal possibility to “own” a set of processes, which were not fully coherent or effective. In terms of the evaluation criteria, this made it difficult for the UN to achieve *relevance*. Secondly, the UN system delivered its intended services and activities considerably below their potential, thereby limiting its achievements in terms of the evaluation criterion of *effectiveness*. Thirdly, transaction costs for all concerned became unacceptably high. This was particularly so for Government, which often had to deal with upwards of twenty Agencies, which were apparently uncoordinated with each other, for many important activities; but also for donors at national level, that had to deal with increasing numbers of agencies submitting funding proposals. These factors reduced performance of the UN in terms of *efficiency*. This led Governments to interact with the UN with some caution, fearing that the transaction costs might be high in comparison with the benefits. Donor requirements for accountability and visibility further exacerbated this funding-driven fragmentation. The combination of the three negative effects discussed above led to an overall sub-optimal contribution of the UN system in helping countries meet their national goals; and therefore reduced the *sustainability* of those benefits to which it contributed, (identified above as an overall challenge facing the UN at country level).

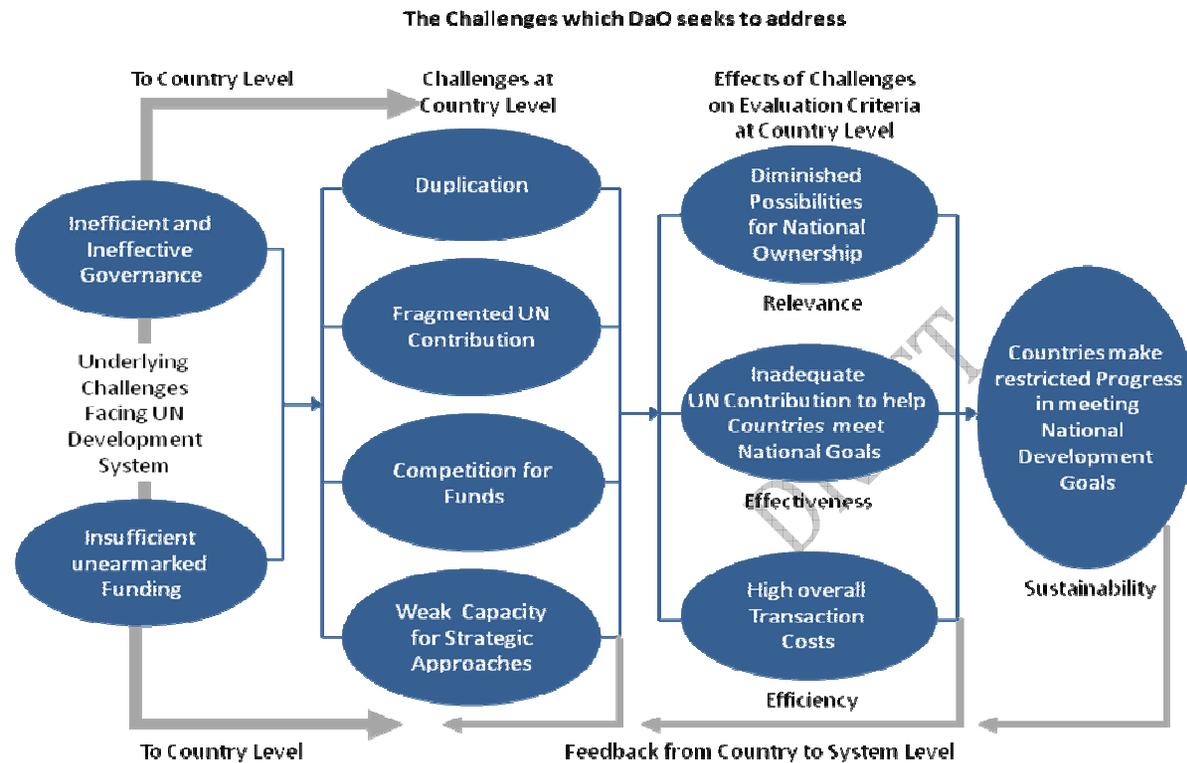
32. This analysis shows both the comprehensive range of challenges facing the UN system and the additional complexity of their inter-connectedness and of the iterative nature of the problems. Whilst the corporate rather than inter-agency approach of “higher levels” of the UN system towards development fed “down” into diminished in-country performance, external stakeholders’ (e.g., Governments and donors) perceptions of poor delivery and low relevance also fed back “up” the levels of the system to further reduce confidence of the Member States in the capacity of the UN system to effectively address key development issues..

33. The DaO pilot initiatives placed the responsibility for improved country-level performance firmly on the UNCTs. What they could not directly attempt was to reform the broader levels of the system (Headquarters and Regions)and/or trigger reforms at the governance level in line with the pilots. Rather, the broader system would seek to respond to issues arising from the pilot countries as they were brought to its attention; at the same

time as continuing with the much broader UN reform agenda that was running in parallel with DaO.

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Figure 1: The Challenges which DaO seeks to Address



1.9 Evaluation Methodology: Using a “Theory of Change” Analytical Approach at Country Level

34. Having developed an understanding of the challenges, which DaO was intended to resolve, the Evaluation then set out to compare what was actually done at country level (and the results this produced) with a “Theory of Change” based on the measures proposed by the HLP and formal Resolutions of the UN system. This approach informed data collection and provided a common analytical framework, which could be used across all the pilots.

35. The first step in this analytical process was to outline a simple “theory” of how the “Four Ones” were intended to solve the issues depicted in the Challenge Tree.²² Such theories are often presented diagrammatically as “Theories of Change”, “Logic Chains”, “Results Chains²³” or related approaches. There is considerable debate over what exactly can be categorized as a Theory of Change and it is not appropriate in this evaluation to further this discussion.²⁴ In presenting a Theory of Change for DaO, the purpose is to break down its complex processes into simpler cause and effect chains, leading from the intervention strategies (“The Ones”) towards the ultimate objective of contributing towards optimal UN performance. It is fully understood that the diagrams themselves simplify the processes, underplay the complex inter-relationship between elements and do not adequately incorporate the dimension of time. However, these issues have all been addressed during the data collection and analysis processes for each individual country. Accepting the limitations of the use of diagrams, a generic Theory of Change (illustrating how the DaO pilots would strengthen the UN system at country level) is presented in Figure 2 below. Individual countries approached DaO in somewhat different ways, but all drew on the “Four Ones” as basic building blocks. Although this diagram is not therefore an “approved” version of what any individual country attempted to do, it provides an essential overall framework for analysis.

²² A version of the Challenge Tree diagram was presented and discussed at introductory meetings in the pilot countries and was found to be broadly accepted as a reasonable overview of the challenges facing UNCTs.

²³ The DAC Glossary, for example, defines a Results Chain as “The causal sequence for a development intervention that stipulates the necessary sequence to achieve desired objectives, beginning with inputs, moving through activities and outputs, and culminating in outcomes, impacts, and feedback”.

²⁴ Theory of Change approaches in academic contexts usually entail far more detailed analysis of such aspects as assumptions and impact drivers than is appropriate in the current context. The approach adopted could have an alternative label, such as a “policy model.”

Figure 2: A Generic Theory of Change for DaO at Country Level

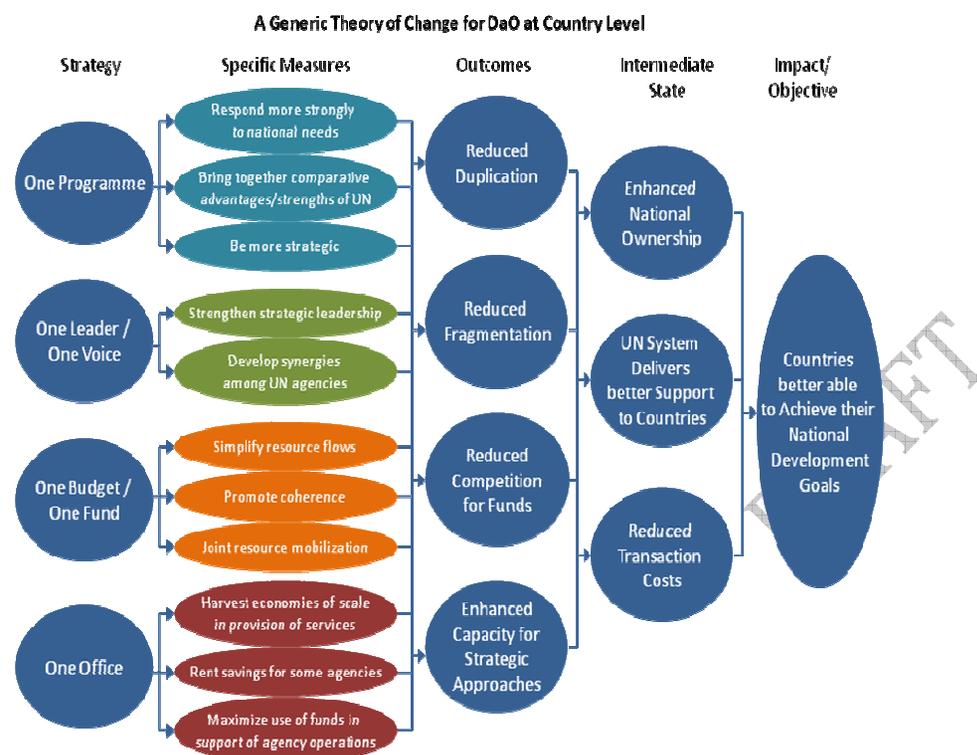


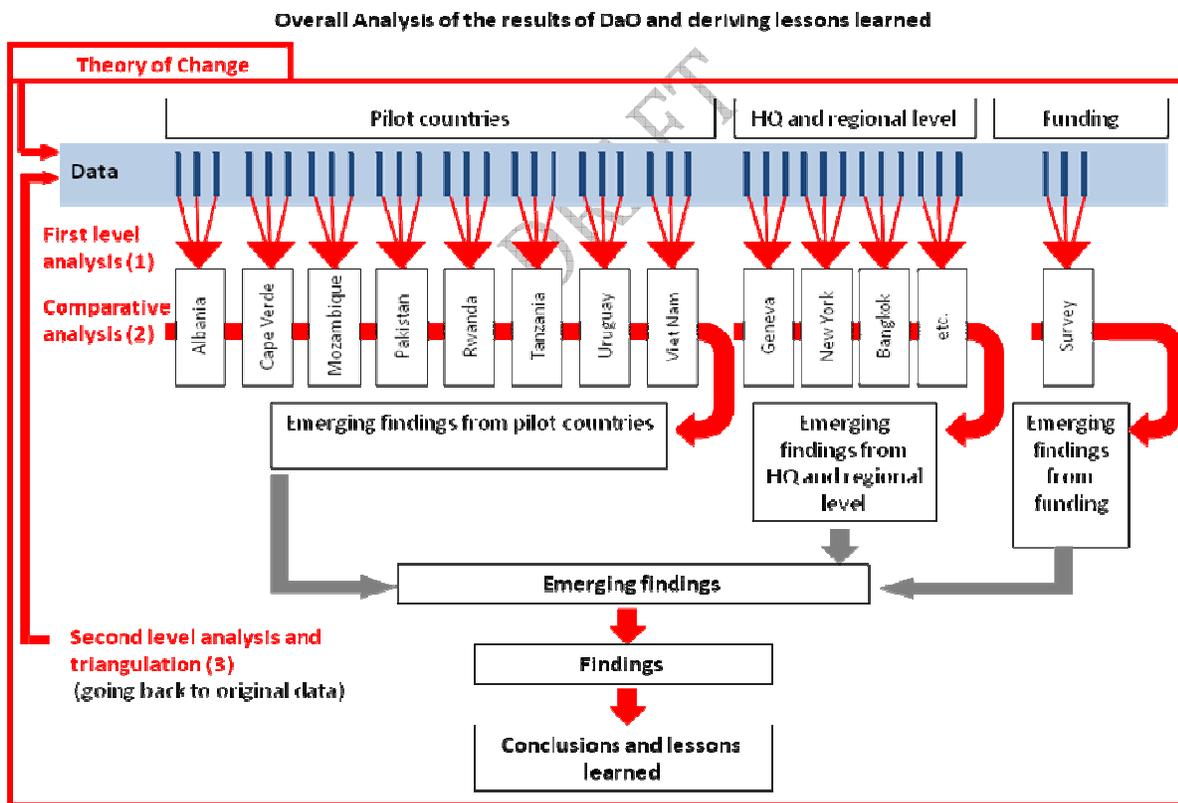
Figure Two: A Generic Theory of Change for DaO at Country Level

1.10 Methodology, Data Collection and Analysis

Methodology

36. The Theory of Change approach outlined above formed the basis for the overall methodology of the evaluation. It was a key element in generating the many guidelines used for data collection at country (and other) levels and was a core element in the process of analysing what was done, why and with what results within and across countries. This process enabled data to be assembled and analysed in order to answer the key evaluation questions and to assess the performance of DaO against the evaluation criteria. This overall approach to data collection and analysis is outlined in Figure 3 below.

Figure 3: Methodology, Data Collection and Analysis Processes of the DaO Evaluation



Data Collection²⁵

37. The Evaluation drew on many data sources; quantitative and qualitative, primary and secondary²⁶. Key secondary data sources included an initial set of material about the pilot countries, including Evaluability Assessments conducted under the auspices of UNEG and seven Country Led Evaluations (Pakistan did not undertake one). In terms of the broader UN System, there were many documents on DaO, or directly relevant to it, all of which were consulted. Preliminary reading of these documents enabled the development of the Theory of Change for DaO, which was a critical step in the overall methodology.

38. Extensive preparations were then undertaken for the (primary data collection) fieldwork phase of the study. Guidelines were prepared for data gathering at country, HQ and regional levels of the system; to assist in collecting full and comparable information from stakeholders at each level. Fieldwork missions were undertaken (in a common format) to all eight pilot countries; where relevant stakeholders in Government, the UN, Civil Society and donors were interviewed. Many additional documents were also gathered during this process. In parallel, interviews were conducted with stakeholders in the UN system at HQ and Regional levels and with representatives of Member States²⁷. Interviews were open-ended, based on guidelines of information to be obtained, but also allowing for additional stakeholder inputs. A final major block of data collection consisted of a detailed survey of UN Country Offices, which explored the financial dimensions and business practices associated with DaO.

Data Analysis

39. Within the overall framework provided by the Theory of Change approach, the first level data analysis²⁸ was conducted by the country evaluation mission teams, on the basis of stakeholder interviews and discussions, together with the documents initially received (i.e. publicly available sources) and those added during the missions²⁹. These additional documents included a broad mix of information sources, including Minutes of Meetings, UNCT Retreats and locally published documents. Some stakeholders also produced written material specifically for the mission. An overview presentation on each pilot country was presented to the national stakeholders for feedback and factual corrections, which were taken into account in further country-level analysis.

²⁵ The DAC Glossary defines Data Collection Tools as “Methodologies used to identify information sources and collect information during an evaluation. Note: Examples are informal and formal surveys, direct and participatory observation, community interviews, focus groups, expert opinion, case studies, literature search”.

²⁶ Annex 4 lists documents consulted by the Evaluation Team.

²⁷ Details of persons contacted are provided in Annex 3.

²⁸ The full analysis process is illustrated in Figure 3 above.

²⁹ An important step in the refinement of approaches to country level analysis was a meeting of the evaluation team members with some members of the EMG, the QAP and the Secretariat, which was held in Geneva in early November, immediately after the first set of three country missions. Perspectives and emerging issues from this meeting informed preparation for a series of meetings with UN agencies and Member States in New York, as well as for discussions with Regional Teams. The main directions of analysis at the different systemic levels are presented below.

40. On the basis of the individual country level case studies, a comparative analysis³⁰ was undertaken of the similarities and differences between the experiences of the eight pilots. This comparative analysis covered such aspects as:

- How the “ones” were configured
- Main results areas across the pilots
- Challenges encountered
- Stakeholder perceptions of achievements
- Other issues emerging.

41. The findings and conclusions from this country-level comparative work were fed into the overall assessment of the relevance, efficiency, effectiveness and sustainability of the benefits of the pilots (including key areas of variation among them). They also contributed to an assessment of the extent to which the pilots had actually been designed to address the “challenge tree” of issues facing the UN system; as well as the manner in which they intended to do so.

42. On the basis of this overall analysis a picture was developed of the needs felt by country level stakeholders, within and outside the UN, for support from different components of the “UN system.” Furthermore, information was assembled and assessed concerning the extent to which the “higher” institutions of the system, at regional and headquarters levels were perceived to have been effective and efficient in addressing their needs.

43. At headquarters level of both Funds and Programmes and Specialised Agencies, analysis examined stated perspectives and documented outcomes of changes made in response to or anticipation of the needs arising from pilot implementation of DaO. Similarities and differences of perspectives between different elements of the UN headquarters system were explored to assess the extent to which a common headquarters perspective is emerging or to which perspectives differ (e.g., between Funds and Programmes and Specialised Agencies or between different management institutions in the system). The rationale, processes and outcomes of reforms of management and governance systems were assessed, in order to develop an understanding of the extent to which they were catalysed by or responded to the emerging experiences of the pilot countries.

44. At regional level, the extent to which new structures or procedures have been introduced in response to the needs and requirements of the different DaO was assessed. In addition, perceptions held by Regional Management Teams of the results and challenges of DaO were also analysed and compared to see to what extent there are common views and responses at this level. Additional comparative analysis assessed the similarities and differences between perspectives on DaO experience looking from the country “up” the systemic ladder towards the region and vice versa.

45. In parallel to these systemic analyses, a detailed analysis was undertaken of country-level responses to a financial and business practices survey. These responses were triangulated through comparison with information available from other UN sources, notably the Multi Partner Trust Fund Office.

³⁰ See Figure 3

46. The findings from these complementary sets of data analysis fed into the development of an internal report on Emerging Findings, which was discussed with representatives of the Evaluation Management Group in January 2012. Comments received from the EMG were collated with those from the Evaluation Team members themselves and from UNDESA and fed into the process of second level analysis and triangulation.^{31 32}

47. This process involved revisiting all of the original data sources (e.g., primary and secondary, quantitative and qualitative, perceptual and formally documented, country, regional and HQ level, Government, CSO, donors, and UN in-country stakeholders) to ensure that they produced a coherent picture that could provide a sound basis for each finding. The validity of findings rests to a large extent on the amount and quality of evidence on which they are based. In this respect, the widest possible range of data sources was utilised, as indicated below. Evidence from different sources and perspectives was then analysed and compared to develop findings.

48. These key sources of data³³ included the following:

- Stakeholders interviewed in the eight pilot countries
- Stakeholders interviewed from “Headquarters” levels of UN institutions
- Stakeholders interviewed from regional level of UN institutions
- Stakeholders interviewed representing Member States (excluding at country level)
- Financial and Business Practices protocols completed by Pilot Country RCOs (cross-checked with responses from Multi Partner Trust Fund Office)
- Documents consulted on UN at HQ and regional levels
- Documents consulted from 8 pilot countries

49. In analysing the data, the possibility was allowed (and in itself formed a source of findings) that there could be apparently inconsistent perspectives between stakeholders at different places in the system. This indeed proved to be the case on some important issues and the Team analysed the reasons for these differences. Data from the financial/business practices survey, which was chronologically the last major element of data collection, provided another strong source of verification of findings from other sources.

50. Once the processes of triangulation and verification had been completed, re-analysis was made by the Evaluation Team to see which of the “emerging findings” could be converted into full findings of the Evaluation. These findings were then used as the inputs for further processes of analysis (drawing on the “Theory of Change”), which enabled conclusions to be drawn and the development of lessons learned from the eight pilots and from their interaction with other parts of the system.

³¹ See Figure 3.

³² The DAC Glossary defines triangulation as “The use of three or more theories, sources or types of information, or types of analysis to verify and substantiate an assessment. Note: by combining multiple data sources, methods, analyses or theories, evaluators seek to overcome the bias that comes from single informants, single methods, single observer or single theory studies”.

³³ See Annexes 3 and 4.

1.11 Limitations

51. The Independent Evaluation was challenged by the diversity of approaches evident in the implementation of DaO. Although DaO was conceptualised similarly in the eight pilot countries, there was no single concept or set of objectives against which to assess progress. Moreover, DaO was piloted in extremely diverse country contexts, which made it difficult to generalise findings and conclusions.

52. In order to evaluate the results of policies, programmes and plans it is normally considered necessary to accurately establish the situation, which preceded their implementation. However, such baseline data were largely absent. The Independent Evaluation was also not mandated to look at non-DaO countries or other countries having voluntarily adopted the DaO approach (“self-starters”), which might have provided valuable “counterfactual” material.

53. These challenges were compounded by the fact that information on programme results and business practices was in most cases not readily available. Aggregation of data and triangulation of information from different sources were handicapped by inconsistencies in parameters and practices of programme management, diversity in monitoring and evaluation, differences in budgetary frameworks and uneven and incomplete management information systems; particularly with regard to financial information. A methodology to measure transaction cost was only introduced by UNDG in October 2010.³⁴ The methodology has not been applied widely by UNCTs as of today and therefore the availability of data measuring transaction cost was very limited.

54. The Terms of Reference for the evaluation excluded studies of other sets of countries, which might have provided relevant comparative perspectives. These might have included “self-starters” now under DaO and “UNDAF roll-out” countries, which may utilise approaches overlapping with those found in DaO pilot countries.

55. The evaluation was also not mandated to explore as a discrete area of in depth study the full range of opinions among Member States concerning Delivering as One. A limited range of discussions was held with selected Member States, which indicated the broad range of views and concerns on the approach among them. Some stakeholders might therefore consider that, by focussing closely on the eight pilot countries, which are by definition advocates of DaO, the evaluation has an in-built “bias” in favour of the reform. However, from an evaluator’s perspective the fact that a specific topic has been defined and delineated for evaluation does not imply that it will be positively assessed, so that this concept of bias is not supported.

³⁴ “Definition, Identification and Measurement of In-country Transaction Costs in the Context of ‘Delivering as One’ Pilot Countries”, 3 October 2010, UNDG.

2. Context and Configuration of DaO as Part of UN Reform Processes.

2.1 The Context of DaO as part of a Larger UN Reform Process

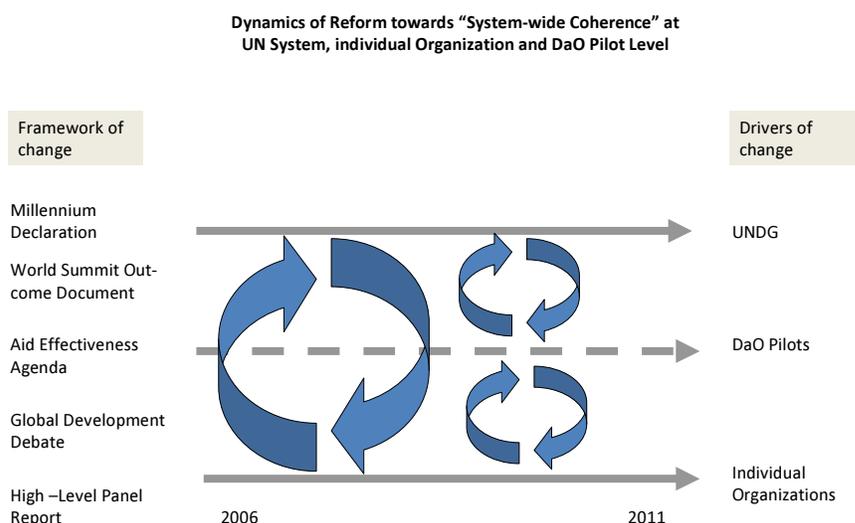
Follow-up to the 2005 World Summit

1. The launch of the DaO pilot exercise in 2007 took place in the midst of a larger process of reform, as a follow-up to the 2005 World Summit. During that time, many UN organizations were undertaking their own major structural and policy reforms, which were also influenced by the broader processes and concepts of reforms, promoting a spirit of system-wide coherence. These processes were mutually reinforcing and synergistic, as individual agencies sought to align their internal reform with the larger system-wide coherence process. At the same time, individual UN organizations intensified their participation in work at the inter-agency level, mainly through the UNDG. This participation was also considered an opportunity to influence the outcome of coherence processes in favour of an agency's own interests and concerns. As shown in Figure 2.1, the DaO pilots made contributions to reform both at the "higher" levels of the system (notably UNDG) and to individual UN organisations, whilst being part of the overall system-wide dynamic of reform³⁵. While specific to the contexts of individual organizations, these reform processes also had some common elements. They include: the introduction of results-based management principles at all levels, a trend toward decentralization, reinforcement of capacities at the regional and country levels, and the development of medium term strategic plans.

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³⁵ As pilots, they do not form an insitutional body within the system and are therefore shown with a dotted line in distinction to such formal bodies.

Figure 2.1: Dynamics of Reform towards “System-wide Coherence”



The UN Development Group (UNDG)

2. Following a reform of the Chief Executive Board (CEB) structure in 2007, the UN Development Group became a third pillar of the CEB, along with the High Level Committee for Programmes and the High-Level Committee for Management (HLCP and HLCM). This was expected to create a more cohesive management structure with a clearer division of responsibilities and of work at the inter-agency level. Funds and Programmes (the Executive Committee Agencies) initially played a predominant role in the UNDG, but membership was expanded to include Specialized Agencies as well. This change facilitated the fuller engagement of the Specialised Agencies in the inter-agency work related to Delivering as One and System-wide Coherence.

3. At the level of the UNDG, a set of strategic priorities, structured in annualized output-based work-plans, was developed on the basis of the 2007 TCPR. With the major outcomes of the Strategic priorities in mind, the UNDG’s structure included working groups and networks focusing on (1) programmatic issues, (2) management and accountability issues pertaining to the functioning of the Resident Coordinator system, and (3) issues related to joint funding and business operations. Work was intensified and accelerated through the use of internet-based networks and video-conferencing rather than face-to-face meetings. Specific tasks and corresponding outputs were delegated to time-bound ad hoc Task Forces. In addition, an important innovation was the creation, in 2007 of a UNDG Advisory Group of senior (ASG – level) officials, which dealt with critical issues as they arose. Reaching consensus on emerging

issues furthered the Advisory Group's learning process and supported a common ownership of the DaO concept.

4. The DaO pilot countries became an important focus of the UNDG as well as the group of countries to adopt a new generation of UNDAFs (so-called "UNDAF roll-out countries) and countries emerging from crisis. Three parallel, synergistic and mutually reinforcing reform tracks can be traced: (1) at the systemic (CEB/UNDG/HLCM) level, (2) individual agency level, and (3) the pilot experiences. Notably, the pilot country experiences fed into the systemic and individual agency levels through a feed-back loop, as illustrated earlier in Figure 2.1.

5. During the period of the DaO initiative, UNDG developed and endorsed common understandings, policy guidelines, tools, and templates. Such inputs resulted from efforts to respond to the experiences of the pilots, including difficulties identified. In addition, these contributions were not only intended to support the pilot countries, but they were also applied to the wider system across all programme countries. The role of the Headquarters level – UNDG and individual agency headquarters - and the major outcomes of relevance to the pilots in relation to the four "ones" are summarized below.

6. The establishment of regional UNDG Teams, while not directly occasioned by the DaO pilot exercise, marks an important step towards establishing a regional layer of management. It is based on a concept of "delivering as one", bringing the major UN funds and programmes into a layer of common accountability, technical support, and policy guidance. These elements could not be exercised as effectively at the Headquarters level.

7. The UNDG regional teams are at different stages in the process of being fully established. The exercise is complicated by the divergent locations of individual agency regional offices, which in some cases do not correspond to the locations of the UNDG Regional Teams. Terms Of References have been developed for the UNDG regional teams, which cover: (1) performance appraisal of the RCs and UNCTs (2) quality assurance and technical support for UNDAF and One Plan preparation in the pilots; (3) dispute resolution between the RCs and UNCT members; and (4) technical and policy support. While the focus and priority of the UNDG regional teams has not been uniquely on the DaO pilot countries, they reinforce the focus on ensuring coherence and mutual accountability between the higher levels of all UN agencies.

8. The development of the regional UNDG teams has also lead to a clarification of their role in relation to the UN Regional Commissions. Within the UNDG, the Regional Commissions have participated in a special working group on the role of non-resident agencies (NRAs). The Commissions share some of the challenges and constraints of NRAs, but they have a particular mandate and role as bodies for regional policy coordination and standard-setting. This mandate involves governments and other regional bodies in the different sectors. A study³⁶, prepared by the Regional Commissions, clarified that their regional coordinating mechanism, involving governments and regional bodies, can play a complementary and mutually reinforcing role to

³⁶ The Regional Dimension of Development and the UN System.. A study Sponsored by the UN Regional Commissions. November 2011, New York

that of the UNDG regional teams, as an internal mechanism for management oversight, accountability, and policy support to UNCTs.

New Generation of UNDAFs

9. With regard to *programming*, the experience of the pilot countries in developing One UN Plans was closely linked to the concepts of the *Integrated Funding Framework* and the *One UN Fund*. These approaches drew on lessons from the previous UNDAF cycles and focused on the large number of programme countries preparing new UNDAFs during the time-frame of DaO. In some of the pilots, a new UNDAF had already been prepared at the start of the DaO initiative, resulting in efforts to “retrofit” already approved and operational programmes into a new One UN Plan. During the first phase, the experience of moving towards a One UN Plan provided an important input into the parallel work at the UNDG level to develop new UNDAF Guidelines.³⁷ These efforts, in turn, informed the development of the second phase of preparing new One UN Plans in the pilots. The pilot countries that have developed a second generation One UN Plans maintain that they are fully compatible with the new UNDAF guidelines.

10. The new UNDAF guidance, building on an extensive review of the previous rounds³⁸, seeks to be less prescriptive in terms of formal requirements and templates, recognizing the vast diversity of contexts and challenges of the countries in which the UN works. It therefore aims to provide the key elements for a more strategic approach. It is intended to ensure that the UNDAF should become a strategic document that effectively guides and frames a common UN country team approach to programming under the UNDAF cycle. This would help to avoid the fate, which had befallen many previous UNDAFs, of being “put on the shelf”, as soon as it had been approved. While only the UN Funds and Programmes have as a formal requirement that their Country Programme Documents (CPDs) should be directly linked to UNDAF Outcomes, there is evidence that larger specialized agencies that have embarked on exercises in developing their own Country Plans or Strategies, also explicitly require that these should be compatible with and reflect UNDAF priorities.

11. The revised UNDAF guidelines reflect some of the key elements that are common to the One UN Programmes of the pilots: including national ownership of the process; alignment with national development priorities; inclusiveness; integration of programming principles (cross-cutting issues, results-based management and capacity building), and mutual accountability for results.

The Management and Accountability System” (MAS)

12. A major outcome applicable to the concept of *One Leader/One Team* has been the development of the “Management and Accountability System” (MAS), created in 2008 after endorsement by the Executive Heads of the UNDG. Building on previous inter-agency agreements, this system has the intent of moving towards a more cohesive and robust management system for the UN at country level. The MAS also seeks to balance the principle of

³⁷ UNDAF Guidance and Support Package, 2010.

³⁸ The UNDAF was first introduced in 1997.

mutual accountability with the direct responsibility and accountability of individual agency representatives towards their organizations.

13. Through the provision of basic principles for mutual accountability between the RC and members of the UNCT, support was provided while recognizing the reality of individual agencies with their own mandates, the levels of delegated authority, and specific hierarchical accountability frameworks. For example, the MAS has been accompanied by a range of guidance tools for RC and team appraisal, RC Job Description and Terms Of References, codes of conduct templates, reporting formats and tools. All such guidance was distributed between 2008 and 2011. However, before the system is applied across the entire UN system, incorporated in individual agencies' Human Resource policies, and underpinned with appropriate incentives and accountabilities, important gaps remain. In some countries, the RC and UNCT members are not fully engaged in the "mutual accountability" framework and therefore have not specifically linked it to agreed work-plans and reporting tools. In particular, there is a need for complementing the existing One80 tool with a mechanism that will allow the RC to have a reciprocal input into the performance appraisal of individual UNCT members. Furthermore, some agencies have not yet taken steps to revise job descriptions and performance appraisal systems and formats to reflect the dual roles and accountabilities of their country representatives within a DaO context. Dual roles refer to: (1) "vertical" accountabilities to a supervisor and organization and (2) "horizontal" accountabilities to the RC and UNCT members for agreed common results.

Simplification and Harmonization of Business Practices, Rules and Procedures

14. From the outset, both donors and programme countries of the DaO pilots had expectations that DaO would engender major advances in *simplification and harmonization of business practices* of individual agencies. Indeed, it was expected that major efficiency gains would be leveraged, in turn, to release more resources for programming. The area of business practices and common services became a major focus for work at the inter-agency level, and notably through the UNDG's Joint Funding and Business Operations Network (JFBON) and the HLCM.

15. The specific experiences and constraints identified in the pilots fed into the work of these bodies. A Joint High-Level mission of UNDG and HLCM³⁹ visited three of the pilot countries and a "self-starter" and identified priorities for work at the inter-agency level. The mission report was subsequently transformed into a specific output-based joint work-plan of the HLCM and UNDG/JFBON. This has resulted in the development and provision of important guidelines and tools⁴⁰ in such areas as ICT, common services, procurement, and for management of MDTFs. The area of harmonization and simplification of business practices has not received the strongest guidance among issues addressed by the various high-level bodies. However, there has been substantial guidance responding to issues identified by the pilots, but with wider application. This guidance has been organised on the UNDG web-site in the form of a tool-kit

³⁹ "Addressing Country-Level Bottlenecks in Business Practices", Report of High Level UNDG-HLCM Joint Mission, April 2010.

⁴⁰ See Box A.6.22 Main outputs produced by UNDG of relevance to DaO, as well as the UNDG web-site (www.undg.org)

for use by UN country teams. Progress has been less in areas, which involve corporate systems for activities that go beyond field level operations, (essentially concerning the management of programmes and projects), such as human resource policies, legal issues, audits and Enterprise resource planning (ERP) systems.

Response of Individual UN Organizations

16. In the course of the pilot initiative, individual UN organisations took steps to monitor the pilots experiences closely and to increase operational and technical support to them. Generally, such measures had a wider scope than just the pilots, and covered system-wide coherence issues more broadly, as well as “UN Reform” issues and broader attempts to strengthen engagement in work at inter-agency levels. Although also affecting the DaO pilots, they are therefore seen as part of the broader context of reform. Specifically, these efforts included: (1) the establishment of interdepartmental Task Forces or Working Groups at Headquarters levels to strengthen policy coordination and engagement in inter-agency processes; (2) support functions to resolve problems identified by the pilot countries; and (3) training and information support. In many agencies, these measures were supported by the establishment of special funds to support participation in the programming process of the pilot countries. Agencies also strengthened their capacity to provide technical and operational support through their respective regional structures; and for their more active engagement in the emerging UNDG regional teams, comprised of regional directors or the supervisors of UN agency country representatives.

17. For some organisations, the engagement in Delivering as One became an opportunity to rethink and remodel dimensions of their mandate and business models. For example, larger specialized agencies such as FAO and the ILO introduced some form of country programming, to provide a more strategic focus to their activities with greater integration of the normative, technical and operational dimensions. This promoted increased coherence of various modes of action within the individual organisations; referred to by one agency stakeholder as a process of learning to “deliver as one ourselves”. Other organisations saw the focus on system-wide coherence as an opportunity to achieve a broader inclusion of their particular mandate across the One UN Programme. For example, ILO produced a tool kit for mainstreaming the Decent Work Agenda, FAO developed guidelines on the incorporation of food security into UNDAF preparation, UNFPA promoted its ICPD agenda and UNCTAD led a cluster of agencies working on trade and development related issues. For UN entities with a particular mandate for cross-cutting issues, the joint programming and joint programmes approach of DaO was seen as a model and modality that greatly facilitated their work; and opened up new opportunities for integrating and mainstreaming these issues into the One UN Programme. These entities also took special measures to support the DaO process and have invested in drawing lessons from it for future operational guidelines. The relationship between system-wide and DaO-specific measures was explored by the evaluation and is presented particularly in Findings 16 to 18.

2.2 Overall Configuration of DaO in the Pilot Countries⁴¹

18. Eight countries volunteered to be pilots, after the launch by the Secretary General of the DaO pilot initiative. According to current World Bank classification, two are Upper-Middle Income Countries (Albania, Uruguay), three of the pilot countries are classified as Low-Middle Income Countries (Cape Verde, Vietnam and Pakistan) and three are Low Income Countries (Rwanda, Tanzania and Mozambique). The income status of the countries partly explains the significant differences between them in terms of levels of Official Development Assistance, UN development assistance and support through the DaO initiative. For Middle Income Countries, the DaO initiative constituted a new possibility to mobilise additional resources to support developmental activities. For Low Income Countries, the additionality of funds through the One Programme was less, since they already had relatively large UN programmes, funded through “traditional” UN sources.

19. Table 2.1 summarizes the adoption of the different elements of DaO by individual pilot countries.⁴² It can be seen that there is a high degree of similarity between them at this level. All followed the One Programme, One Leader and One Budgetary Framework/One Fund strategies. The One Office in the sense of shared premises in One UN building was not implemented with the same unanimity, although other measures in support of business simplification and harmonisation were pursued in all pilots.

20. Looking at the DaO elements in more detail, it is evident that the One Programme needed the most components in order to make it operational. At this level, differences in the manner of implementation emerged, particularly with regard to issues of monitoring and evaluation. A major strategic development concerns the approach taken towards Joint Programmes. Whilst these were uniformly adopted in the first generation of One Programmes (although with many differences in their manner of management and implementation), some divergence began to appear across the pilots in the second generation. Here, some countries moved from an UNDAF to an UNDAF, usually with an associated change from Joint Programmes to Joint Programming. In pursuing the One Programme, similar approaches established themselves across the pilots, regarding the overall oversight and management of the process. These included the formal engagement of Government in programme planning and resource allocation processes; as well as the use of Thematic Coordination Groups and commissioning of a Country-Led Evaluation⁴³.

21. The One Leader played a central role in driving forward the programme of reform; and was a critical factor enabling the UNCT to work together in programming and resource allocation. On rare occasions, the One Leader played an arbitration role among UNCT members. All countries utilised the One Leader strategy, but with different approaches and effects. Although the position of Resident Coordinator is present in the great majority of countries served by the UN, it has gained greater prominence in the DaO countries. Associated with this development in several pilots is the voluntary agreement of UNCT members to a Code of

⁴¹ This Section addresses the Key Evaluation Question 2: Why did countries volunteer and how can the intentions of DaO be related to their country circumstances?

⁴² Details are provided in the Country Summaries, Annex 5.

⁴³ With the exception of Pakistan, where a series of national emergencies and disasters made it inappropriate to undertake the CLE at the intended time.

Conduct, governing the relationship between their individual agency interests and those of the UNCT as a whole; as well as the strengthening of the firewall between the functions of UN Resident Coordinator and those of the UNDP Resident Representative, through the nomination of UNDP Country Directors.

22. One Voice, although not formally part of the DaO has been introduced (at different stages) into all the pilots. Some of its elements are in all countries, notably the establishment of common policy positions and joint Annual Reports, while others are still under development in some countries. These latter include the formalisation of Joint Communication Teams and implementation of a common web site.

23. The One Budgetary Framework was a strategy adopted in all countries, intended to introduce transparency of planned activities and results, identification of resources and funding gaps; and to enhance performance. The One Fund became a critical catalyst for creating the conditions for an inclusive approach to UN engagement, which included a broader range of Agencies, whether large or small, resident or non-resident. The role of the MPTF Office as Administrative Agent of all of these funds in pilot countries helped to introduce some uniformity in the financial approaches adopted, at least for the resources under the One Fund. The uniform adoption of joint resource mobilisation for agreed results in the One Programme was a major innovative element adopted in all pilots.

24. As stated above, the One Office (as a building) concept could not be uniformly adopted. However, much greater consistency was achieved in the exploration of possibilities to increase the efficiency of operations, in such areas as procurement, recruitment and IT systems.

25. The following sections look in more detail at the way DaO has been implemented across countries. They focus on aspects of programming, management, funding and business practices.

Table 2.1: Summary of Implementation of DaO in Pilot Countries

“Ones”	Components	Albania	Cape Verde	Mozambique	Pakistan	Rwanda	Tanzania	Uruguay	Viet Nam
One Programme	One Programme (first generation)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	One Programme (second generation)	Signed	UNDAP	UNDAF + Action Plan	Being Prepared	Being prepared	UNDAP	UNDAP	Being prepared
	Government- UN-steering committee (*including donor)	Yes	Yes (CSO, Natl, Local Gov)	Yes (Nat Gov)	Yes	Yes*	Yes	Yes (Natl Gov)	Yes*
	Joint programmes or joint interventions	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
	Thematic coordination groups	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Joint monitoring mechanism	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
	Joint evaluations	Partly	No	Partly	Not yet	Partly	Yes	No	Partly
	Country-led evaluation of DaO 2010	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes
One Leader	One Leader	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	UNCT code of conduct	Yes			Yes	Yes	Yes		Yes
	Resident Coordinator Office	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<i>(One Voice) (A sub-component of One Leader)</i>	Common policy positions	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Joint communication team	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes
	Joint annual report	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Joint website	Yes	Yes	Yes	Yes	In process	Yes	Yes	Yes
One Budget / One Fund	One Budgetary Framework	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	One Fund	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	MPTF office is Administrative Agent of One Fund	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Joint fundraising strategy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
One Office	Common services	Partly	Yes	Partly	Partly	Partly	Yes	Partly	Partly
	Operations Management Team	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	One UN House	Planned	Yes	No	No	Planned	No (Zanzibar. Yes)	No	Advanced

One Programme

26. Depending on the status of the UNDAF (ongoing or under preparation) cycles in the eight countries at the time they volunteered to be pilots, different approaches to programming were adopted. Four models can be observed in the eight pilots during the pilot period to date, with small variations within the models:

- *Only one framework exists* as the UNDAF and One Programme coincide and are identical. Three variants exist: (1) the UNDAF is operationalised through a Common Operational Document (or UNDAF Action Plan) which covers the entire range of UNDAF programmed activities (Rwanda); (2) the UNDAF cycle started and the One Programme, with a new and broader scope, was prepared instead of the UNDAF (Uruguay), or (3) an ongoing UNDAF was completely absorbed into the One Programme, which is broader in scope (Albania, Cape Verde⁴⁴).
- *Two frameworks co-exist*, as the existing UNDAF continues and is supplemented by the One Programme. In this model two variants exist: (1) the supplement is implemented as an extension of the outcomes in the UNDAF, with a focus on joint outcomes/joint programmes (Tanzania); (2) new joint outcomes/joint programmes were added to the original UNDAF (Mozambique);
- *Two frameworks (UNDAF and One Programme) co-exist for a transitional period* and then a *full comprehensive One Programme* is prepared (Pakistan).
- *Only one framework exists* as the One Programme is prepared instead of the UNDAF; but only for a *limited group of agencies* (Viet Nam: One Plan I). This is then *expanded to include* more agencies in a *second and more comprehensive One Programme* (Viet Nam: One Plan II).

27. Towards the end of the pilot period most of these models and variants converged into a model that was based on the One Programme and the One Budgetary Framework. Under this, the One Programme in most countries is basically an UNDAF combined with an operational plan/action plan.

28. These models and variants impacted on the structures and processes that were established in the pilots to plan programmes, to mobilize resources and to allocate them to the different programmes and activities within the One Programme.

29. There are also differences in the way the UNCTs organized sectoral or programmatic planning and operational oversight:

- Most UNCTs established Programme Coordinating Groups or Thematic Working Groups that would formulate jointly the One Programme along broad themes and manage

⁴⁴ The case of Cape Verde is special as the Joint Office (UNDP, UNICEF, UNFPA and initially WFP) preceded DaO.

resource allocation at outcome level. Programme implementation was then under the full responsibility of the Participating UN agencies following their own corporate procedures.

- Another approach was to establish Joint Programme Coordination Committees (JPCC) and focus on the formulation of Joint Programmes. The JPCC would closely monitor JP implementation and manage the application for resources to the One Fund.
- There is a trend towards favouring the Programme Working Group approach, with emphasis on Joint Programming and less emphasis on joint operations through Joint Programmes. Several UNCTs reported that Joint programming was more effective in promoting coherence than implementing joint programmes.

30. Some UNCTs made Joint Programmes mandatory (Mozambique, Pakistan, Uruguay) for the use of resources from the One Fund while others had no such requirement (Albania, Cape Verde, Viet Nam). Joint Programmes were required as an implementation modality for MDG-F funding, where this was accessible. Joint Programmes rapidly increased in number. Two UNCTs later moved away from Joint Programmes as a major management instrument, towards Joint Programming across the sectors in the UNDAF (Rwanda, Tanzania). The difference in approach had implications for the overall management structure established to channel resources and monitor their use.

One Leader

31. While all UNCTs used essentially the same concepts to implement DaO, they applied different strategies for its management. UNCTs experimented with different models and abandoned them if they found them too unwieldy and complex. However, the following core elements were maintained:

- *High-level Coordination and Steering Committees* are found in all pilots, usually chaired at Deputy Prime Minister or Minister Level and co-chaired by the UN Resident Coordinator. In some countries donors also participate as member or observer in these committees. While the scope and mandates of these high-level committees vary, they are all responsible for determining the strategic positioning and priorities of the UN effort within the context of national development priorities, as well as for the oversight of progress with regard to resource mobilization and implementation.
- *Senior Committee*, co-chaired at Ministerial level with the RC, to give strategic orientation and oversight, which may in some cases include oversight of resource allocation.
- *Management committee* composed of members of UNCTs and national representatives, with thematic focus, to oversee planning, implementation and allocation of resources from One Fund.
- *UN Country Team Agencies* participating in operational planning and management of programmes, and resource allocation mechanisms, and responsible for delivering the outputs and results to which they committed themselves in the One Programme.

- *Resident Coordinators* responsible for mobilizing resources for and managing the One Fund. In most cases the RC also has the ultimate formal authority for decisions on fund allocation.

32. There are significant differences between the pilots at the next level⁴⁵. Some pilots have elaborate structures between the highest level and the operational level, i.e. the UN Participating Agencies (e.g. Albania, Pakistan, Rwanda and Viet Nam); while in others there are no intermediary committees or structures between the highest levels and the operational level (Cape Verde, Mozambique, Tanzania and Uruguay).

One Budgetary Framework/Fund

33. One of the basic assumptions underpinning the Delivering as One concept was that the UNCTs would define the One Programme together with the Government in response to national needs; and that a Common Budgetary Framework⁴⁶ would assess the funding requirements for the UN system at country level to implement the Programme. Funding categories included:

- core/assessed resources of UN organizations involved,
- earmarked non-core/extra-budgetary resources from all sources – bilateral, multilateral and private
- the funding gap between existing resources and the total cost of the UNDAF Action Plan.

34. Even though most of the UNCTs report using the Common Budget Framework as the basis for their planning and resource mobilization for the One Programme and the One Fund, the approaches chosen by the UNCTs differ substantially in presentation, timeframe and coverage. Some cover the entire One Programme, including the Core and Non-Core while others only cover the incremental funding requirements arising from the One Programme, that would be run in parallel to the UNDAF Still others prepare annual Common Budgetary Frameworks (CBFs). The understanding of the “funding requirements” and the “funding gap” is not identical across the pilots, and differs according to the business models and the corporate funding strategies of the agencies concerned.

35. All agencies continued to use their agency specific resource mobilization channels, both for core and non-core funding, as a key element of their programme funding. They also adapted their local resource mobilization to the conditions of the DaO. They may suspend local resource mobilization efforts and empower the RC to interact with local donors to mobilize resources to cover the “funding gap” for and on behalf of the entire UNCT. In practice this process was managed through the processes of the One Fund.

⁴⁵ A more detailed overview of the pilot country approaches is provided in the Country Summaries presented in Annex 5.

⁴⁶ The format of the Common Budgetary Framework that was formally introduced by the UNDG in 2008 was inspired by the Common Operational Document developed by the UNCT in Rwanda, within the framework of DaO. It was designed as consolidated financial framework that shows costed results of the ‘UNDAF Action Plan’.

36. While the Common Budgetary Frameworks prepared by the UNCTs during the pilot period from 2007 to 2010 were not able to provide the full funding requirements for the UN programmes in the eight pilot countries all UNCTs are now preparing comprehensive frameworks for the new cycle, which are intended to cover the totality of the funding requirements of the UNCTs.

37. Funding gaps may be agency specific or related to Joint programmes, or to the overall One Programme. It is evident that the governance of the approval process of the One Programme as well as of the allocation of funds from the One Fund gained considerable importance during the DaO pilots. Therefore considerable attention was paid by the UNCTs to confirming governance mechanisms and codes of conducts; as well as to fund allocation processes and criteria.

38. This innovative model for local resource mobilization on behalf of the UNCT gave considerable responsibility, power and authority to the UN RC; who at the same time is also (usually) the UNDP RR. The interagency demand for a firewall between the functions of the RC and the UNDP RR, therefore intensified and was in the end addressed through the MAS⁴⁷ and the creation of the function of the UNDP Country Director. The involvement of the Government was therefore an essential condition for this process to be acceptable to the UNCT agencies; in order to ensure a transparent process of resource allocation, managed by the RC, which would clearly be in response to national priorities rather than to agency specific priorities. Some issues have arisen during the development and implementation of the One Budgetary process framework, including:

- some local donors, which had officially agreed to respect the overview of the RC for local resource mobilization, continued funding individual agencies outside the One Fund mechanism
- some agencies with high brand profile had to forgo earmarked resources that would have been made available by a local donor, since the interagency agreement and code of conduct would require these to be channeled through the One Fund and thus no longer guaranteed their use for that specific purpose not all donors agreed to adhere to the DaO process and continued funding agencies according to their established policies and priorities, normally through their headquarters.

39. In addition to the “traditional” funding sources of core and non-core resources of Agencies, three specific funding instruments have been used to support the DaO process. These are: the One Fund at country level; and the Expanded Funding Window (EFW) for Achievement of the MDGs and the Spanish Millennium Development Goal Development Fund (MDG-F) at headquarters level. The modality used for all three instruments is the Multi-Partner-Trust Fund (MPTF); for which the UNDG has enhanced the operational modalities that were already in place. Each of the UNCTs in the eight DaO pilot countries established an MPTF that was agreed to by all UN agencies participating in the DaO process level. A total of nine⁴⁸ “One Fund”

⁴⁷ Management and Accountability System

⁴⁸ There are nine One Funds, since Viet Nam opened two One Funds, i.e. “One Plan Fund I” that was limited to a few agencies and subsequently the “One Plan Fund II” that included a larger group of participating agencies.

MPTFs are identifiable by association to the countries concerned. In addition, the “Expanded Funding Window” was introduced in 2008 (and became operational in 2009) to serve as a channel for unearmarked and predictable funding to enable UNCTs to raise additional resources in support of the One Programme; both in the pilot countries and in other countries voluntarily adopting the DaO approach (self-starters).

40. The eight One Fund MPTFs and the EFW, as well as the MDG-F, are managed by the Multi-Partner-Trust-Fund Office (MPTF-O) in UNDP headquarters, which also acts as Administrative Agent (AA) and maintains an internet gateway⁴⁹ that allows tracking of all donor commitments, fund transfers to and expenditures by the Participating Agencies in relation to the MPTFs that are related to the DaO process. It also serves as an online repository for relevant documents (e.g. One Programmes, Annual Progress Reports, Joint Programmes and MoUs).

41. The MPTF portal permits monitoring and tracking of the flow of resources related to the One Funds. Information on commitments, disbursements and transfers to agencies are regularly updated. Information on expenditure is derived directly from ATLAS (where relevant) or provided by participating agencies through agreed protocols. Updating of cost information occurs annually. The Portal is not designed to cover the resource flows relating to other components of the One Programme that are funded from core and non-core resources and that are not channeled through the One Fund.

42. Seventeen donors⁵⁰ supported the One Fund and the Expanded Funding Window with a total of USD 570 million (Table 2.2). This does not take into account funding to support the capacities of DOCO and some Specialized Agencies, and the additional support of some donors, which seconded professional staff on a time-limited basis to some of the Resident Coordinators’ offices (e.g. Viet Nam).

43. Five donors covered 83 % of all commitments to the One Fund⁵¹, including the contributions to the EFW that were channeled to the eight DaO pilot countries. These are Canada, Netherlands, Norway, DFID, and Spain⁵².

44. The fund flow model envisaged that Governments and UNCTs would first establish the funding needs of the One Programme. They would then identify the resources already available or anticipated through core and non-core funding; and establish a One Fund, with the support of the MPTF-Office in UNDP, to mobilize resources to meet the potential funding gap. The MPTF would be administered by the MPTF-Office as Administrative Agent for the UN system. It would receive the funds from donors and transfer them to the Participating Agencies, based on the needs agreed beforehand between the Government and the UNCT: initially within the framework of the One Programme and Common Budgetary Framework and subsequently by Joint Steering Committees through criteria-based resource allocation decision based on programme needs and performance. The Participating Agencies would then utilise these funds,

⁴⁹ The gateway also covers other MPTFs, including MPTFs established in non-pilot countries following the DaO practices as well as of large-scale interagency humanitarian assistance programmes.

⁵⁰ Counting the Government of Switzerland and the Swiss Agency for Cooperation and Development as separate donors, and not including the EFW that is funded by four donor countries.

⁵¹ Including the EFW that at country level is co-mingled with the country-specific One Fund.

⁵² See Table 2.2 below.

using their own accountability frameworks, rules and procedures, to deliver the agreed results in collaboration with the national implementing partners.

45. The allocation of funds to agencies would be based on the agreements of the roles and responsibilities of each participating agency in the One Programme, funding needs and performance of the programmes concerned. In most of the pilots the design of the One Programme aligned itself strongly to the basic pattern of the previous UNDAF, and reflected the predominance of Funds and Programmes in the UNDAF funding. Under the DaO Pilots, Funds and Programmes received 67% of the resources transferred, compared with 29% for Specialized Agencies and 4% for Non Resident Agencies.

46. In all UNCTs, decisions on fund allocation were reached by consensus. On rare occasions where this has not been possible agreements stipulated that the RC would make the ultimate decision. An important role was given to high-level oversight committees (such as the One Fund Steering Committees, which reviewed all fund allocation requests submitted by UNCT.

47. The allocation mechanism developed for the One Fund was novel and a true experiment for all the participants involved, particularly since it enabled the Government to assume the leadership role in the programming, funding and implementation of UN development programmes. However, the elaborate oversight and management structures also resulted in delays, since processes were time-consuming, and often required complex negotiation processes at national level to coordinate competing priorities of the line ministries (present in the Steering Committee) for the unearmarked funds available/mobilized.

48. The actual allocation of funds to F&Ps, SAs, and NRAs is presented Table 2.2 below .

Table 2.2 Distribution of Transfers and Expenditures of One Fund (including EFW) among Specialized Agencies, Non-Resident Agencies and Funds and Programmes (in USD 000)

(Transfers to agencies up to end 2011)									
	ALB	CVI	MOZ	PAK	RWA	TAN	URU	VIE	Total
SA	1.793	5.263	21.377	23.008	10.856	32.788	5.114	21.407	121.606
NRA	254	2.851	2.069	3.133	3.186	861	367	3.975	16.696
F&P	20.212	5.566	35.594	37.479	32.357	70.291	6.470	68.215	276.164
Total Transfers	22.259	13.680	59.040	63.620	46.379	103.94	11.951	93.597	414.466
Share among Specialized Agencies, Non-resident Agencies and Funds and Programmes									
SA	8%	38%	36%	36%	23%	32%	43%	23%	29%
NRA	1%	21%	4%	4%	7%	1%	3%	4%	4%
F&P	91%	41%	60%	60%	70%	68%	54%	73%	67%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%

49. Funding through the country-level One Fund (including EFW) supported activities programmed and managed through a variety of mechanisms. These included Programme Working Groups that allocate funds directly to agencies or Joint Programmes, using the agencies' existing operational and accountability mechanisms. One country (Tanzania) used the concept of a Managing Agent (one of the Participating Agencies) to lead and coordinate the programmes, but abandoned that concept at a later stage.

Table 2.3: Commitments in support of the one Fund and the EFW (in USD Million)⁵³
(2008-2011)

Donor	Commitments to One Fund	Share	Commitments to the EFW	Total Commitments	Share of DaO-specific Commitments
Australian Agency for Int. Development	16,1	3%		16,1	3%
Austria	1,9	0%		1,9	0%
Canadian Int. Development	77,6	14%		77,6	14%
UK (DFID)	57,4	10%	23,8	81,2	14%
European Union	3,5	1%		3,5	1%
Finland	16,3	0%		16,3	3%
France	1,0	3%		1,0	0%
Irish Aid	13,6	0%		13,6	2%
Luxemburg	11,9	2%		11,9	2%
Netherlands	42,8	2%	3,0	45,8	8%
New Zealand	5,1	7%		5,1	1%
Norway	88,9	1%	34,2	123,1	22%
Spain ⁵⁴	58,1	16%	87,7	145,7	26%
Swedish Int. Development Cooperation	17,3	10%		17,3	3%
Sweden	9,1	3%		9,1	2%
Swiss Agency for Development and	1,2	2%		1,2	0%
Switzerland	0,5	0%		0,5	0%
Total direct contribution donors to One Fund	422,1	-	148,6	570,7	100%
EFW	148,6	74%			
Grand Total	570,7	26%			
Share of five largest donors					83%

50. UN Participating Agencies and non-UN entities with UN comparable financial regulations are eligible for resources under the One Fund. NGOs have access but only through cooperation arrangements with a One UN participating agency.

⁵³Source: MPTF-Gateway, full commitments, extracted February 2012.

⁵⁴Exclusive of contributions to MDG-F.

51. All UNCTs had developed a process for allocating resources mobilized through the One Fund and that involve their governance structures in a variety of ways. The allocation criteria and the processes were detailed in a variety of documents, usually linked to the agreement that set up the One Fund. These documents can be accessed through the MPTF Portal. The main objective of the processes described above was to arrive at a fair and “performance-based” allocation of resources. All UNCT reported that they reviewed the resource allocation process and criteria after some experience to make it more effective. The main allocation criteria are presented in Table 2.3; although some countries used additional criteria.

Table 2.4: Allocation Criteria of the One Funds

Allocation criteria used in all countries	
-	Thematic delineation (relationship to MDGs, consistency with the goals of the UN system, consistency with national development policies, cross-cutting issues)
-	National capacity building
-	Operational readiness (organizations to have the operational and technical capacity to implement)
-	Consistency with the One Programme
-	Cost effectiveness of the proposals submitted
-	Performance of the Implementing Partner and Participating Agency.

52. The leadership role of governments in decision-making for an effective allocation of resources from the One Fund in line with national priorities is particularly critical, because the differences between business models of participating agencies would affect how the resource allocation mechanisms would perform, particularly when the One Fund was implemented through Joint Programmes. This is because:

- Participation in Joint Programmes required that agencies have sufficient core and/or non-core resources (extra-budgetary funds) available in advance. This is not always possible for Specialized Agencies, since it does not fit in with their budgeting and funding structure.
- The emphasis on funding predictability, short-term delivery periods, disbursement modalities (transfer to participating organizations) and evaluation of performance based essentially on financial expenditures of the One UN Fund resources all threatened the continuity of activities and the quality of delivery by specialized agencies, whose business models operated differently; a factor that was rarely considered during resource allocation processes.

53. The fund flow for the One Fund at the global level was efficient, However, in practice, operational obstacles and difficulties were encountered, since funds did not in all cases reach projects according to their implementation schedule. Three causes of delays were identified:

- The difficulty of assessing cash requirements through a committee-based approach, utilising complex resource allocation criteria and processes, sometimes resulted in

delayed submission of funding authorisations to specific agencies and programmes through the AA.

- The use of national mechanisms for transferring cash to national implementing partners resulted in considerable delays in the release of funds.
- The resource flow from the EFW was unpredictable; as its replenishment was dependent on individual donor decisions. In some cases agencies used their own core resources to prevent field activities from having to be stopped due to lack of funding.

One Office

54. While adhering to the basic principle that UN organizations are accountable to Governments of programme countries, members of the UNCT work within two accountability frameworks. Under vertical accountability, they are responsible to their own organizations for the use of resources entrusted to them; and for delivery of the results indicated in their organisation-specific corporate planning processes. In terms of horizontal accountability, they are responsible to the UNCT and the RC for results they agree to achieve within the framework of the UNDAF, or in the DaO pilot countries within the framework of the One Programme and Common Budgetary Frameworks.

55. Work under vertical accountability is governed by organisation-specific rules and regulations, which are supported by ERPs⁵⁵. Each UN Country Representative has to abide by his/her organisation's accountability framework. Even though UN organisations operate according to system-wide standards of international public institutions, there are variations between their various corporate rules and regulations, as well as the ERPs that make working together at country level a complex undertaking. The introduction of IPSAS by most UN organisations by 2012 is expected to mark a major step forward in this area⁵⁶.

56. In their work under horizontal accountability, the UNCTs are expected to coordinate their activities within the framework of the DaO and each agency is accountable to the RC for results agreed upon in the One Programme or UNDAF. This is particularly relevant when dealing with cross-cutting issues or large-scale operations. Achievements in relation to cross-cutting issues require interdisciplinary approaches and depend on the cooperation of various agencies. Cooperation in large-scale operations on the other hand is expected to yield benefits as a result of economies of scale and increased negotiation and purchasing power through joint procurement of supplies, goods or services; and thus to result in reduced costs due to improved efficiency and lower prices. When several UN organisations operate on related thematic issues with the same

⁵⁵ **Enterprise resource planning (ERP)** systems integrate internal and external management information across an entire organization, embracing finance/accounting, manufacturing, sales and service, customer relationship management, etc. ERP systems automate this activity with an integrated software application. Their purpose is to facilitate the flow of information between all business functions inside the boundaries of the organization and manage the connections to outside stakeholders

⁵⁶ **International Public Sector Accounting Standards (IPSAS)** are a set of accounting standards issued by the IPSAS Board for use by public sector entities around the world in the preparation of financial statements. These standards are based on International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). See also JIU/REP/2010/6 "PREPAREDNESS OF UNITED NATIONS SYSTEM ORGANIZATIONS FOR THE INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS"

implementing partner or donors, the necessity for these partners to deal with several organisations with different accountability frameworks (e.g. procurement and audit regulations, funding proposals and reporting formats) can generate substantial transaction costs for them, which from their perspective could be avoided if the UNCT operates and delivers as one.

57. The “One Office” component of DaO was intended to promote a common set of procedures and processes, that would allow the reduction of administrative costs for the UNCTs; as well as of transaction costs when implementing UN development assistance; for the UNCTs, the national partners and the local donor community,.

58. Simplification and harmonization of business processes has for some years been high on the agenda of the General Assembly. GA resolutions have stressed this priority and the Secretary-General has reported on several occasions on progress in this respect. Various global initiatives are underway, under the leadership of the CEB and its HLCM, to resolve some of the underlying constraints imposed by systemic issues.

59. At country-level and as recommended by the UNDG, most of the UNCTs, (even outside the DaO pilot process) have established Operations Management Teams (OMT)⁵⁷. These have the responsibility to address issues of business process simplification and harmonization. Within the DaO process, the work of these OMTs has received particular support and attention; both in terms of resources and of advice and attention from the various UN headquarters. In addition, the UNDG (through DOCO) has specifically supported change-management processes at pilot country level, through the use of external consulting teams and interagency working groups. To strengthen these processes, the UNDG/HLCM conducted a joint mission (March-April 2010) to identify country-level bottlenecks relating to business practices. This gave the UNCTs the opportunity to improve existing practices in the areas of human resource management, information and communication technology, finance and HACT, procurement and common services, and common premises. It was felt that much progress could be made in these areas without major modification of corporate processes. The findings of this joint mission were subsequently mainstreamed at headquarters level through a CEB/HLCM combined work programme, and they are being followed up by a number of interagency working groups. DOCO has issued online tool kits (2008) and online guidance material for business process engineering (2011) to support UNCT led business process simplification and harmonization initiatives.

60. Within the framework of DaO, the additional resources and support from UNDP/DOCO encouraged the UNCTs concerned to actively search for solutions; and most of the UNCTs were able to generate some solutions that would result in cost savings and improved efficiencies. At the same time, they were also faced with their ultimate dependency on corporate processes (vertical accountability). So, although they were able to register some achievements and results,

⁵⁷ The OMTs make assessments and recommendations to the UNCT on any activities requiring approval for joint initiatives on the effectiveness of existing common services; identify new services/activities for efficient and effective implementation; and plan and manage the services/activities. They are composed of the most senior Operations/ Administrative Managers of all agencies or their designated alternates and other staff from participating agencies/entities, based on their area of expertise and membership of assigned Task Forces.

they also encountered strong institutional limitations, since corporate processes depend on accountability frameworks, which can only be revised through high level processes. These may require considerable resources (e.g. in case of ERPs), coordination (in terms of interagency consultation mechanisms) and in some cases involvement of their governance structures (i.e. member states sitting on the relevant boards or governing bodies).

61. Most UNCTs in the DaO pilots made efforts to simplify and/or harmonise those business processes that did not require the involvement of their corporate frameworks. Some went further and tried to push for corporate resolution of issues that they could not solve on their own. The first category of issues concerns business processes and practices that do not depend, or only marginally, on the corporate systems, and rules and regulations of the agencies and organisations concerned. In such instances, gains could be made through combining the purchasing or negotiating power of the UNCT members with regard to local suppliers, or by streamlining duplicate processes and thus potentially reducing transaction cost for partners. The main instrument for achieving this was the introduction of Long Term Agreements (LTAs) with local suppliers to bundle the purchasing power of the UNCT for local procurement, in order to obtain lower rates and improved quality services. The second category concerns business processes that are part of ERPs and that are governed by corporate rules and regulations in the finance, human resources and procurement areas of the agencies and organisations. Within this realm, UNCT members have insufficient delegated authority to take decisions at country level.

62. All the UNCTs made efforts to reduce transaction costs through business process harmonisation, focusing on locally managed processes and taking advantage of collective negotiating and bargaining power of a united team, when dealing with local suppliers of goods and services⁵⁸. The issues addressed are often referred to among UN stakeholders as the “low hanging fruit” of the corporate systems. Some UNCTs had access to additional resources, either through the One Fund or through additional human resources obtained from specific donor support. This enabled them to launch systematic change-management processes and/or conduct feasibility studies on ICT and procurement reform, which often generated substantive change measures⁵⁹. After initially complex, intense and time-consuming work in interagency working groups most of the UNCTs identified and realised cost savings in two areas, namely Programme and One Fund Management; and administrative business processes.

63. In the Programme and One Fund areas, although new instruments were introduced, they were not matched by the elimination of business practices, which had effectively become redundant. A case in point is the introduction of a Common Country Programme Document for the Funds and Programmes, to reduce the agency-specific workload for the preparation of CPAPs; which are technically no longer required, as all Outcomes and Outputs were defined in the One Programme. However, the achievements in cost reduction within the UNCT through preparation of Common Country Programme Documents were dependent on acceptance by the Executive Boards of the Funds and Programmes.

64. The centralization of One Fund management at RC/UNCT level produced some streamlining of funding and reporting processes, and some reductions in transaction costs for the

⁵⁸ This was also one of the recommendations of the joint UNDG/HLCM mission in 2010.

⁵⁹ Results are covered in Chapter 3, which presents the findings of the evaluation.

agencies concerned. In particular the leadership role of the RC in the resource mobilization process – on behalf of the UNCT – partially replaced the Agency-based fund raising. This was expected to generate reductions of overall transaction costs, both for Agencies and for donors; since the Agencies would no longer need to make bilateral representations to seek donor funding. To some extent, the reduced transaction costs of fund management for UN Agencies were simply transferred to the RCOs, which experienced a substantial increase in workload.

65. Other activities of UNCTs in the area of business practice simplification and harmonization have included work on:

- Common ICT networks to improve overall effectiveness and efficiency
- Common staff induction programmes for all staff of the UNCT agencies to increase the effectiveness of staff
- Common web-based human resources portals, to reduce recruitment cost per vacant post
- Common procedures on the selection of human resources and procurement of goods and services for joint programmes, including selection panels for human resources that include national counterparts, the Government, participating UN Agencies and the RC Office); intended to generate streamlined and less costly processes
- Agreement on common conditions for locally contracted human resources, covering salary scales, holidays: insofar as these do not contradict specific rules and procedures of the contracting UN Agency
- Cost reductions in the management of financing agreements; as only one document per donor needed to be signed for setting up the One Fund.

66. Despite the notable efforts made by the pilot countries, systematic information on savings actually achieved is very limited. Most of the available reports consist of a composite of actual savings and of expectations for the future.

67. Most of the UNCTs have tried to measure and track transaction costs for their national partners and local donors. They have found the task very complex, costly and time-consuming, mainly because there are currently no joint or UN system-wide budgeting methodology and cost accounting systems, which might allow tracking of all internal and external transaction costs⁶⁰ related to country level programme implementation; despite efforts of UNDG to assist the UNCTs to develop a methodology. Main obstacles have proved to be the absence of baseline data and inconsistencies in accounting terminology and methodologies of the financial systems of the UN agencies. Other issues reported were insufficient individual staff commitment, problems in data generation due to agency specific financial/procurement systems and fears among staff that the drive for reduction of transaction costs could be used as a rationale for reducing the number or level of staff positions.

⁶⁰ UNDG defined internal transaction cost as the cost that are internal to the UN system and external transaction cost as those cost that are incurred by partners of the UN system as result of the UN systems' actions or from their interaction with the UN system, and that are incurred at country level and at the headquarters of the donor agencies to support country level activities. (UNDG: Definition, Identification and Measurement of In-country Transaction Costs in the Context of "Delivering as One" Pilot Countries, October 2010.

Use of the Harmonised Approach to Cash Transfers (HACT) and National Systems

68. The Harmonized Approach to Cash Transfers to Implementing Partners (HACT) was launched in April 2005. The HACT has been applied by all the Funds and Programmes in all the pilot countries. Several Specialized Agencies have also committed to apply HACT within the context of DaO. The HACT shifts the management of cash transfers from earlier systems based on specific control mechanisms to a risk management approach. It aims to:

- Reduce transaction costs pertaining to the country programmes of the ExCom agencies by simplifying and harmonizing rules and procedures
- Strengthen the capacity of implementing partners to effectively manage resources
- Help manage risks related to the management of funds and increase overall effectiveness.

69. The use of national systems by the UNCTs has not been consistent. Some UNCTs have made considerable progress, such as

- the UNCT in Tanzania which uses the Government Exchequer to transfer programme funds; thereby allowing the government to include the UN system's contribution as part of its planning and budgeting framework. One agency has also used the national procurement systems within the framework of the National Implementation Modality (NIM).
- In Albania, UNDP, UNFPA and other UN Agencies have begun to partially use the national Public Financial Management system, and the public procurement system.
- In Mozambique the UNCT has aligned its annual planning process with the timing of the Government system, which plans in April/May for the subsequent year.
- In Pakistan, three agencies (WHO, UNHCR and IFAD) use national systems in the areas of national budget execution, national financial reporting, national procurement and national auditing procedures.
- In Rwanda the UNDAF/P programming cycle has been aligned with the national programming cycle (EDPRS) and individual UN agencies have also begun to align to varying degrees.
- In Uruguay, the UNCT is using national systems in some instances to make "advances" or "salary supplements" to national counterparts.

70. Both the use of HACT and of national systems have been important components of revised approaches in DaO pilot countries, intended to both enhance national ownership and to reduce transaction costs.

3. KEY FINDINGS FROM THE EIGHT PILOTS AND THE WIDER SYSTEM

3.1 Overview Findings on Performance of the Four Strategies

1. According to the Generic Theory of Change, shown as Figure 2 in Section 1.10, the DaO pilots used four strategies, which were intended to contribute towards the ultimate impact of “Countries Better Able to Achieve their National Development Goals”. These were One Programme, One Leader (usually supported by One Voice), One Budget/Fund and One Office. In this section, an overview is presented of the performance of these strategies. This overview addresses the following Key Evaluation Questions:

- Q3: What processes and resources have been put in place to operationalise the DaO at country, regional and global level?
- Q4: What happened at country level and how did the context influence how DaO was implemented?
- Q5: What were the most significant changes (at country, regional and global levels) to which DaO contributed, recognising intended objectives and were there any unintended consequences of DaO? How and why did these changes and consequences come about?
- Q6: In what ways has the UN system (particularly headquarters of UN organizations) supported and/or constrained DaO implementation and results – or led to unintended consequences?

3.1.1 Findings on the One Programme Strategy

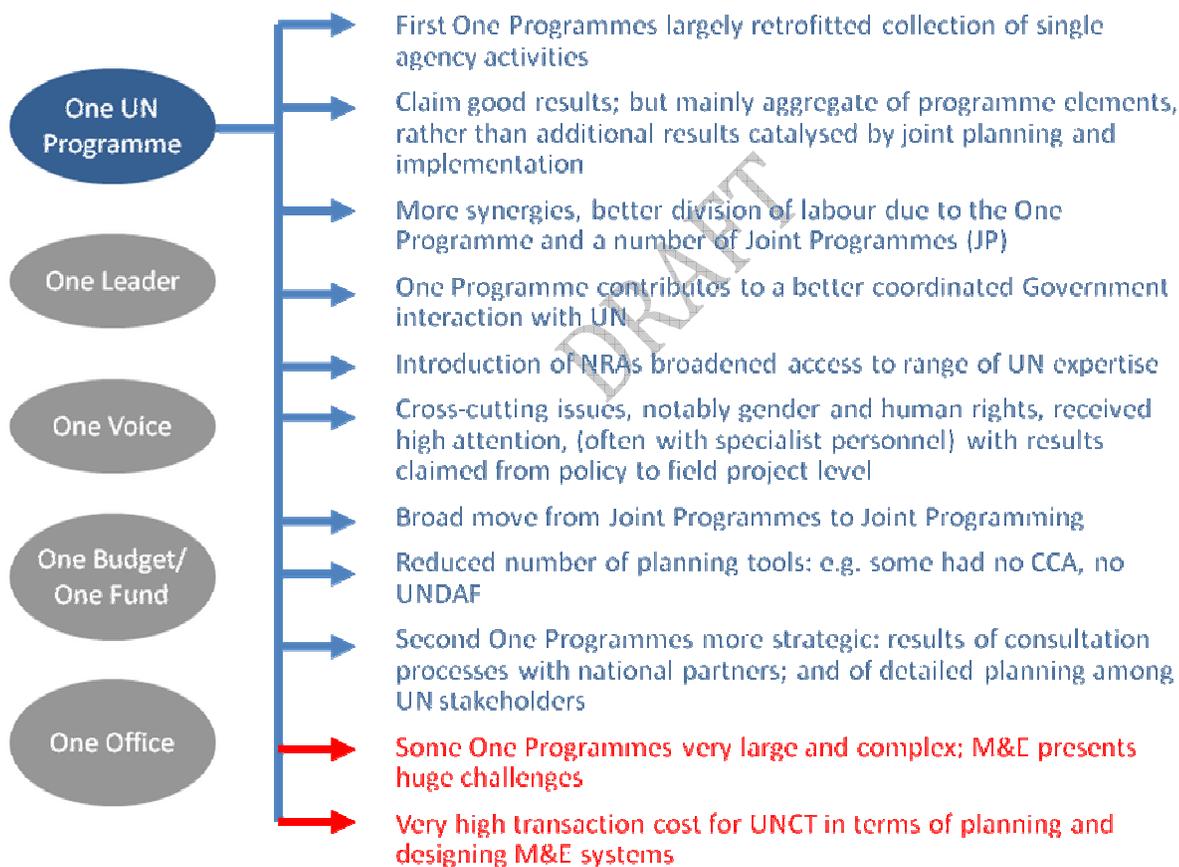
2. All pilots have placed great emphasis on the One Programme Strategy. According to UNDG⁶¹, “One Programme brings all members of the country team together under one nationally-owned strategy that draws on the full range of UN expertise. With full participation of relevant national and international partners, the UN Resident Coordinator leads the UN Country Team through a programming process to create a set of strategic results based on national priorities, the internationally agreed development goals, and the UN’s capacity and comparative advantages. The outcomes are listed as measurable, costed outputs resulting from UN support to national partners”. This has been a substantial learning exercise, with mixed results. Important gains have been made in terms of opening up the UN country programmes to a fuller range of agencies, systematic approaches to cross-cutting issues and more coherent integration with Government priorities. However, the first One Programmes were mainly fitted into existing or largely-planned UNDAFs and consisted mainly of activities that were-retrofitted into Joint Programmes (JPs). In the search for Agency inclusiveness, some JPs became unfocussed and unmanageable, with 10+ Agencies and even more national partners. Major monitoring and evaluation efforts were launched. However, these focussed on aggregate results, Agency-specific results and collaborative processes. They produced little evidence on how the joint approaches under DaO contributed towards development results that are different from or additional to those produced through previous UN programmes.

⁶¹ www.undg.org (Delivering as One – One Programme)

3 Countries drew different lessons from the first One Programme experience. Some decided to adopt a different approach for the next country programme, moving towards a Joint Programming approach, seen to encourage greater Government ownership, more realistic and manageable programmes and, at least in principle, improved evaluability. Other countries decided to try to improve and refine the initial approach of Joint Programmes.

4. The One Programme approach contributed towards reduced duplication and fragmentation of activities, increased transparency, improved planning processes allowing stronger national ownership and better delivery in certain important areas, notably cross-cutting issues. However, the approach was extremely time-consuming for the UNCT and staff. Figure 3.1 gives an overview of the findings on the One Programme approach⁶².

Figure 3.1 Findings on the One Programme Strategy



3.1.2 Findings on the One Leader Strategy (including the One Voice sub-strategy)

⁶² Findings in blue are achievements, those in red are challenges still faced.

5. In most countries, the element of One Voice was added to the “Four Ones” (less completely in Pakistan and Rwanda than in the other pilots). In this section, it is treated as a sub-component of the One Leader strategy, since this is how most pilots have pursued it.

Findings on the One Leader Strategy

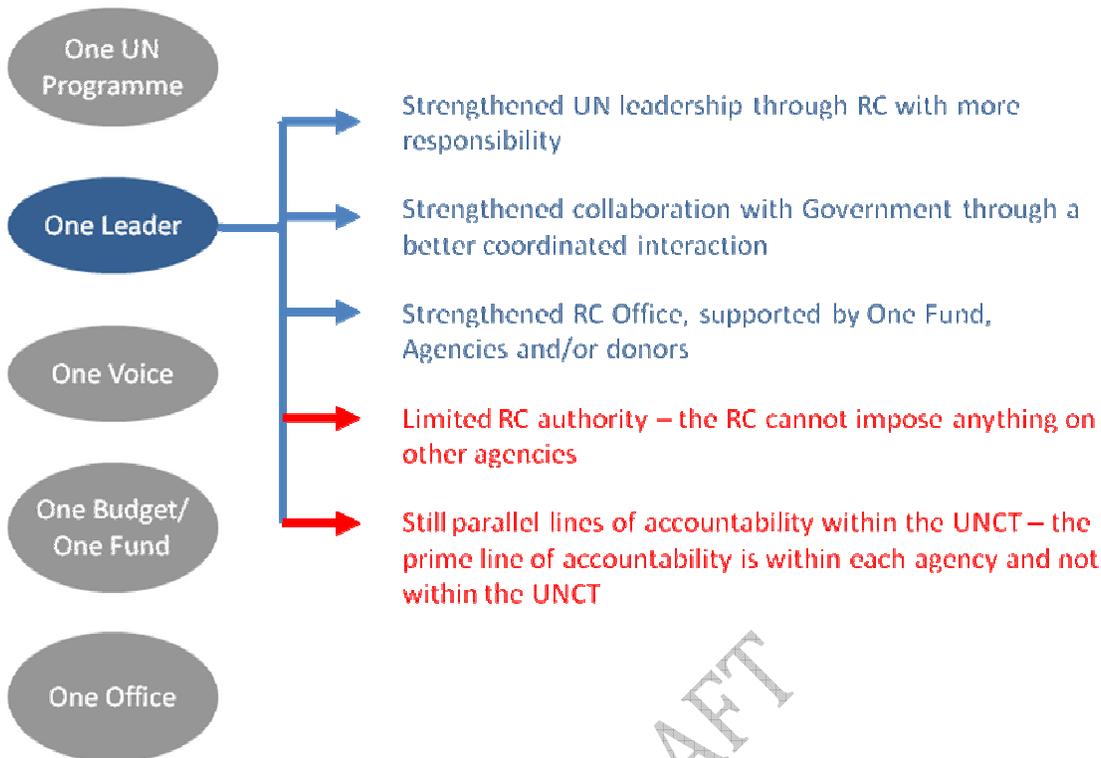
6. The One Leader strategy was pursued in all pilots, although with varying degrees of emphasis. According to the UNDG⁶³: “The concept of One Leader is for an empowered Resident Coordinator (RC) and an empowered UN Country Team to work together with clear accountability. Under the One Leader concept, the empowered Resident Coordinator is expected to provide strategic leadership throughout the development programming process, bringing together relevant analytical capacities, both national and international, developing synergies between various UN “assets,” and linkages between the UN entities with their respective mandates and other partners”.

The strategy has achieved results; mainly in connection with increased coherence among Agencies and in terms of programming, operations and image of the UN. It was supported by a Code of Conduct among UNCT members, which placed limits on their freedom to pursue their own Agency-specific interests, where these might compromise workings of the One UN. The One Leader concept was not supported by any authority of the RC over Agencies, which retained the lines of authority and accountability over their staff.

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⁶³ www.undg.org (Delivering as One/One Leader)

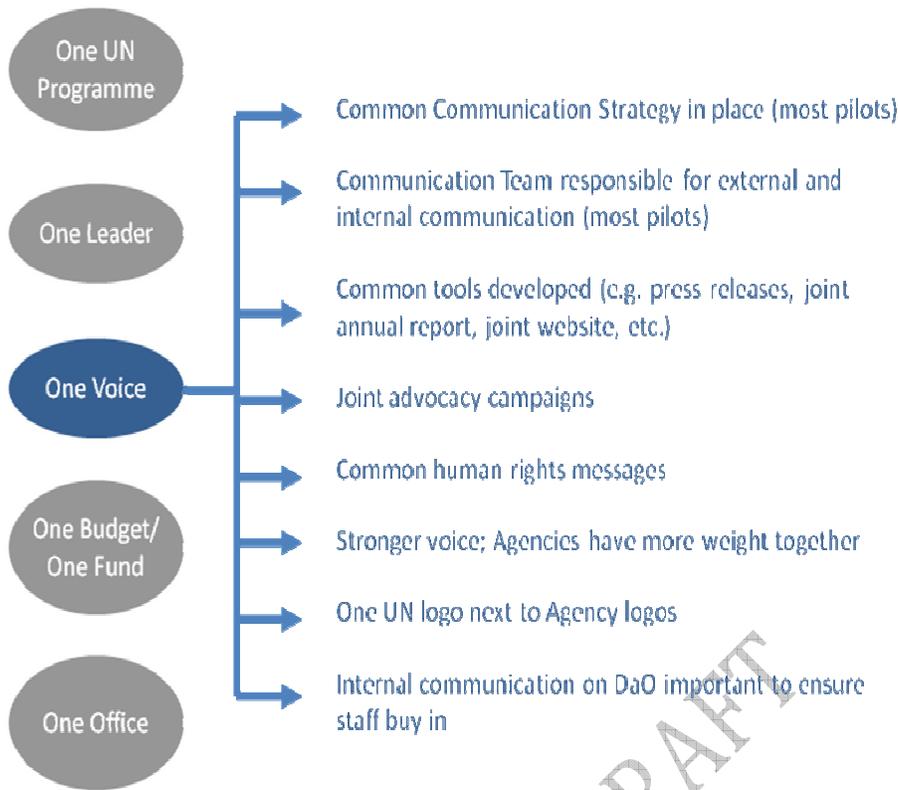
Figure 3.2: Findings on the One Leader Strategy



Findings on the One Voice Sub-Strategy

7. The One Voice sub-strategy was not part of the original “Four Ones”. However, almost all pilots adopted it, usually as a sub-set of “One Leader”. It aims to advance the UN Agenda in country; within the UN system, to Government and other Development Partners and in the country at large. Where it has been strongly promoted, the “Delivering as One” experiment has been better understood, with associated strengthening of support. Some parts of the Strategy have encountered resistance, notably in terms of the concept of shared logos on Agency-specific outputs, where some Agencies have feared dilution of their own specific message. This fear has not been realised in those countries where the practice has been strongly pursued, since external audiences have seen it as evidence of a more coherent UN system in-country and many staff have reported a feeling of pride in being part of a visibly stronger UN entity. Overall, One Voice has contributed to reduced fragmentation and duplication and to some extent in terms of understanding of the One Programme.

Figure 3.3: Findings the One Voice Sub-Strategy



3.1.3 Findings on the One Budget⁶⁴/Fund Strategy

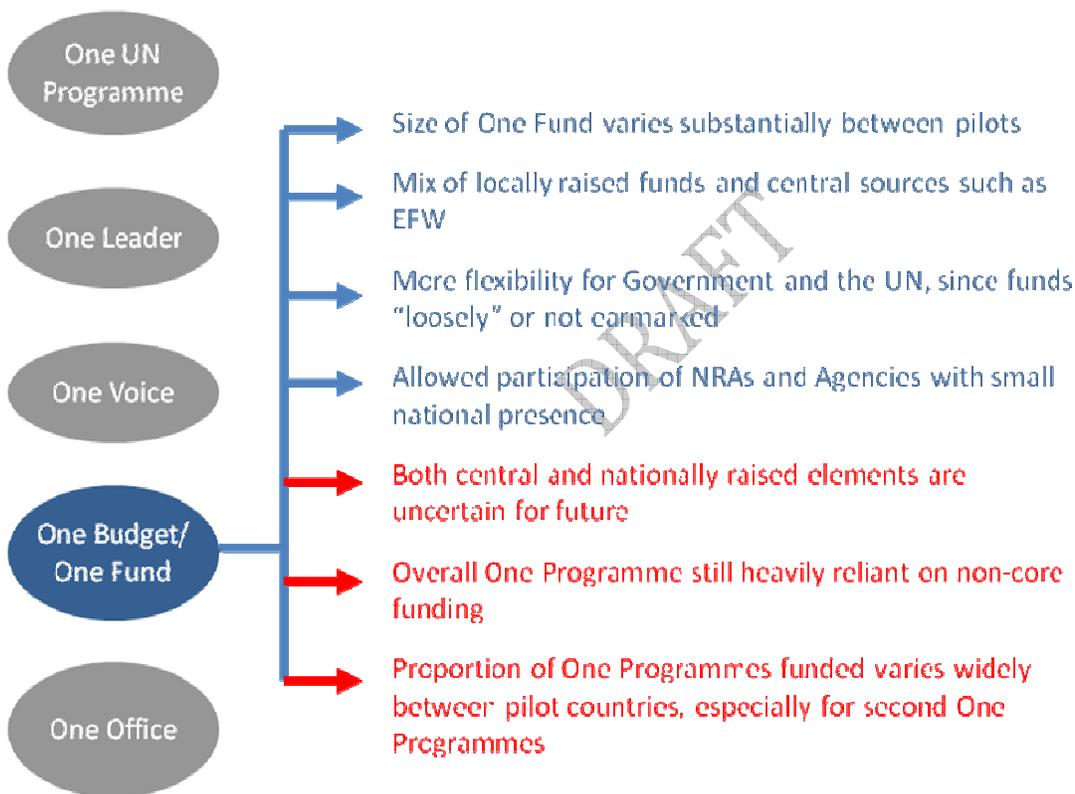
8. This strategy is again at the heart of the DaO approach. According to UNDG⁶⁵, “Under One Budget, the UN country teams' agreed, costed results are presented in one financial framework, showing each agency’s planned input together with the funding source. Unfunded results are also identified. Each participating UN agency identifies the resources it expects to provide – whether in-kind or monetary – subject to funds being available. At the end of the year, agencies and government departments provide information on progress made against the planned results and actual expenditures, to give governments a clear picture of UN support. The results in the financial framework can be funded by agencies’ core resources, national government contributions, direct contributions from donors, and a specific country coherence fund established for interested donors’. The One Fund is a common pool of supplementary resources used in some countries to fund gaps in resources for the One Programme. At its “bottom line” it

⁶⁴ Also referred to as “One Budgetary Framework”

⁶⁵ www.undg.org (Delivering as One/One Budget)

needs to raise additional funds, preferably both multi-annual and unearmarked. The size of the One Fund varies substantially between countries, with significant effects on the extent to which the One Programme can be innovative. The One Fund, in particular, has enabled the entry of NRAs into all pilot country programmes. This has given Government increased flexibility to use UN assistance in innovative areas, which were not addressed under previous UNDAFs. In certain countries, the Fund has also financed some of the costs of UN system reform. In view of the important contribution made by the One Fund, the known reductions to some of its key elements because of the withdrawal of funders poses serious concerns with regard to the sustainability of the benefits it has helped to produce (for example, with regard to gender equality and women’s empowerment), since many of these will require continuing support to achieve their intended long-term effects.

Figure 3.4: Findings on the One Budget/One Fund Strategy



3.1.4 Findings on the One Office Strategy

9. The One Office⁶⁶ strategy is intended to unite “agencies working at the country level through harmonized business processes, common services and often common premises or a UN House. By establishing common services and clustering operational activities of agencies together the UN aims to reduce operational costs considerably and become more effective and efficient in supporting programme

⁶⁶ www.undg.org (Delivering as One/One Fund)

delivery”. The One Office (as a building) strategy has had varied results. It has been realised in Cape Verde (before DaO) and Zanzibar; other countries have already achieved a limited version of it, with some Agencies in and others out (as in Tanzania and Pakistan) and may pursue it further; some are moving towards it as a goal (Vietnam, Rwanda and Albania); while others have decided not to pursue it further (Mozambique, Uruguay).

10. All pilots have made strenuous efforts to make cost savings, both in terms of procured goods and services and in terms of human “transaction costs”. Savings have been made, but are modest in terms of overall operating budgets and the scale of programmes. This has been the “One” most affected by the overall DaO approach of country pilots without prior HQ reform. Many reforms desired or attempted at country level have proved impossible because of Agency regulations, business practices or cultures. Furthermore, it has not proved possible for UNCTs to produce consolidated financial information and it is therefore very difficult to specify what savings have been achieved. The main achievements and remaining challenges of the One Office strategy are shown in Figure 3.5 below:

Figure 3.5: Findings on the One Office Strategy

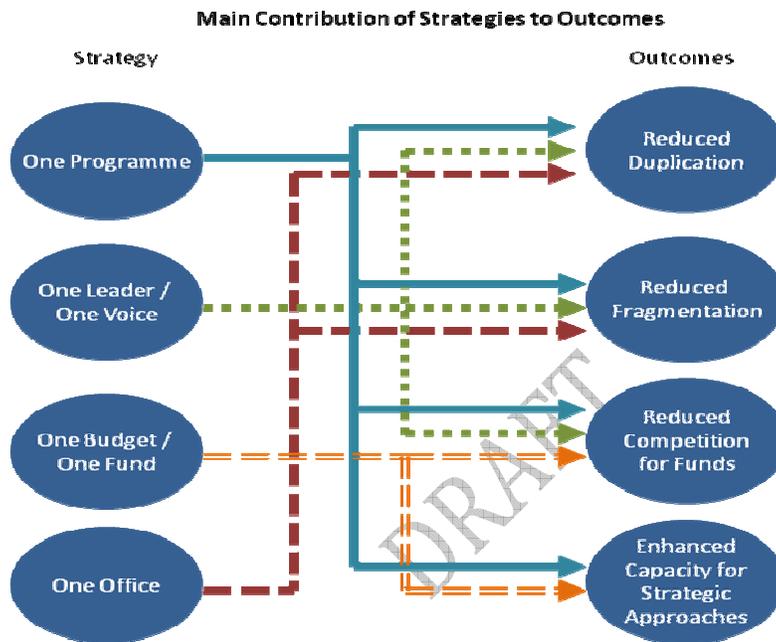


3.2 Findings on the Four Outcomes

11. The four key outcomes expected to contribute towards the objective of countries being better able to achieve their development goals were: reduced duplication, reduced fragmentation, enhanced capacity

for strategic approaches and reduced competition for funds. The four strategies were expected to contribute as an interactive set towards these outcomes, rather than through a direct chain of one strategy promoting one outcome. An overview of the findings on the contribution of the strategies (“The Four Ones”) towards outcomes is shown in Figure 3.6 below. This finds that all four strategies as implemented contributed towards the outcomes, expected to lead towards the objective of DaO. None of the strategies proved redundant. The One Programme contributed towards all four of the desired outcomes.

Figure 3.6: Main contribution of strategies to outcomes.



3.2 Specific Findings on Progress towards the Objective of DaO

12. Having assessed progress towards the four intended outcomes, according to the Theory of Change, the report now moves to the next step in the results chain. Between the four outcomes expected of DaO and its ultimate long-term objective (countries better able to achieve their national development goals) are three medium-term “Intermediate States.” These are: enhanced national ownership, a UN system delivering better support to countries and reduced transaction costs,. The specific findings on these three issues are now presented.

13. In addressing these issues, this section presents detailed findings on the following Key Evaluation Questions:

- Q3: What processes and resources have been put in place to operationalise the DaO at country, regional and global level?
- Q4: What happened at country level and how did the context influence how DaO was implemented?

- Q5: What were the most significant changes (at country, regional and global levels) to which DaO contributed, recognising intended objectives and were there any unintended consequences of DaO? How and why did these changes and consequences come about?
- Q6: In what ways has the UN system (particularly headquarters of UN organizations) supported and/or constrained DaO implementation and results – or led to unintended consequences?

3.2.1 Progress towards enhanced national ownership

Finding 1: Governments have obtained stronger ownership of their UN programme under DaO than before. Central coordinating ministries are the chief drivers and beneficiaries of DaO, while relationships between UN and line Ministries have remained largely unchanged.

Summary of Evidence

14. On the occasion of High-Level Conferences in Mozambique (2007), Rwanda (2009), Viet Nam (2010) and Uruguay (2011), governments of all pilot countries stated that national ownership and leadership has increased with DaO and that the UN development system has become more responsive to the countries' needs and priorities.⁶⁷

15. In all eight country missions of the evaluation, central government bodies, such as Ministries of Finance, Planning and Foreign Affairs, or President's/Prime Minister's Offices reported important gains from DaO. These include improved ownership of the UN programme as a whole, more coherent discussions, less meetings and an overall reduction in the cost of doing business with the UN system. Several central Government bodies also reported that the UN's joint programmes and joint programming have helped them address cross-cutting, multisectoral issues and themes requiring strong policy and operational coordination. In addition, particularly with regard to the second generation of One Programmes, which are now under planning or early implementation, Government has taken a major role in the overall planning processes in all pilot countries.

16. Many line Ministries have well-established relationships with individual UN agency partners, which have produced a sense of ownership of programmes developed with those partners. Many such Ministries reported that DaO has not changed this relationship and programmes built upon these long term partnerships are continuing under the One Programmes. Others voiced a perception that DaO might weaken these specific ties and that they therefore felt some potential reduction of ownership of their UN programmes. However, no specific evidence of such a weakening was reported. In other cases line Ministries have benefitted from the opening up of new partnership opportunities facilitated by DaO, due to improved awareness of the range of relevant UN Agencies, including Non Resident Agencies (NRAs).

Finding 2: A critical factor contributing to the sustainability of the DaO approach is a strong tripartite alliance between government, the UN system and donors. Sustainability of support from UNCT members is threatened by the imbalance between their Agency-specific and UN-system accountabilities.

⁶⁷ See Box A.6.1: Member States' Support of DaO: Call to go beyond the Pilots

Summary of Evidence

17. Governments of pilot countries have clearly stated on the occasions of high level conferences that there is “no going back” to pre-DaO approaches and practices. However, the CLEs had mixed findings with regard to sustainability. Two were positive (Rwanda and Vietnam), three mixed (Cape Verde, Tanzania and Uruguay), two critical (Albania and Mozambique) and one undecided (Pakistan) on this dimension⁶⁸. In the pilots, progress with reform has been built on the enthusiasm, commitment and capabilities of UN staff. This needs to be retained through normal processes of staff (particularly international staff) turnover. New staff (who previously worked in non-DaO countries of the UN) in the pilot countries reported a steep learning curve, which requires strong induction procedures. New staff who had not worked with the UN elsewhere found that DaO is the right way of working. Several UNCTs have gone to great lengths to prepare common induction processes and packages across Agencies, which play an important role in supporting sustainability. Another important element is the full engagement and support of local staff in DaO processes, a situation, which has not been attained in all pilots.

18. DaO has been found to add many tasks to UN staff workloads, while removing few, if any. During the phase of transition towards DaO, staff have accepted this situation as part of their commitment to the process of reform. However, many UNCT members and staff across the eight countries expressed concern over the long-term sustainability of this level of commitment, if DaO becomes a routine approach. This is because, so far, staff responsibilities with regard to DaO have not been adequately incorporated into Agency appraisal, performance monitoring and reward systems. There is currently substantial variation in the extent to which steps have been taken to begin to address this issue.

19. A major barrier to sustainable change is the existence of strong Agency-Specific accountability systems, which mean that ultimately actions and performance must be justified and assessed in terms of their conformity with and contribution towards the systems and results of each individual UN organisation. In addition to these formal accountability systems, mindsets must change if reform is to be successful, productive and sustainable. This cannot be achieved solely on the basis of country level commitment. An underlying factor, raised in all pilot countries is that DaO is seeking to reverse decades of institutional culture, values and practice. Expectations of what can be achieved in a few years of piloting have therefore been unrealistic. Furthermore, among Governments, donors and UNCTs there is a strong feeling that mindsets at HQ levels have changed less rapidly and less radically than in the pilot countries. This is identified as a critical challenge to sustainability. Nevertheless, all pilot country UNCTs state that the pre-DaO approach is no longer an alternative and that there is “no way of going back”.

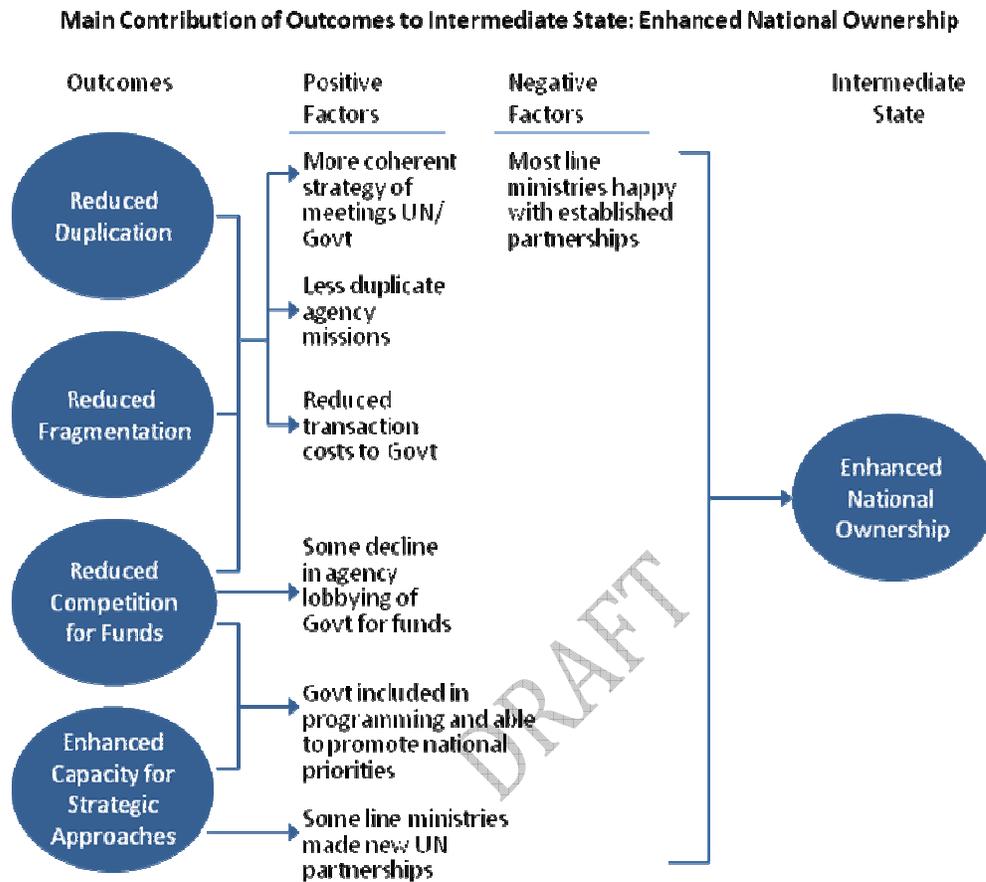
20. Whilst pilot countries have taken strong ownership of Delivering as One, they are also aware of the many challenges, which remain if the initiative is to fully realise its ambitions. In particular, they note the need for higher levels of action from UN HQs, to allow greater decentralisation to country level.

Summary of Progress towards Enhanced National Ownership

21. Movement along the results chain outlined in the Theory of Change, from the Outcome level towards the Intermediate State of “Enhanced National Ownership” is summarised in Figure 3.7 below.

⁶⁸ See Table A.6.1: Summary of Findings from the Country-led Evaluations of DaO conducted in 2010 and Assessments of their Robustness

Figure 3.7: Main contribution of Outcomes to the Intermediate State of “Enhanced National Ownership”



3.2.2 Progress towards better delivery of support by UN system to countries

Finding 3: The One Programme has been at the core of efforts to respond to country needs and priorities in all DaO pilots. However, the One Programme has posed challenges in terms of defining the right balance between strategic focus and inclusiveness, i.e. giving the pilot countries increased access to mandates and resources of Non-Resident Agencies and small-scale Agencies.

Summary of Evidence

22. One of the underlying objectives of the One Programme was that programme countries should have access to and benefit from the full range of mandates and resources of UN system, whereby national governments should determine, which UN organizations, including non-resident agencies will best respond to specific needs and priorities of the individual country.^{69, 70} At the same time, DaO was to

⁶⁹ TCPR OP 101

strengthen the strategic focus of the UN operational activities by having better coordinated and more coherent UN assistance in development.

23. Based on the number of organizations that receive resources from the One Funds, it is fair to say that DaO is very inclusive. On average, 15 organisations per country participate in the One Fund (across the eight Pilot Countries).⁷¹ In three countries ((Mozambique, Rwanda, Tanzania) the One Fund is divided among 19 organizations, while, in Albania, there are 9 UN organizations participating in the One Fund.

24. Inclusiveness and strategic focus are not necessarily a contradiction. The One Programme can be inclusive and strategic at the same time. However, the One Programmes reveal that the UN development organizations pursue many objectives at the same time. The One Programme in Viet Nam (The One Plan II) lists 118 country programme outputs.⁷² Also, most activities are small in scale as for example revealed by the resource mapping of the One Programme Monitor in Rwanda.⁷³ The CLE Mozambique identified project spread as a key challenge.⁷⁴ A study prepared by the MDG Achievement Fund has confirmed the challenge of finding the right balance between inclusiveness and strategic focus in particular with regard to Joint Programmes.⁷⁵

25. Programme Coordination Groups (or similar groups with a different title) have played an important role in ensuring that programmes are in line with national needs and the capacity of the UNCT to deliver⁷⁶. Many governments and UNCTs have moved towards the concept of total inclusion, seeking to bring the maximum volume of UN programmes within the One Programme framework. This has usually been associated with the additional intention of bringing all UN Programmes into the Government accounting, budgetary and planning systems.

26. On the other hand, many UN organizations value the flexibility of allowing a number of activities to be implemented outside of the One Programme framework. The financial data show that even where the pilot has followed a maximum inclusiveness approach, a significant volume of activities falls outside of the One Programme. This may be necessary if the activities in question were not foreseen at the planning stage; or responded to a highly specific need with limited links to the main components of the One Programme. Some non-resident agencies reported that they had found it difficult to have their planned activities accepted within the One Programme framework, even when these responded to national needs and they had actively sought such integration.

27. From a system-wide perspective, there is broad consensus that working together and improved coordination are vital for the future of the UN system (which does not imply that DaO is the only or most appropriate modality to achieve this). The One Plan has proved a catalyst for joint collaboration (e.g. UNCTAD joint missions at the planning stage). The enhanced role of non-resident agencies, often drawing on the One Fund, is appreciated by Governments and the Agencies concerned; but has sometimes also raised the issue of some of these agencies' capacity to deliver in a particular country. DaO is seen as an opportunity to influence larger programme frameworks, which are inter-sectoral and beyond the

⁷⁰ See Box A.6.2: Inclusiveness is Key Driver of One UN Programme in Uruguay

⁷¹ See Table A.6.4: One Fund Participating Organizations

⁷² One Plan 2006-2010, UN Viet Nam.

⁷³ See Box A.6.3: Resource Mapping by Volume of Activities, UN Rwanda: Mostly Small in Volume.

⁷⁴ See Box A.6.4: Project Spread – Challenge for the UN in Mozambique

⁷⁵ See Box A.6.5: Challenges of Joint Programmes

⁷⁶ See Box A.6.6: Programme Coordination Groups in Viet Nam: Facilitating Coordination

“traditional” line ministry and has also sometimes encouraged collaboration at the regional level. Agencies have learned a lot about each other, so that DaO has proved a catalyst for learning.

Finding 4: Pilot Countries invested considerable efforts into improving the monitoring and evaluation system of the One Programmes. However, this proved a highly complex challenge and efforts have not yet yielded satisfactory results.

Summary of Evidence

28. Pilot Countries invested considerable efforts into improving the monitoring system. Important approaches have included the development of joint results frameworks and the introduction of joint annual reports. Most pilots (Albania, Mozambique, Pakistan, Rwanda, Tanzania, Uruguay and Viet Nam) also established a joint monitoring mechanism and M&E task forces. The UN in Rwanda established an innovative web-based inter-agency monitoring and reporting system called the One UN Programme Monitor, which allows for monitoring of all One UN Programme activities. The Programme Coordination Groups (or similar groups) have played an important role in monitoring progress towards results in thematic areas.

29. However, a key finding from the CLEs is that monitoring and evaluation need more attention.⁷⁷ The UN M&E Working Group in Viet Nam considered the current M&E system to measure the One Programme (One Plan II) unsatisfactory and did not use it. The weakness of monitoring and evaluation of Joint Programmes has also been noted by the MDG Achievement Fund⁷⁸. This will be difficult to overcome in the next phase of One Programmes, in view of their complexity in relation to country-level M&E resources.

30. In Tanzania, for example, the UNDAF (a US\$777 million Plan) has 369 Key Actions, undertaken by 20 UN organizations, generating 182 outputs and 58 outcomes.⁷⁹ The development of an M&E system to assess the results of a One Programme of this complexity has been a major task and was only approaching completion at the time of the country mission by the evaluation team, when the UNDAF had in principle already started. The task of generating baseline data and of regularly monitoring progress towards 58 outcomes also seems extremely daunting and the M&E expertise and capacity required of the system to succeed were not yet apparent during the field mission.

Finding 5: Some DaO pilots are convinced of the added value of joint programming over joint programmes, while others are trying to refine the joint programming approach.

Summary of Evidence

31. As most pilots were launched within an already prepared UNDAF cycle, the initial response to working more closely “as One” was to devise a set of Joint Programmes (JPs). These often consisted of programmes that had been separately prepared by individual organizations and were retrofitted under a common theme or over-arching objective into Joint Programmes, each of which had several agency stakeholders. These first Joint Programmes were the beginning of attempts to: scale up through larger,

⁷⁷ Delivering as One Country Led Evaluations – Synthesis Report, 2011.

⁷⁸ See Box A.6.7: Weak Monitoring and Evaluation of Joint Programmes – A Finding from the MDG Achievement Fund

⁷⁹ Tanzania UNDAF 2011-2015.

combined interventions; bring more coherence and transparency; reduce overlap and duplication; and provide a more comprehensive set of development interventions in priority thematic areas.

32. The original JPs faced or generated a number of challenges. Since most of the component projects had originally been planned to be delivered by individual organizations, the new partnerships were not always coherent. In searching for immediate ways to do more things jointly, there were in many JPs too many UN partners for effective management; exacerbated by the involvement of a large number of government or other partners. In some cases, organizations that became involved in joint programmes, took on responsibilities, which overstretched their resources and/or managerial capacities in-country. Within JPs each UN organization retained responsibility for its own outcomes, making it difficult to measure and aggregate across different outcomes; so that coherence in terms of results measurement of a JP was difficult to achieve.

33. The managerial difficulties encountered in JPs, particularly regarding the need to reconcile or streamline different individual organization implementation modalities, rules and procedures, provided valuable country-level evidence for inter-agency deliberations on the management of JPs and multi-donor trust funds, at the level of UNDG.

34. As experience with DaO increased, several countries moved towards Joint Programming with a focus on joint results rather than the JP modality in which interventions were conceived and developed by groups of organisations.^{80,81} This process enabled an increased focus on country priorities and on the assessment of where UN support could best fit the country's needs.

35. The starting point for Joint Programming is the identification of a set of priorities with or by the government, which determine a range of programmes designed to meet these priorities. This approach may still include a number of Joint Programmes; but these have been planned and designed jointly from the start. However, Joint Programmes are no longer a requirement. Joint Programming also includes individual organizations' projects, which fall under the jointly developed approach, since they contribute to a larger development priority.

36. Pilot countries have found that Joint Programming provides a more pragmatic approach to avoid or reduce duplication and overlap; and clearly defines responsibilities and deliverables of all participating organizations and implementing partners.

37. Governments report improved transparency and coherence, as well as improved coordination among UN organizations and in relation to Government processes; leading to a better "fit" with their own priorities and programmes. Joint Programming has also in many cases brought about an improved relationship with donor programmes and activities. An emerging approach is for Joint Programming to be incorporated into a United Nations Development Assistance Plan (UNDAP) rather than an UNDAF.⁸²

Finding 6: Many results have been reported in annual reports and evaluations of projects and programmes implemented under the first generation of DaO One Programmes; and, in particular,

⁸⁰ See Box A.6.8: The New One Programme in Albania: a Focus on Joint Results instead of Joint Programme Modality

⁸¹ See Box A.6.9: Collaborative Programming Offered more Pragmatic and Flexible Approach than more Stringent JP Modality in Mozambique

⁸² See Box A.6.10: Key Differences between an UNDAF with an UNDAF: The Case of Tanzania

with regard to cross-cutting issues. However, it is extremely difficult to establish an evidence-based argument that these results are significantly different from those of earlier non-DaO programmes.

Summary of Evidence

38. The issue of the development results to which DaO has contributed in pilot countries is extremely challenging. Six of the eight Country Led Evaluations had no clear findings on results, making it by far the least evaluated area in those studies.⁸³ The CLEs very much focused on the operational effectiveness of DaO and not on development effectiveness⁸⁴. Only two of the CLEs had positive findings concerning the results of capacity building (Albania, Tanzania), with six reporting mixed results or no clear finding.⁸⁵ In terms of the contribution to national ownership and leadership, an important element of development effectiveness in the light of the Paris Declaration and later commitments, the CLE assessment was clearer, with seven reporting positive results in this area. Although the CLEs attributed the difficulty in assessing results to the relatively early stage of the DaO pilots in which they were conducted, it is clear that there are more fundamental challenges.

39. In all pilot countries, there have been many results in terms of raised capacity, progress in cross-cutting areas and development changes. However, many of the results are recorded at output level and their contribution towards higher level outcomes has not been assessed in detail⁸⁶. Where outcomes are addressed, there is – with a few exceptions^{87, 88} - little evidence of the cause and effect chains catalysed by DaO that contributed to specific results. For instance, the final evaluations of Joint Programmes largely produce an assessment of the results achieved by each component; sometimes with an “additive” approach to the results of the “jointness”. Many of the evaluations do devote attention to the “jointness” of the programmes, but largely in terms of the effectiveness of the processes involved, rather than of the specific contribution, which this made towards results^{89, 90}.

40. Cross-Cutting Issues, particularly Gender Equality and Women’s Empowerment, but also Human Rights and such other issues as Environment, are areas that have received particular attention under the DaO pilots, with many results. The CLEs found that there is a need to better report on outcomes⁹¹. Nevertheless, it does appear that cross-cutting issues have received more attention under DaO than in “conventional” UNDAF approaches and that this additional attention (sometimes supported by additional specialist expertise) has contributed towards specific outcomes.⁹²

⁸³ See Table A.6.2: Overview from the Country-led Evaluations on the Difficulties to Assess Development Effectiveness

⁸⁴ See Box A.6.11: The Country-led Evaluation of DaO in Viet Nam: Focus on Operational Effectiveness

⁸⁵ See Box A.6.12: Limited Evaluative Evidence on Capacity Development

⁸⁶ According to the DAC Glossary (P28) outputs are: “The products, capital goods and services, which result from a development intervention; may also include changes resulting from the intervention which are relevant to the achievement of outcomes.” Outcomes are: “The likely or achieved short-term and medium-term effects of an intervention’s outputs”.

⁸⁷ See Box A.6.13: Joint Programme on Gender Equality in Albania: Created Synergies

⁸⁸ See Box A.6.14: An Attempt to Explain Synergies – A Case from Uruguay

⁸⁹ See, for example, Box A.6.15: Only few “real” Joint Programmes– added Value of “jointness” rarely assessed

⁹⁰ See Table A.6.3 for an overview of attempts made to specifically explain the added value “jointness” in the 2010 Annual Reports.

⁹¹ See Box A.6.16. Progress on Crosscutting Issues – Need to better report on Outcomes

⁹² Examples of results reporting are provided in Boxes A.6.17 and A.6.18

41. A major challenge is to specify achievements to which DaO contributed, which might not have been achieved under an UNDAF approach. This is because later generation UNDAFs also exhibit “reformed” approaches; including Joint Programmes and attempts to move upstream. Some of these approaches drew on the early experiences of DaO, which have been widely circulated and discussed; and were absorbed into new guidance by UNDG on programming modes.⁹³

42. The most fundamental difficulty encountered concerns the nature of the One Programmes, which have been implemented to date. As discussed earlier, these mainly comprised activities that had been planned before DaO and which were re-assembled into aggregations of Joint and Single Agency Programmes. They produced results in the same way as programmes would within any UNDAF, either singly or jointly. However, the first generation of One Programmes did not prove to represent a fundamental change in the way the UN did its business. Rather, the UNCT’s themselves have identified these One Programmes as the necessary basis for the “real” DaO-induced change, which came about with the second generation “One Programmes”, often devised in the format of UNDAFs (Development Assistance Plans).

43. The expectation of the CLEs and of the Terms of Reference for the Independent Evaluation of DaO that the development results of the first generation One Programmes form a sound basis for evaluation of the DaO pilots is therefore not supported by the evidence.

44. In summary, the emerging consensus among the pilot countries is that the first Joint Programme approach was a learning process, which generated the understanding that joint programming, with Government leadership (or at least strong inputs), is a more effective approach than Joint Programmes. This lesson is captured on the UNDG DaO website as follows: “While joint programmes can be useful mechanisms for UN agencies to implement together, the main point of One Program is joint programming as a process of planning and thinking together, and possibly also implementing together. The issue of “joint programming” has been one of the key gains that emerged from the Pilots. The UNCTs are truly exploring how the UN system can respond to national priorities by joint analysis, joint thinking, joint prioritization, and joint budgeting. Joint programming is enabling greater responsiveness to national priorities. Through joint programming, UN Country Teams are looking at the UN system-wide and, more inclusively, drawing on the mandate, experience and expertise of all UN agencies to address the national priorities”⁹⁴. This being the case, a focus on the results of the Joint Programmes can only form part of any approach to evaluating the reforms set in motion by DaO.

Finding 7: As pilot countries have progressed towards development of joint programming documents, their efforts have been obstructed by the requirements for separate Executive Board approval of agency specific Country Programme Documents (CPDs), rather than joint approval of a common CPD (CCPD).

Summary of Evidence

45. Some donors, who have actively backed these efforts at the country level, and in system-wide events, have been less explicitly supportive in the Boards of individual organizations, thereby sending mixed signals concerning their positions and preferences concerning DaO reform processes. At the Headquarters level, direct accountability of individual organisations to their respective Boards remains the preference, requiring CCPDs to be disaggregated into individual agency CPDs. Only if the governance

⁹³ Such as, for example, UNDAF Guidance and Support Package (English). 2010.

⁹⁴ www.undg.org (DaO: Programmes)

structures of UN funds and programmes are reformed will the pilot experience with joint programming documents fully yield its intended benefits in terms of simplified reporting and programme implementation. In the meantime, interim solutions might be possible, such as inter-Agency agreements to accept UNDAPs without the need for details of Agency-specific contributions.

46. In support of such change, a delegation representing the Executive Boards of UNDP/UNFPA, UNICEF and the World Food Programme (WFP) undertook a joint field visit to Rwanda in March 2010; and made recommendations to those Boards to help strengthen joint programming and harmonization of business practices⁹⁵

Finding 8: The One Budgetary Framework is a major innovation, which allows the UNCT to present all planned and costed programme activities in one place, together with the available and expected funding sources, including the One Fund. However, it has not been applied in a consistent way across the pilot countries.

Summary of Evidence

47. The role of DaO in catalysing additional, more predictable and more flexible funding is an important aspect of its attempt to help raise UN delivery towards its potential. The concept of One Budgetary Framework has applied particularly to the development of the One Programme and aimed at a consolidated costed presentation of the financial needs of the UN system in the country concerned. The One Fund has proved extremely important to DaO, in keeping with its aim of providing unearmarked, (or loosely earmarked) predictable funding. This would help to fill any funding gap in the One Programme, after calculating the secured and semi-secured core and non-core funding. In most countries, this gap would correspond in particular to those agreed priorities that would require joint action. Cross-cutting issues, in particular, are unlikely to receive funding from core or non-core funding of the agencies, but may be high on the list of Government priorities.

48. However, in practice, this Common Budgetary Framework (CBF) has not been applied in a uniform way across the pilots and there have been substantial variations. In some countries it has aimed to cover the entire funding gap across the entire lifetime of the One Programme, while in others it has been updated on an annual basis and become a sort of rolling budget⁹⁶. In some countries the CBF covered the entire One Programme, including core and non-core of agency-specific programmes, but in others it addressed only the incremental portions added to the UNDAF through the One Programme approach.

Finding 9: The additional financial resources coming from the One Fund have proved a crucial element and incentive for more Agencies to work together. However, there are doubts about the sustainability of these new funding arrangements, since there are already drops in donor commitments to them.

⁹⁵ See Box A.6.19: Joint field visit to Rwanda of the Executive Boards of UNDP/UNFPA, UNICEF and WFP: Making Recommendations to Strengthen Harmonization

⁹⁶ This issue is explored in detail in Section II.g. of Annex 7: Reform of Funding and Business Processes at Country Level as key elements of the Delivering as One Pilot Process

Summary of Evidence

49. Normally, the agencies in the UNCT have agency-specific programmes with their national counterparts and their resource mobilization focuses on these programmes. There is little incentive for joint activities with other agencies, even though exceptions exist. The One Programme with its broader mandate and the One Fund created the conditions for the agencies of the UNCT to work together on common priorities. The number of Joint Programmes dramatically increased. In Mozambique, Pakistan and Uruguay, JPs were a condition for accessing the One Fund; in Rwanda, 80% of the One Fund resources should go into joint interventions and 20% into stand-alone projects. As a consequence there are over 40 joint interventions according to the Consolidated Action Plan for 2011-2012.

50. Joint Programmes are intended to result in improved efficiencies by eliminating duplication of programme elements or support services. However, this is not confirmed in the findings. While there have been savings in some dimensions of project/programme operation, there were also cost increases in other dimensions, particularly due to increased coordination cost. Consequently, there are efforts in some of the pilots to emphasize Joint Programming rather than joint operation and implementation through Joint Programmes.

51. Many agencies reported increased levels of funding due to the One Budgetary Framework and/or the One Fund. A large One Fund has been found to promote a significant improvement in the quality and coverage of programmes. In some countries, One Fund has also been used to finance some of the costs of reform processes.

52. The CLEs had relatively positive findings concerning additional access to funds, with five countries positively assessed, two receiving a critical review and one mixed⁹⁷. However, the Expanded Funding Window, Millennium Development Goal Fund and One Fund as models for unearmarked and predictable funding are not perceived by UNCTs as sustainable; and drops in donor commitments have indeed already been noted in 2009/10.

53. Overall, the new funding modalities have a supplementary (although sometimes a substantial) function in relation to the overall programme budget, which continues to remain largely dependent on non-core funding raised through the normal agency channels. Since non-core funding is tied to donor-specified activities, the possibilities for DaO to reduce programme fragmentation among agencies through more predictable, unearmarked funding remain limited. The One Programmes are still fragmented into many small-scale activities⁹⁸

54. If the One Fund is weak, the One Programme has to fall back largely on Agency-specific funds. In some countries the joint fundraising strategy is reported to have limited some agencies' own fundraising at the country level (e.g. Viet Nam, Rwanda and Tanzania). At times, some Agencies have been curtailed in resource mobilization for their individual programmes, because of a country-level agreement that agency-specific resource mobilization to meet funding gaps should give way to resource mobilization by the RC. The Agency most consistently reporting limitations imposed by DaO financing strategies is UNICEF.

⁹⁷ See Table A.6.1: Summary of Findings from the Country-led Evaluations of DaO conducted in 2010 and Assessments of their Robustness

⁹⁸ See Box A.6.3: Resource Mapping by Volume of Activities, UN Rwanda: Mostly Small in Volume

Finding 10: Several donor countries have actively supported the DaO pilot initiative⁹⁹. Apart from supporting the One UN Fund, donors have provided country level support to RCO Offices through funding or staff secondments. Donors have also supported coordination structures at global or regional level (DOCOs and Regional UNDG Teams).

Summary of Evidence

55. An important factor in the performance of DaO at country level is the extent to which it has been able to leverage additional funds (particularly unearmarked) and support from donors. Donor countries have played a variety of roles with regard to DaO. In-country donors with a history of active support to the UN all reported initial intentions to strongly support implementation of DaO at country level. Most of the DaO donors are strong advocates of UN reform in general and place it within their broader commitment to aid coordination in the light of the Paris Declaration and later commitments. They show varying degrees of actual engagement, depending on a broad range of factors, including national policy changes in their home countries over time, including changes in their own funding circumstances, many of which are not related to the performance of DaO.

56. UNCTs and Governments widely view donor funding as unpredictable and are also aware that the support for DAO reform processes may have been partly the effect of reallocation, rather than simple additionality in funding. These perceptions are based on broad experience of working with donors and are not derived from the DaO experience to date. An analysis of funding strategies by five donors (Canada, Netherlands, Norway, Spain and UK) covering 84 % of all “non-traditional¹⁰⁰” funding to the DaO pilot initiative indicates that the support of these donors to UN Multi-Donor Trust Funds has grown faster since 2007 than their broader ODA and support to UN activities. The support to DaO has not affected donor support for earmarked non-core funding targeted at specific issues. However, such a short period does not provide a sound basis for predicting longer-term trends.

57. Donor country-level offices in countries where DaO is seen as successful strongly support continuation of the DaO process. However, in the changing global economic climate, even the most enthusiastic country level donor offices are unable to guarantee that their parent bodies will continue with high levels of support to DaO; which will depend on the interplay of complex processes, such as the directions of development assistance policy of Donor Governments and Agency policy functions; and the degree of decentralisation of funding decisions to country level.

58. The DaO approach to the One Programme and One Fund is based on the business model of the UN Funds and Programmes: programming on the basis of a volume of available resources in advance for a cycle of five years. This does not fit well with the way Specialized Agencies operate, whether they have country representation or are NRAs.

⁹⁹ Annex 7: *Reform of Funding and Business Processes at Country Level as key elements of the Delivering as One Pilot Process*, provides detailed evidence on all financial aspects covered in this Chapter.

¹⁰⁰ i.e., excluding core and non-core resources, which formed the bulk of all programming funds.

59. Some donors have supported the DaO through annual contributions and others through multi-year commitments. At present, five donors have committed resources beyond 2012¹⁰¹. By making resources available, both through unearmarked, pooled funding mechanisms and through light earmarking; (e.g. for a particular sector or major programme component of the One Programme), these donors made it possible for the pilots to move closer to the ideal for non-core funds to be unearmarked; which enables the closest matching of programmatic needs agreed with the Government in the One Programme with resources. Different channels were used for this purpose; specifically the Multi-Donor-Trust-Funds that were established for each country as part of the country-specific One Fund, as well as innovative pooled funding mechanisms, such as the EFW; which could fill gaps in the One Programme that could not be covered through traditional and agency specific core and non-core resources.

60. The effects of these innovative funding tools - more predictable and unearmarked funding under the control of the Government and the RC/UNCT - have been positive from the perspective of the pilot exercise. They have allowed it to move closer to the objective, articulated in repeated calls from UN organizations, for more predictable, long-term and un-earmarked funding to enable UN assistance to better respond to national priorities, rather than to donor or agency priorities. The new funding modalities have also enhanced the authority of the RC, who has responsibility for resource-mobilization on behalf of the UNCT to cover any funding gaps; as well as the management of One Programme as a whole. Through fulfilling this new role, RCs have mitigated resource mobilization difficulties for some agencies; and reduced the pressures for competitive resource mobilization among members of the UNCT.

61. The One Fund has functioned as a powerful financial incentive – and facilitating mechanism – to involve agencies, both “small” NRAs and larger specialized agencies that might not otherwise have been involved due to resource constraints, to participate in and contribute to the One Programme.

62. In-country donors have participated in some of the Steering committees of the One UN Fund, as members or as observers; and four donors that have jointly contributed 76 % of all of the funding for the One Fund including the EFW, are also members of the Advisory Board of the EFW. These donors have taken a very active interest in the progress and implementation of the DaO initiative, since the evidence of progress in its implementation has provided an important evidence-based input into the funding decisions of their agencies.

63. Several donors have also financed the strengthening of RCO offices and Change Management processes in pilot countries, in some cases on a considerable scale¹⁰². Donors have also supported DOCO and the UNDG Regional Teams.

64. The DaO initiative has required dedication of time and resources of the UNCTs and the RCs; in order to support its drive towards innovative processes and tools, harmonization and rationalization of business processes, and new and sustained ways for UNCTs and staff to work together. Substantial human and financial resources have been dedicated to UN internal change management processes, to coordination, and to interaction with Government through steering and coordination committees at many levels.¹⁰³

¹⁰¹ Canada, Luxembourg, Norway, Spain and Switzerland.

¹⁰² Tanzania: DaO Support & OMT Common Services (USD 6 million of which USD 2 million expenditure) and a Joint Programme on communication (USD 0.8 million), Mozambique: Change Management Project (USD 1.2 Million), Viet Nam: several staff positions through secondment or funding,

¹⁰³ See Box A.6.20: Change Management Plan in Mozambique

65. The efforts to set up these structures, to maintain them, and to manage all aspects of the DaO process have been very substantial for all organizations, teams and individuals involved. This poses challenges concerning the sustainability of these structures, mechanisms and processes, since their funding was the result of historically unique decisions by a small group of donors. This question of sustainability is critical from the perspective of deriving lessons and possibly for applying all or elements of the DaO experience on a broader scale.

Finding 11: The pilot countries have sought to achieve an enhanced leadership role for the RC and increased mutual accountability between the RC and members of the UNCT. The latter has no yet been achieved.

Summary of Evidence

66. In order to maximise their contribution UN offices have attempted to produce a more coordinated and coherent approach to assisting Governments, under the banner of One Leader, with One Team. UN RCs have no formal authority over the heads other organizations within the UNCT. The RC system relies on “consensus-based management” with each member immediately accountable to a supervisor in the agency’s hierarchy and ultimately to its Executive Head.¹⁰⁴ Success of the One Leader concept has largely depended on the ability of RCs to create and rally support around a strong strategic vision, and on the perspective of UNCT members. Much effort from the level of UNDG has gone into defining the competency profile required of RCs in DaO countries; and to a tailored selection process, combined with an enhanced induction programme.

67. The DaO approach has required a considerable increase in resources in terms of staff time for the RC Office and UNCT members, mid-level in-country staff in all agencies and of teams engaged in reform processes in Headquarters departments and at the inter-agency level. In the pilots there has been an increase in the scale of RC Offices, to support the RC and the DaO initiative as a whole, above the global norm of one national professional allocated through DOCO to RCs in all countries.

68. The expansion of RC Offices, sometimes on a considerable scale (as for example in Viet Nam and Tanzania) has required substantial finance. This has usually come by the RC requesting inputs from UNCT members on cost-sharing basis (which often proved difficult given the limitations and restrictions on their respective budgets), and/or in combination with special resources, which have been derived from interested donors. The approach of the DaO pilot countries with regard to considerably expanded RC Offices to some extent runs counter to the UNDG-agreed understanding that RCs should draw first and foremost on the technical resources available within the other organizations in the country team, to which the RC should have “unfettered access”. The approach also seems difficult to sustain in financial terms if applied on a larger scale, even if current reviews of the financing requirements and modalities, including of broader burden-sharing among UN organizations, lead to decisions at the systemic level to change the current system of financing through a budget line in UNDP’s core budget.

69. The situation with regard to RC Offices in the pilots has proved a delicate issue. If the RCO is seen to have established too strong a position, some of the other organizations perceive that the RC is becoming too powerful and is heading something akin to a new “agency: the RC Office. This is seen as a threat to the overall effort towards coherence and unity of action. Furthermore, a very strong RC office poses the danger of overburdening organizations with fewer resources in-country, who sometimes found it hard to

¹⁰⁴ See Box A.6.21: On Leader Concept is based on Consensus and inclusive Management in Uruguay

keep up with the pace set by the RCO and to contribute to the many reform elements and expansive coordination structures initiated and managed by the RCOs .

70. In the DaO pilots and in the wider SWC process, expectations of the RC function have been raised, with added responsibilities and accountabilities without fundamentally increasing his/her formal authority. Furthermore, there is a significant imbalance in reciprocal accountability arrangements between the RC and UNCT members. Currently the RC is to some extent held accountable by UNCT members and to the entire UN system through a feedback system with direct impact on his/her performance appraisal. As yet, there is no formal accountability in the opposite direction: under the current arrangements the UNCT makes a self-appraisal of its performance as a team against the agreed planned common results. The RC can make an input into this team self-appraisal, but not into the contribution and performance of individual UNCT members as an input into their respective appraisal reports.

71. Much has been done at the inter-agency level through UNDG to clarify and strengthen accountabilities and reporting lines between the RC and the UNCT and to begin to reconcile the possible conflict arising from the “horizontal” mutual accountabilities between the RC and the UNCT, and the “vertical” accountabilities of each staff member to her/his respective agencies¹⁰⁵, through the important “Management and Accountability System” (MAS), adopted by the UNDG and rolled out to all countries in 2008.

72. The MAS has been accompanied by new tools and procedures for accountability and performance appraisal of the RC and UNCT by the new UNDG Regional Teams; new and revised RC Job Description and Terms of Reference; the so-called One80 System for RC and UNCT performance appraisal; and dispute resolution mechanisms.¹⁰⁶ The UNDG Principals have committed to the full application of all elements of the MAS. However, important gaps remain. These include the formalisation of a 360° appraisal system, which will allow the RC to make inputs into the performance appraisal of individual members of the UNCT, in order to make the system more reciprocal; the explicit incorporation into agencies’ performance appraisal and job descriptions of systems of recognition of the contribution of UNCT members to team results; and appropriate changes in HR policies in all agencies to reward and recognize RC’s and UNCT members’ performance and contribution to common results.

73. It is seen as vital among UNCTs that the UN system selects RCs with the right characteristics; and that it provides the induction and leadership training necessary to prepare them for the role of leading UN Country Teams. This is being addressed through a revised RC competency profile, which is used for the competency assessment process and ultimate selection of RCs from the pool of serving and candidate RCs.

Finding 12: Although there have been advances in strengthening common ownership of the RC system in the pilot countries, assisted by the introduction of UNDP Country Directors, reservations are still expressed among UNCT members concerning the effectiveness of the “firewall.”

Summary of Evidence

74. The Management and Accountability System, with its accompanying monitoring and appraisal tools and procedures, marks a significant step forward in terms of a common understanding of basic principles and of clarification of roles and responsibilities between the RC and UNCT members.

¹⁰⁵ See Figure 3.8: Dual Accountability within the UN System

¹⁰⁶ See Box A.6.22: List of main outputs produced by inter-agency mechanisms in support of SWC.

75. Aside from the further work underway to introduce a more balanced system of accountability and performance appraisal between the RC and UNCT members, the Chair of the undg, (the UNDP Administrator has circulated numerous letters¹⁰⁷ to undg colleagues, other Heads of UN Organizations, and to RCs and UNCTs in all countries, calling for the full and effective implementation of the MAS. This would include the systematic revision of Job Descriptions and reporting and accountability arrangements (performance appraisal systems) to incorporate elements of accountability, as well as rewards and recognition, for the performance and contribution to team results of each representative of the various UN organizations.

76. Under present arrangements the function of UN Resident Coordinator is often combined with appointment to the position of UNDP Resident Representative. The UNDP Administrator is also the Chair of the undg, in which position he/she proposes appointments as UN Resident Coordinators to the Secretary General. An Inter-Agency Advisory Panel (IAAP) oversees the applications, competency assessment and selection of RC candidates from a system-wide pool of interested candidates proposed by each organization. UNDP Regional Directors also chair the undg Regional Teams, now charged with the appraisal process of RCs and UNCTs. UNDP manages the personnel policy actions at all steps and at all levels of this process.

77. While the RC system has evolved over time, there has been a continuous debate among UN agencies, fuelled by concerns over “conflict of interest” issues from other agencies over how UNDP’s function as a programme implementing agency can be balanced against its mandate, and accompanying predominant position, to provide support for the UN system as a whole. This is particularly challenging, since the substantive areas of expertise and activity of UNDP have evolved in a manner which means that they overlap with the mandates and competencies of other UN agencies.

78. UNDP for its part counters the concerns of other UN organizations by pointing to the fact that these partners also need to be concerned about their own conflict of interest between their role in pursuing their specific mandates and interests, including competing for visibility, funding and influence; and their role as partners in a common UN effort, and thus that “firewall” issues should be given attention at the level of all agencies.

79. In addition to the MAS as a commonly agreed framework of principles of accountability and shared responsibility for the functioning of the RC system, other important elements to bolster common ownership and commitment to UN system-wide coherence have been implemented in the course of the DaO initiative. The appointment of UNDP Country Directors (CDs), in which the DaO pilots were the first priority, has now expanded to more than 50 countries. This is seen as a critical element, both to enable the RC to free up time for the all-important coordination function, and to create a stronger “fire-wall” between the RC and the UNDP RR function, since the UNDP Country Director would be charged with the day-to-day management of UNDP and represent UNDP in the UNCT meetings, chaired by the RC.

80. The appointment of UNDP CDs has been largely welcomed by other organizations as a “step in the right direction” and has served to some extent to alleviate concerns about “conflict of interest issues”. A recent study of the implementation of the new MAS by a consultancy firm, commissioned by undg,¹⁰⁸

¹⁰⁷ Six Letters of Ms. Helen Clark of 6/11/2008 to 25/5/2010

¹⁰⁸ Report of Associates for International Management Services: “Review of the Management and Accountability System for the UN Development and RC System, including the Functional Firewall for the RC System”, 2011

based on extensive questionnaires and interviews with country and Headquarters representatives across the UN system, produced an extensive set of observations and recommendations pointing to persistent discrepancies and lingering mistrust in the functioning of the accountability system from all agencies, including UNDP itself. A “management response” to this report has been endorsed by the undg at Executive Head level. This recognized the validity of many of the findings and observations, while outlining that most of the recommendations were being or would be addressed through the undg machinery. However, it is significant that while the management response was prepared by an inter-agency team and endorsed at the highest level, in private interviews with the Independent Evaluation Team a great many agencies dissociated themselves from it, maintaining that it was mainly reflective of the views of UNDP as the “manager and funder” of the RC system.

81. UNDP’s administrative responsibility for the RC system has so far meant that it is highly represented in RC appointments. Efforts have been made to broaden ownership of the RC system by opening recruitment and appointment as RCs to candidates from other agencies. While this has resulted in a gradually increasing number and percentage of staff seconded from other agencies for single RC assignments; it has not achieved the intended objective of broadening the sense of ownership of and commitment to the RC system across the UN system. A number of issues reasons been advanced as causing this limited attainment of the objectives of this reform. Some agencies are reluctant to put forward the most qualified candidates, and individual candidates from outside UNDP have perceived that service as an RC can entail a risk to their careers as they are supported neither by UNDP as their new managing organization, nor by their own seconding organization, which may feel that the candidate in question is demonstrating a lack of loyalty to it. Further it is broadly perceived that the increasing demands and accountabilities required of the RCs without commensurate rewards and recognition make the position increasingly less attractive for UNDP and non-UNDP staff alike. As a result the “Resident Coordinator pool” from which qualified and competency-assessed new RCs are appointed is diminishing and it is becoming increasingly difficult for the UN system to identify candidates willing to take up these challenging assignments.

Finding 13: An underlying challenge to full realisation of the DaO approach is the predominance of agency-specific accountabilities of UN staff at country, regional and HQ levels.

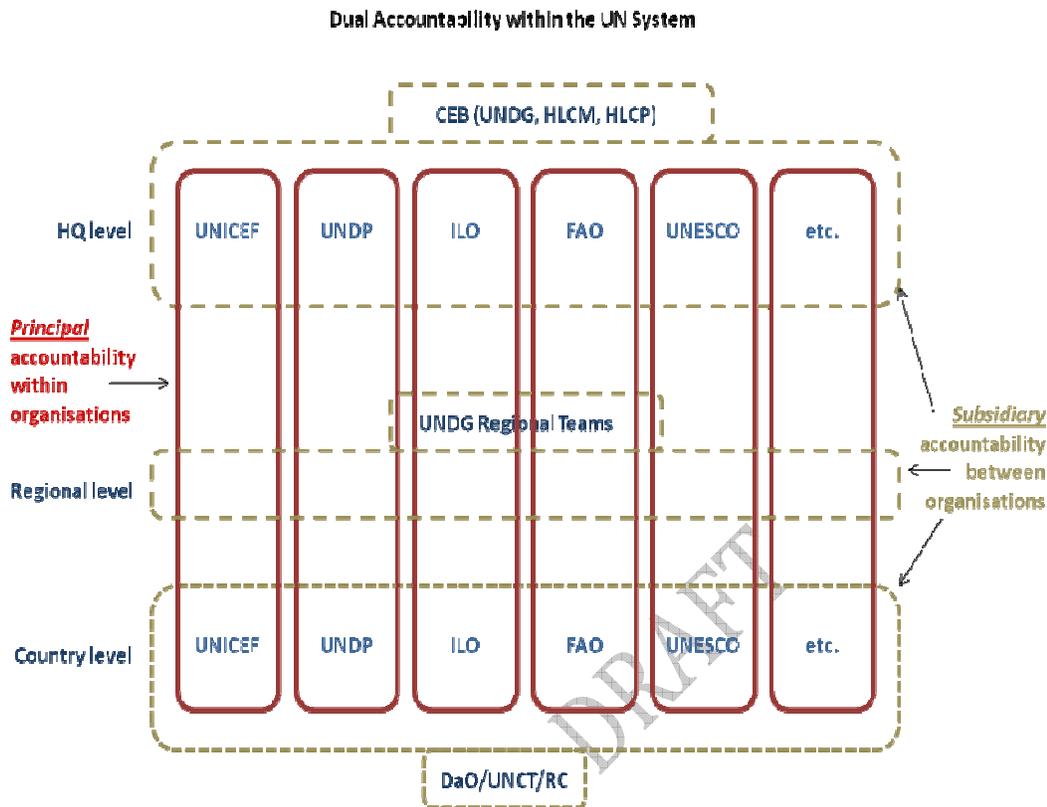
Summary of Evidence

82. A fundamental challenge to working together is the dual accountabilities of agencies. While there is a subsidiary accountability between organizations at country, regional and HQ levels, the principal accountability is within organizations¹⁰⁹. This accountability contributes towards agency specific “mindsets”, which pose a barrier towards full collaboration.¹¹⁰ However, in the pilot countries a discernible shift has taken place in these mindsets, promoting greater willingness and ability to deliver against shared objectives and to look for solutions based on consensus. Results of the DaO approach depend on finding the right balance between UN-wide and Agency-specific interests.

¹⁰⁹ See Figure 3.8: Dual Accountability within the UN System

¹¹⁰ See Box A.6.23: Organizations’ Silo Cultures Obstruct Shift to Horizontal Collaboration in Mozambique

Figure 3.8: Dual Accountability within the UN System



Source: Evaluation Team

Finding 14: Incorporating “One Voice” in the concept of “One Leader” has proven to be an important dimension of the DaO reform in several pilot countries, providing greater coherence in advocacy and policy dialogue, increased visibility and helping to foster a UN identity and culture among staff.

Summary of Evidence

83. One Voice has been critical in informing UNCT members, government stakeholders, donors and civil society on what has been promoted and achieved under the DaO banner and has thereby raised the profile of the UN’s work in the national context. Pakistan did not operationalise the “One Voice” component through the use of a joint communication team, while in Rwanda, the joint website was under construction at the time of the evaluation field mission. Some pilot countries used resources from the One Fund for a common communications component housed in the RC Office, while in a few others the RC Office established a communications team with communications officers staff seconded from other agencies, on a part-time basis. Those countries that made One Voice a major component of the overall DaO approach from an early stage found that it brought gains in perception of the UN among a broad range of stakeholders, including among UNCTs and staff.

84. In the initial stages some agencies had concerns that a strong UN corporate communications platform might adversely reduce the visibility of their specific “brand” and mandate with negative consequences for their reputation and associated funding. However, in the implementation these concerns have been largely mitigated by the positive effects of a stronger communications platform and coherent strategy; that served to give more prominence to common concerns of the UN as a whole, (e.g. in cross-cutting issues such as gender and human rights, HIV/AIDS prevention), and to particular issues specific to mandates of individual agencies, that were given more leverage by being associated with the broader UN effort, (e.g. UNFPA and its ICPD agenda or ILO and the Decent Work Agenda).

85. One Voice is a complex element of working together. The UN in Viet Nam brought together a team of communication specialists from different agencies in one office¹¹¹. However, some Agencies were said to be anxious that a strong corporate message might reduce the visibility of their own “brand”, which could have important implications for their reputation and associated funding. This is not the intention, since the One Voice aims to support Agency-specific messages and to enable each Agency to assume leadership in its areas of comparative advantage, under the umbrella of a coherent UN identity and message.

86. An important symbolical aspect is the common visual identity. Several UNCT’s have made extra efforts to harmonize the visual identity of Agencies, in particular with regard to the use of logos. The UN Rwanda has produced a comprehensive “Graphic Guidelines” on business cards, letterheads, reports, press releases and T-shirts.¹¹² Generally, the approach followed uses a combination of the One UN logo and UN agencies’ logo (e.g. Rwanda, Viet Nam). However, implementation is a challenge and seems to run against strong agency-specific mindsets. In Viet Nam, for example, the business cards received during the independent evaluation mission show the inconsistency. While the business cards from UNAIDS, UNDP, UNFPA and UN Women followed the harmonized approach, the ones from the FAO, UNESCO, UNICEF, UNIDO and WHO did not.

Finding 15: National and international mid-level staff have played a critical role in the innovation of many processes, in the programming and operational areas

Summary of Evidence

87. Many of the improvements and innovations in day-to-day business processes, in such areas as procurement, ICT and recruitment have been delivered through major efforts by staff across agencies. While leadership and continuous engagement from the top has been a critical factor, these change processes have been carried out largely by mid-level staff cadres, which for many UN country offices consist largely of national professionals, who in the process have been empowered and infused with a strong commitment to deliver efficiently and effectively. Surveys of staff attitudes and expectations towards DaO indicate a shift in perspectives for the majority of UN staff, who are mid-level and nationals. DaO was perceived initially as a Headquarters and top-down initiative; and associated with “efficiency gains.” This triggered concerns that it could have implications for job security. Over time, the engagement of these staff in DaO change processes engendered a strong sense of achievement and encouraged a new UN-wide identity, in addition to the previous agency-specific identity; as staff learned more of what other agencies were doing and how they worked, and developed a stronger sense of the broader objectives of the UN system as a whole.

¹¹¹ See Box A.6.24: One UN Communications in Viet Nam: An Integrated Office

¹¹² See Box A.6.25: Graphic Guidelines UN Rwanda: Combining Identities

88. While the mid-level staff were the key drivers for change there seems to be limited delegated authority to the task force or committees set up for inter-agency process consisting of mid-level staff. The decisions arrived by consensus would in most case have to be referred back to the agency heads and finally to the UNCT making the process very cumbersome.

89. There is no evidence that DaO has resulted in major redundancies in staff positions as a result of streamlining of business practices and efforts to expand common services; and any cuts that have been made have been handled transparently with due regard to established principles and concerns of staff. Rather, DaO provided new opportunities for staff to develop competencies and skills; and to move in to new areas or levels of responsibility. It has thus provided the benefit of inducing greater versatility and inter-agency mobility among staff.

90. Gains have been achieved at some cost to UN Country Offices. In all countries, it is reported that work loads have greatly increased. This is a significant change, particularly since earlier expectations that these loads would decrease after the initial phases of DaO have been only partially realised. One issue in terms of the sustainability of changes achieved is whether these additional efforts of staff are incorporated into their performance assessment, incentive and career prospects. This currently varies across Agencies. For most staff, the “bottom line” remains that they must give top priority to their Agency-specific goals, with contributions to DaO as a secondary consideration.

Finding 16. Most UN agencies have intensified their engagement at the inter-agency level in UN system-wide coherence efforts during the time of the DaO pilot experience. DaO has been one testing ground for innovation in a much larger UN reform process.

Summary of Evidence

91. There is evidence of a strengthening across Agencies of departments/units responsible for UN and inter-agency affairs. This trend began in the wake of the World Summit and responded to intensified calls for enhanced system-wide coherence. Over the same period, the inter-agency CEB machinery has been reformed: membership of the UNDG has expanded from the original four UN Funds and Programmes that had formed the Executive Committee of the UN Development Group, to comprise almost all UN entities engaged in development cooperation activities. A 2007 reform of the CEB made the UNDG the third main pillar alongside the High-Level Committees for Program and for Management (HLCP and HLCM). This facilitated buy-in and common ownership of the specialized agencies in UN coordination at the senior executive level. Strong and repeated messages have been issued from the CEB and the UNDG, as well as by Executive Heads individually advancing commitment to reform and enhanced UN coherence.

92. The work programmes and working methods of the inter-agency machinery have also been both rationalized and intensified. This has included multi-year and annualized output-based work-plans; and streamlined structures with fewer face-to-face meetings and the development of specialized networks, which interact via internet and video-conferencing. There have also been several flexible time-bound, output-based task teams¹¹³.

¹¹³ See Chart A..6.1: Organigramme UNDG and CEB/HLCM/HLCP and subsidiary machinery

93. Many agencies are engaged in major internal structural and policy reforms and are attempting to manage a reconfiguration of their relationship with the rest of the UN system as one dimension of this process. Some common elements are: increased decentralization, with reinforcement of service delivery capacity to regional, sub-regional and country levels; introduction of Results-Based Management (RBM) and RBM-based budgeting, reporting and performance appraisal systems; and substantive refocusing of programmes through medium term or strategic plans.

94. In relation to DaO, the pilot countries have received particular attention. Many agencies have reinforced their presence in the pilot countries. Many previous NRAs have established a presence; or sought in other ways to engage in the countries; and have provided special resources, both technical and financial, to enable them to participate fully in DaO in the pilots. Others have sought to engage in the DaO process through frequent missions from Headquarters or regional offices. As a result, there has been a significant expansion of representation and staff in the pilot countries during DaO. In some countries, it has been noted by both Government and UNCTs, that the additional missions of this type have offset some of the savings in transaction costs from reduced duplication.

95. The pilots have been an important testing ground for innovative approaches and streamlining, simplification and harmonization of rules and procedures for the work at the inter-agency level, which have begun to have an important cascading effect as new tools and practices are applied more widely across the UN system.

96. DaO has already had impacts beyond the eight pilot countries. An additional 21 countries adopted the DaO approach, of which 11 are eligible for funding from the Expanded Funding Window for the Achievement of MDGs.

97. As noted above, DaO is not the only focus in the reform agenda, either for individual agencies or for work at the inter-agency level. Attention is also being given to the large number of new UNDAF roll-out countries; to countries emerging from conflict; and to the need to differentiate approaches according to the specific needs of different countries and typologies of countries; including MICs and the emerging new economic powers and donors.

98. Further evidence of the intensified engagement in inter-agency processes (of which DaO is one) is provided by numerous attempts of individual agencies, or groups of agencies, to achieve additional effects and impact at the country level through initiatives at the CEB/HLCP/HLCM/UNDG level. These have included adoption by CEB of a Toolkit for integrating the Decent Work Agenda in UN country Programming (ILO), Guidelines for Integrating Food Security in UNDAF preparation (FAO); a cluster approach on trade issues, lead by UNCTAD and incorporating several agencies; led by gender mainstreaming (UNIFEM, subsequently UN-WOMEN) and the Rights-based Approach to Programming led by the OHCHR.

Finding 17. Most UN organizations have made special efforts to support the DaO process and country piloting

Summary of Evidence

99. Many agencies adopted and widely communicated an official policy in support of DaO. In many agencies, this was accompanied by specific “action plans”, indicating priority actions to be taken; with specific responsibilities assigned to technical and operational divisions, as well as to regional and country

offices. Generally these action plans covered a wider target than just the DaO pilots and included UNDAF roll-out countries and other UN reform related activities.

100. In many cases, agencies also took special structural measures in support of UN reform generally and DaO in particular. These included inter-departmental task-teams to provide on-demand support, coordinate actions and allocate special resources (created from regular budget allocations as well as extra-budgetary resources). In some cases, donors have allocated funds to individual agencies at Headquarters level to support engagement in System-wide coherence and DaO. These include Spain and Italy for FAO, and U.K. /DFID for ILO. Support has also come from the MDG Achievement Fund.

101. There are also many examples of agency headquarters demonstrating flexibility and approving waivers from regular procedures. For example, all members of the One Voice team in Vietnam follow the UNFPA appraisal system. Also some Agencies have made special assessments of the DaO pilot experience from their own perspective: (e.g., UNIDO, UNESCO, UNICEF).

Finding 18: UNDG and other high level bodies have provided significant support to the DaO pilots as well as to broader System-Wide Coherence initiatives. At the same time, the experiences of the pilots have provided major inputs into system-wide reform.

Summary of Evidence

102. As indicated above, work at the interagency level has been intensified and accelerated in recent years. While this process was not exclusively focused on the DaO initiative, the UNDG Strategic Priorities and the UNDG subsidiary networks and working groups were structured to deal with the particular challenges of the pilots, articulated around the “Ones”¹¹⁴. In this process, feed-back and reporting from the pilots became an important source of information on the constraints to inter-agency collaboration at field level.

103. The UNDG Advisory Group, formed in 2007, was intended as a collegial forum of senior officials (normally at the ASG level) to deal with urgent issues as they arose, provide quick solutions and create consensus on key policy issues. Stakeholders indicated that the Advisory Group has performed these functions effectively and has served to build common trust and ownership among senior level executives. A number of outputs have been produced by the UNDG during the pilot phase of DaO and have been rolled out for wider application as tools in support of country level coordination and cooperation.

104. With regard to the RC system as the managerial basis for UN system coordination, some of the major milestones adopted by UNDG (i.e. by the Executive Heads of all UNDG agencies) include: the new Management and Accountability System (MAS) of 2008, with the related Guidance Note on RC and UNCT Working Relations (2007); Dispute Resolution Mechanism (2009); Guidelines for RC Selection and Support (2009); RC Job Description and RC Terms of Reference (2009); revision of the RC competency model and redesign of the RC competency assessment centre (2010); Assessment Report on RC/HHC/DO Talent Management (2009); Guidance Note for Establishing RC/HC/DO Key Planned Results (2011); Reporting Format for the 2011 RC/HC/DO and UNCT Appraisal Process (2011); and the so-called One80 Appraisal Tool for RC and UNCT Team Appraisal with accompanying training videos, manuals and Fact Sheets for the various stakeholders, (rolled out 2008, revised 2012).

¹¹⁴ See Chart A.6.1 and on Box A. 3.23 List of main outputs produced by inter-agency mechanisms in support of SWC; according to UNDG Strategic Priorities/responsible inter-agency mechanism/and date completed/rolled out.

105. Together these tools and guidelines have provided a major move forward towards establishing a more robust system of management, which clarifies and balances the mutual accountabilities of the RC and members of the UNCTs for agreed results, in the context of the direct lines of reporting and accountability to their respective agencies. At the same time, it is “work in progress” and important gaps remain. The basic principles underlying the system need consistent and continuous support from the highest level before the MAS can become fully effective in all agencies and across all UNCTs in programme countries.

106. There have also been significant advances in the area of programme preparation. In particular, the revised UNDAF guidelines have incorporated much of the experience and approach of the One Programme in the DaO pilots. The Multi-Partner Trust Fund Office, managed by UNDP, has also gained considerable experience through acting as Administrative Agent for the One Funds and for MPTFs generally in other countries, and in facilitating financial processes and accountabilities for MPTFs for all agencies.

107. Substantial attention has also been given to training and capacity building support for RCs and UNCTs; notably through the preparation of guidelines and tools for change management for UN Country Teams; and (through the UN System Staff College) an expanded programme of training support, including revised and expanded Induction Programmes for RCs, support for UNDAF Strategic Planning Retreats and training in leadership skills for senior managers.

Finding 19: Support to the pilot countries by regional offices and the UNDG Regional Teams did not go significantly beyond that provided to other countries.

Summary of Evidence

108. The different geographical locations of the regional offices of agencies and of the UNDG Regional Teams posed a challenge to coordinated and coherent regional support for the DaO pilots (as well as for programme countries in general). The UNDG Regional Teams represent a significant new resource for coherent policy making, oversight and accountability. They provide a basis for a collegial system-wide appraisal of the performance of RCs and UNCTs, which for the RC directly impacts on his or her performance appraisal, as well as mechanisms for conflict resolution. They can be seen as a step towards establishing a level of management and oversight at regional level based on “delivering as one” principles. Their functions and capacities are still evolving with some hubs having greater operational and technical support structures than others, but all will require additional time and resources, and consistent engagement in all agencies to become effective.

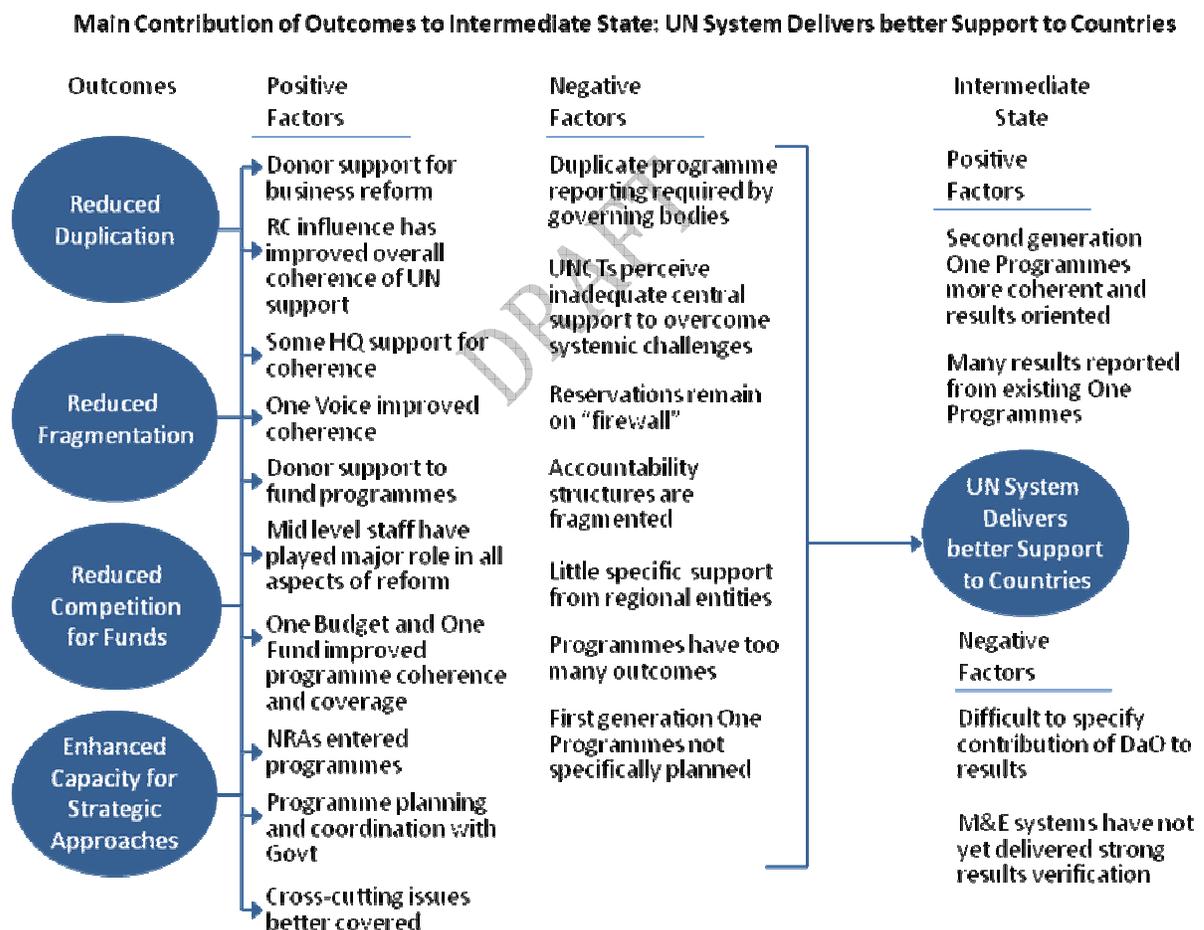
109. As the UNDG Regional Teams have evolved, their role and function in relation to the UN Regional Commissions in the respective regions have been in need of clarification, with the aim of ensuring effective complementarities and synergies. The Regional Commissions are both intergovernmental fora for regional policy-making, and standards-setting, and carry out technical cooperation programmes as requested on regional issues, as well as some limited country-level support on regional and cross-border issues. As such their position and concerns are similar to those of other Non-represented agencies, and the Regional Commissions were actively involved in a special UNDG effort and working group created for the purpose which resulted in an implementation plan a greater involvement of the NRAs in country level programmes. The structures and functions of the regional commissions with participation of both governments and regional governmental and non-governmental bodies in the Regional Coordination Mechanisms (RCM) have been seen to complement those of the UNDG Regional Teams, which are mainly structures for internal management, oversight and support among UN agencies

at the country level. The Regional Commissions have undertaken a study¹¹⁵ of the regional dimension and of their own role in UN Development System which clarifies that the RCMs and UNDG Regional Teams can be synergistic with a two-ways constructive inter-action which is now being put into place. Both the Regional Commissions and the UNDG Regional Teams have provided technical support to the pilots; but in their own perception not at a level significantly different from that provided as part of their responsibilities to all countries.

Summary of Progress towards better Delivery of Support to Countries by UN System

110. Movement along the results chain outlined in the Theory of Change, from the Outcome level towards the Intermediate State of “Better Delivery of Support to Countries by UN System” is summarised in Figure 3.8 below.

Figure 3.8: Progress Towards “Better Delivery of Support to Countries by UN System”



¹¹⁵ The Regional Dimension and the UN Development System, 2011

3.2.3 Progress towards reduced transaction costs

Finding 20: The pilot countries have shown that it is possible to achieve efficiency gains through the expansion of common services and simplification of business practices. Common UN premises harmonization of business practices have proved more difficult to deliver.

Summary of Evidence

111. Common premises for UN agencies has been pursued and achieved in many countries, predating the DaO pilot experience, and this trend was given added impetus in the first wave of UN Reform launched by the former Secretary-General in 1997, which called for UN agencies to be collocated in a “UN House”. In the first wave this resulted in approximately 50 UN houses being established, usually due to favorable local conditions such as the host government offering suitable accommodation or land, and economically feasible terms. In the cases where the pilots pursued this approach, the process illustrates the diverse and numerous obstacles of obtaining clearances and proportionate cost-shared financing through the participating agencies.

112. The concept of One Office as a building has faced challenges in several pilot countries, due to issues of cost (historically many Agencies have occupied low or free cost office¹¹⁶ space for many years), security threats from concentration (unless very costly security is provided), preference of some Agencies for co-location with Government partners (who share that view) or simply perceptions of advantages of current locations compared with proposed One UN sites. However, the One House was achieved in Cape Verde and Zanzibar and is seen as delivering some benefits both by UNCT and Government. In Cape Verde the joint office was realized before DaO and it contributed to reduce the transaction cost.¹¹⁷ In Viet Nam, it is at an advanced stage of planning and the concept of “Green One UN House” goes beyond the mere co-location of UN agencies.¹¹⁸

113. More generally, all pilot countries have sought to give effect to the concept of One Office by focusing on the scope for maximizing cost efficiencies through establishment of new or expansion of existing common services arrangements. In this respect, the CLEs reported relatively modest progress, with one positive rating, four mixed and three with no clear finding¹¹⁹.

114. One Office has also been taken to cover attempts to reduce transaction costs and produce efficiency gains. These have been important in all pilots; particularly in such areas as procurement, ICT systems and recruitment¹²⁰. There has been an enormous amount of hard work, with high staff costs. Many results have been delivered, with more in process. Compared with the size of programmes and even with the amount of staff time expended, the savings are however modest. They do not meet the apparent

¹¹⁶The agreement by the host government to provide free office space is often an essential condition for some UN agencies to open country-level offices.

¹¹⁷ See Box A.6.26: Joint Office of four exCom Agencies helped reduce Transaction Cost in Cape Verde

¹¹⁸ See Box A.6.27 Green One UN House in Viet Nam: Going beyond Co-location of Agencies

¹¹⁹ See Table A.6.1: Summary of Findings from the Country-led Evaluations of DaO conducted in 2010 and Assessments of their Robustness

¹²⁰ See Box A.6.28: Measures to Generate Common Services in Tanzania

expectations of some earlier documents, which proposed that such expected efficiency gains would release substantial funds for use in programmes (even if there were financial mechanisms that might permit such transfer of use).

115. The possibility of specifying achievements in terms of transaction costs is undermined by differences in corporate financing and accounting terminologies and definitions, which make consolidation of agency specific financial reports impossible. For this reason, discussions on cost savings have been largely limited to assessing perceptions of stakeholders and/or changes in transaction costs¹²¹ related to specific business practices.

116. In addition to the money saved, the new processes have enabled the UN to become a larger player in national or regional markets (through consolidation of service provision), which is often seen to have contributed to the receipt of better quality services. Further, the reforms have important symbolic value in showing that the UN in country can act in a coherent and transparent manner; and in promoting pride and a sense of achievement among staff, who grappled with the many difficult issues before reform could be achieved.

117. Aside from the issue of efficiency gains, the efforts made to expand Common Services and harmonize and simplify business practices in the pilot countries have had important associated benefits. They have demonstrated to the governments and development partners the commitment of UN agencies to come together to provide more efficient and simplified services; created a sense of a UN-wide culture and identity, (in addition to agency specific cultures and identities), among staff at all levels and induced a sense of pride and achievement, especially among mid-level staff, who felt empowered by their important collaborative role in the search for improved business practices. Overall, the CLEs tended towards a positive assessment of results with regard to new business practices, with three countries assessed positively, four giving mixed findings and one with no clear finding¹²².

118. Overall, simplification has given opportunities to deliver results in areas considered as “low hanging fruit”; while harmonisation has run into more complex issues, many of which cannot be resolved at country level. The CLEs reported relatively slight results in terms of simplification and harmonisation: with one report critical of progress, six reporting mixed results and one with no clear finding¹²³. Business process harmonization at country level remains high on the agenda of all UNCTs.

Finding 21: Attempts to innovate in the area of efficiency and transaction costs have faced substantial implementation challenges.

Summary of Evidence

119. All UNCTs tried to assess the reduction of transaction cost resulting from their application of DaO. They also differentiated between one-time start-up costs required to develop new methodologies, tools and instruments and recurrent transaction costs. Due to differences in corporate financing and accounting terminologies and definitions, consolidation of agency specific financial reports was not possible. For this reason, assessment of actual savings in transaction costs for the entire UNCT due to the DaO approach

¹²¹ See Box A.6.29: Identification and Measurement of Transaction Costs in Albania

¹²² See Table A.6.1: Summary of Findings from the Country-led Evaluations of DaO conducted in 2010 and Assessments of their Robustness

¹²³ See Table A.6.1: Summary of Findings from the Country-led Evaluations of DaO conducted in 2010 and Assessments of their Robustness

remained elusive. In several countries, the UNCT performed perception surveys of stakeholders about changes in transaction costs related to specific business practices as a result of the DaO process, and overall the feedback has been that the transaction costs for donors and national partners are perceived to be lower than prior to DaO.

120. From Government perspectives, (particularly for Central Government Ministries) transaction costs have been reduced, particularly from the consolidation of missions from Agency HQs and Regions; and the effects of the One Leader and One Voice, which have reduced duplication of meetings and planning processes. In-country donors also sometimes reported reduced transaction costs.

121. All UNCTs reported savings as a result of DaO and harmonization of business practices; but in relation to overall costs and programme values these are relatively modest, particularly if seen in the context of the major staff time that was required to generate them.

122. Business process harmonization at country level remains a focus of all UNCTs. In order to maintain and update the common approaches, additional staff inputs will be needed for the foreseeable future, although at a lower level than in the early years. DOCO has issued guidance on how to approach business practice harmonization in support of this process.

123. The changes in business practices and expansion of common services at the country level may not appear dramatic to outside observers, and have not produced massive and/or easily measurable financial savings in the short term. Indeed, the major short term benefits may be in the effects on staff morale, dedication and institutional culture referred to above. However, there are reports and studies of important efficiency gains that point to significant longer-term returns on these investments, particularly when scaled up or applied on a larger number of countries; notably in such areas as joint procurement and common ICT platforms.¹²⁴

Finding 22: RCs and UNCTs in the pilot countries perceive that support from agency headquarters and the inter-agency system has been insufficient; in particular that it has not been timely in addressing issues on which countries must make decisions. High level stakeholders, on the other hand, cite the large numbers of DaO-related guidelines issued, often on the basis of specific missions to pilot countries.

Summary of Evidence

124. The overall perception among UN staff at country level is of limited or uneven support to DaO from their respective Headquarters and lack of incentives and recognition. This view gains some support from donors.¹²⁵ RCs and UNCTs gave specific examples of contradictions between guidance received from the UNDG/DOCO as having been endorsed by all agencies; and messages, which agency representatives received from their own organizations. This is evidence that corporate agreements at senior levels have not been fully mainstreamed to all levels of the organisation. Main complaints from the pilot countries concerning inadequate support from higher levels of the system focus on business practices and common services. Here the DaO pilots had to struggle with differences in operational and administrative rules and procedures and in levels of delegated authority to country representatives. Progress has been particularly slow and obstacles more difficult to overcome, where the issues have

¹²⁴ See Box A.6.30: Common ICT platform in Mozambique – Sound Basis for Further Integration of Organizations’ ICT Services

¹²⁵ See Box A.6.31: Donors’ Perspective in Viet Nam: More Attention from the System Required

concerned corporate systems designed not just for country level operations, (essentially managing development cooperation programmes), but also for the global programmes of the individual organizations. This domain includes legal issues, ICT-ERP platforms, financial reporting and accounting, and HR policies. Some of these issues cannot be resolved in the UNDG alone, but involve HLCM, which is responsible for corporate policy issues; while some stem from decisions made by Governing Bodies and require decision-making at the political level.

125. Since many of the changes required support from HQ or regional levels, UNCT members gained an impression of the extent to which practical support for reform will come from these levels. The extent of progress, which can be achieved at country level, is far less than UNCTs would like to see. They see themselves constrained by Agency-specific rules and procedures, which have not been amended and to which auditors must adhere. UNCTs feel that necessary reforms are too slow at the HQ-level of UN System bodies, Specialized Agencies, and Funds and Programmes. The overall impression expressed at country level is that HQ and regional players have generally responded “too little, too late” and have not been proactive in their support of DaO¹²⁶.

126. A very specific challenge faced by some UNCTs concerned UN House projects that were hampered slow Agency decision-making processes that threatened the viability of the whole project for other Agencies that had already decided. The perception was that the responsible units took a narrow view, based on short-term cost only; and were unwilling to undertake an overall cost-benefit analysis.

127. The negative perceptions from country offices contrast with the views expressed at the corporate level in most agencies, that they have given strong support to DaO. However, it should be noted that, according to stakeholders in some Agency Headquarters, they initially adopted an approach to allow the DaO pilots the space and delegated authority to experiment and devise their own solutions and to refrain from providing “top-down” guidance or instructions. This reflected an understanding reached between the UNDG and Member States that the pilots would not become a short-cut towards policy changes that went beyond existing legislative mandates (TCPR and resolutions on SWC).

128. HQ-level stakeholders cite many studies and missions undertaken and the resulting guidance, which has been issued. It appears that there is substantial under-communication or miscommunication between HQ and country-level bodies. At the inter-agency level the pilot experience has been an important source of inspiration which has resulted in a range of new guidelines, tools and instruments, as referred to elsewhere in this report. A significant and very concrete example of the engagement of Headquarters in support of the DaO process has been the Joint HLCM/UNDG High Level mission on business operations.¹²⁷ This transformed its findings into the work-plans of the HLCM and UNDG machinery, with output based deliverables, that have either been met or are under implementation. These outputs, influenced by the pilot experience, but applicable across all programme countries have now been made available in a “user-friendly” format on the UNDG web-site¹²⁸, organized in the form of an integrated tool-kit covering dimensions from coordination and management, programming, financial management to common services and business practices.

129. The contrasting perceptions from country and Headquarters/inter-agency levels of the adequacy, responsiveness and timeliness of support and guidance provided appear to have been influenced by

¹²⁶ See Box A.6.32: One UN House Project in Albania: Perceived Lack of HQ Support

¹²⁷ Addressing Country-Level Bottlenecks in Business Practices High Level UNDG-HLCM Mission, MISSION REPORT, CEB/2010/HLCM-UNDG/1 of 28 April 2010.

¹²⁸ WWW.UNDG.ORG

specific incidents of key importance for achieving specific outcomes at the pilot country level, where support was lacking, uneven or delayed, rather than to the overall level of support and guidance provided. In fact, towards the end of the pilot phase, (from about 2009), UNCTs in the pilots (and other country teams) began to complain of excessive numbers of complex guidelines and tools. As a result, UNDG introduced a moratorium on issuing new guidance tools and moved instead in 2011 to “on-demand” support; an illustration of the learning processes, which have been incorporated in the overall DaO approach.

Finding 23: In the period to date, the DaO pilot process has led to substantial increases in one area of transaction costs within the UN Country Offices; namely in the investment of scarce human and financial resources. Although gradually reducing, these remain a major operational cost of DaO.

Summary of Evidence

130. Under DaO, the RCs and the UNCTs have assumed substantial new management tasks. In this process the UN has established elaborate internal coordination arrangements¹²⁹, involving complex committee and working group structures, which have required substantial staff inputs. In line with this finding, the Country Led Evaluations reported modest progress towards the reduction of transaction costs: with mixed results in five pilots and no clear finding in the other three^{130, 131}. Commonly, Operations Management Teams or Working Groups have made great efforts to advance the cause of efficiency and generate cost savings. Many positive results have been achieved, but the real savings remain modest compared to the overall UN country operating costs. This is inevitable, since staff costs represent by far the largest element of overall UN operating costs and DaO has not generated substantial savings in this area. In fact, so far the processes involved have required substantial staff inputs, which should be offset against the savings made in any calculation of overall efficiency. Furthermore, RC Offices have generated additional staff positions, only some of which have been “free” of charge, since incumbents have been seconded from donors or other organisations. In some cases, UNCTs have also financed substantial feasibility studies to promote change, for example in the area of ICT or procurement. UNCTs anticipate that the benefits will over time outweigh the costs.

131. One of the most important achievements concerning transaction costs achieved is that the UNCTs in all pilot countries report that they have started bundling agency contracts with local suppliers in order to transform the UNCT into a more relevant client. This approach has not only reduced costs, but also resulted in better quality services.

Finding 24: Delivering as One has not resulted in consolidated management information. Key data still need to be compiled manually on an ad hoc basis from a variety of sources. This presents major challenges in terms of the accountability of DaO pilots to the UN system.

Summary of Evidence

132. UNCTs do not have the tools and instruments to manage and report within the UNCT “as One”; mainly because each of the UNCT members is using agency-specific corporate systems and instruments to manage its programme activities, which are part of its corporate financial accountability systems.

¹²⁹ See Box A.6.33: DaO added additional Layers of Coordination in Cape Verde

¹³⁰ See Table A.6.1: Summary of Findings from the Country-led Evaluations of DaO conducted in 2010 and Assessments of their Robustness

¹³¹ See Box A.6.34: DaO led to increased Transaction Cost in Uruguay

133. The ERPs, and terminology and budget classifications of the different UN agencies have not yet been harmonized and do not support presentation of joint and consolidated expenditure reports.¹³² At country-level, the joint efforts of the DaO have therefore resulted in considerable manual efforts. In those cases where the RCOs and the UNCTs have agreed to implement country-level joint programme monitoring systems these are often not consistent with headquarter corporate systems. For consolidated reporting at least on the One Programme, many of the UNCTs and RCOs thus use the MPTF platform. Consolidated reporting on the entire efforts of the UNCT, covering the UNDAF and the One Programme, does not exist as standard practice. Another dimension has been that each UNCT was given authority “to pilot and to experiment” and while this has resulted in consistent approaches within each of the UNCTs, comparison of these results among UNCTs is very difficult, due to a multitude of variations of the general approaches of the four or five Ones.

3.2.3 Summary of Progress towards Reduced Transaction Cost¹³³

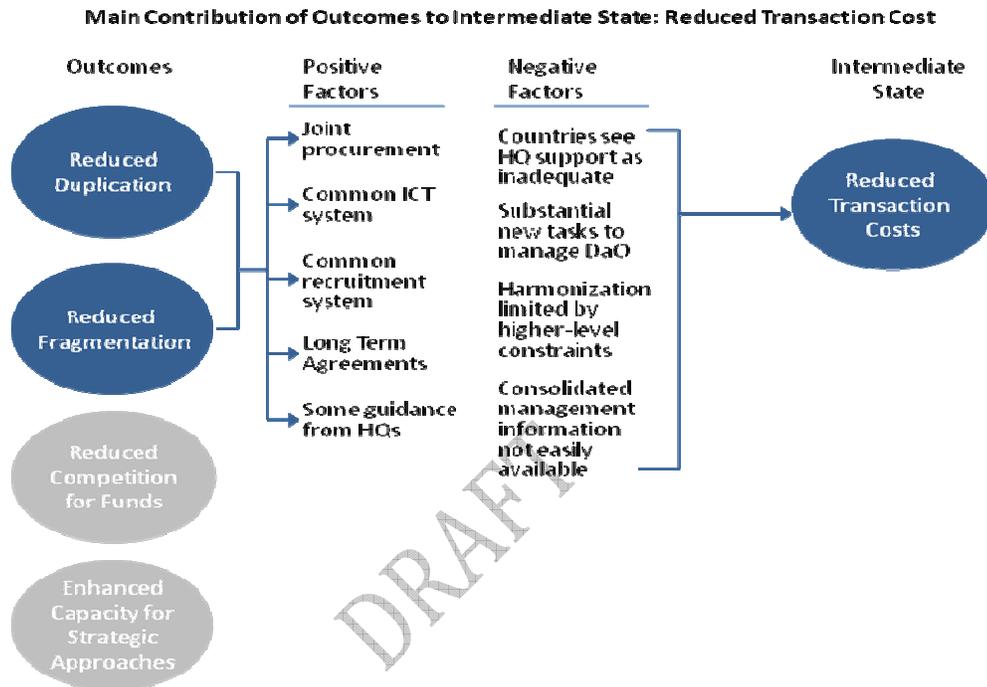
134. Movement along the results chain outlined in the Theory of Change, from the Outcome level towards the Intermediate State of “Reduced Transaction Costs” is summarised in Figure 3.7 below.

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¹³² See Box A.6.35: Reporting Systems are still Complex in Cape Verde.

¹³³ UNDG has defined “internal transaction costs” as those that are internal to the UN system and “external transaction costs” as those that are incurred by partners of the UN system as result of the UN systems’ actions or from their interaction with the UN system, and that are incurred at country level and at the headquarters of the donor agencies to support country level activities. (UNDG: Definition, Identification and Measurement of In-country Transaction Costs in the Context of “Delivering as One” Pilot Countries, October 2010.

Figure 3.7: Main contribution of Outcomes towards Intermediate State of Reduced Transaction Costs



4. CONCLUSIONS

4.1 Introduction

1. This Chapter presents the evaluative conclusions on the overall DaO pilot country initiative, building on the findings presented in Chapter 3 through a systematic analytical process¹³⁴. In this evaluation, the analytical process (“transparent chain of arguments”) has been based on a Theory of Change (ToC) approach, the findings of which have been presented in Chapters 3.

2. This Chapter therefore draws judgements from the material and analysis presented in this earlier chapter, within the overall ToC approach. The conclusions on the overall progress of the eight pilots as a set are built up on the basis of: aggregation of conclusions on their individual elements¹³⁵, balance between strengths and weaknesses on each element, consideration of the relative importance of the elements and of the inter-relationships between them. This has again been done through the systematic analytical process promoted by the Theory of Change approach.

3. These conclusions enable an assessment of progress towards achievement at each level of the results chain on a five point scale, as follows:

- Very strong progress (+++++)
- Strong progress (++++)
- Moderate progress (++++)
- Little progress (++)
- Very little progress (+)

4. In order to understand the connections between the ratings at strategy, outcome, intermediate state and objective level, the reader is referred to Figure 4.1 below.

4.2 Conclusions on the Four Strategies

4. Table 4.1 below gives an overview of the level of progress made by the “Four Ones”, placed in the context of the challenges, which the DaO pilots sought to address. This assessment is made with reference to the findings presented in Chapter 3 of this report.

5. It is concluded that the strategies One Programme, One Leader (with One Voice), and One Budget/Fund all achieved a moderate level of progress; having a number of strengths, which were challenged by countervailing weaknesses. The One Office strategy made little progress. Despite major efforts by UNCTs and staff and some notable

¹³⁴ According to the DAC Glossary: “Conclusions point out the factors of success and failure of the evaluated intervention, with special attention paid to the intended and unintended results and impacts, and more generally to any other strength or weakness. A conclusion draws on data collection and analyses undertaken, through a transparent chain of arguments”.

¹³⁵ In this context, the “elements” comprise strategies, outcomes, intermediate states and objectives.

achievements, the countervailing weaknesses were substantial; and showed the limits of the reforms that Country Offices can achieve without necessary reform “higher” up the UN system.

Table 4.1: Level of Progress of the Four Strategies

Strategy	Strengths	Weaknesses	Level of Progress
One Programme	<p>Coverage of cross-cutting issues improved</p> <p>Programmes have delivered results</p> <p>More coherent programmes</p> <p>Larger assistance programmes than pre-DaO</p> <p>NRAs able to participate at higher level according to country need</p> <p>Learning experience and second One Programmes better designed.</p> <p>Trend from Joint Programmes to Joint Programming</p> <p>Lowered transaction cost to Govt.</p>	<p>First One Programmes largely retro-fitted</p> <p>Some Joint Programmes too many partners and outcomes to manage</p> <p>High number of small-scale activities</p> <p>High transaction cost to UNCT</p> <p>M&E not yet able to capture additional development results from “jointness” or participation in DaO</p>	Moderate
One Leader (One Voice)	<p>Increased coherence among Agencies</p> <p>Helped UNCT coordinate One Programme</p> <p>Strengthened collaboration with Government.</p> <p>RCO provided assistance to</p>	<p>Agencies remain accountable to own Governing Bodies</p> <p>Little horizontal accountability in UNCT</p>	Moderate

	<p>resident and non resident agencies through human and other resources</p> <p>One Voice improved coherence of communications within and outside UNCT; especially to Govt</p> <p>Agencies gained external profile through critical mass</p> <p>Helped internal “buy-in” to DaO</p>	<p>Unequal accountability RCO-UNCT</p>	
One Budget/Fund	<p>Some increased flexibility for Government & UNCT</p> <p>Enabled NRAs and small Agencies to participate.</p>	<p>Overall, One Programme still heavily reliant on non-core funds</p> <p>Sustainability of One Fund levels in question</p>	Moderate
One Office	<p>Progress in common services</p> <p>Economies of scale</p> <p>Improved services</p>	<p>No harmonised rules and regulations</p> <p>Common measures of transaction costs not used</p> <p>No consolidated cost data to enable assessment of savings</p> <p>Operational costs remain high</p> <p>Staff time use to generate savings very high</p>	Little

		Only few common premises	
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4.3 Progress towards the Four Outcomes

6. Table 4.2 below gives an overview of the level of progress made towards the four outcomes, placed in the context of the challenges, which the DaO pilots sought to address. This assessment is made with reference to the findings presented in Chapter 3 of this report.

7. Progress towards the outcomes, “reduced competition for funds” and “enhanced capacity for strategic approaches” has in both cases been moderate; with notable achievements challenged by weaknesses. Overall, it is concluded that there has been relatively little progress towards “reduced fragmentation” and “reduced duplication”. This relates to the weaknesses noted in Section 4.2 in the “One Programme” and “One Office” strategies.

Table 4.2: Level of Progress of the Four Outcomes

Outcome	Strengths	Weaknesses	Level of Progress
Enhanced capacity for strategic approaches	<p>Inclusion of broader range of Agencies enables more strategic approach, related to stated country needs.</p> <p>First generation One Programme coordinated with Government.</p> <p>Second generation One Programmes, jointly planned by Agencies and Government.</p> <p>One Voice ensures better communication among Agencies and with Government, assisting more strategic approaches.</p>	<p>Desire to maximise inclusion of Agencies and partners has sometimes reduced strategic dimension.</p>	Moderate
Reduced	Improved programme	Reservations remain	Moderate

competition for funds	coherence has reduced competition for funds. One fund helped NRAs and smaller Agencies compete for place in programmes. Governments report less “lobbying” for individual agency projects.	on funding implications of “firewall.” Most programmes still highly dependent on Agency non-core funding.	
Reduced duplication	Joint procurement procedures. Common ICT systems. Common recruitment systems. Joint programming introduced to reduce duplication.	Inadequate HQ support. Incompatible regulations and procedures prevent some desired reforms. Duplicate reporting required by Governing Bodies and Boards.	Little
Reduced fragmentation	Long term supplier agreements. More coherent programmes. Joint programming introduced to reduce fragmentation.	Slow decisions from HQs. Some Joint Programmes fragmented by excessive number of agencies and partners. Programmes fragmented into excessive number of outputs or outcomes. Accountability structures fragmented.	Little

4.4 Progress towards the Three Intermediate States

8. Progress towards the three Intermediate States (enhanced national ownership, UN system delivers better support to countries, reduced transaction costs) is analysed in Table 4.3 below. Based on the findings of Chapter 3, enhanced national ownership is an area of strong progress. This is evident both from enhanced procedures to involve

Government in programming, planning and management; and from the perceptions of Government stakeholders. With regard to the UN system delivering better support to countries, it is clear that there have been many achievements, particularly through lessons learned by the pilot countries in the first One Programme and incorporated into design of the second. These achievements have been sufficient to strike an even balance with the many weaknesses also noted at this level. It is concluded that there has been little progress in terms of reduced transaction costs; where a set of strong weaknesses have offset the gains that have been noted.

Table 4.3: Level of Progress towards the Three Intermediate States

Intermediate State	Strengths	Weaknesses	Level of Progress
Enhanced national ownership	<p>Governments report stronger ownership of their UN programme under DaO.</p> <p>Governments were more widely consulted under the first One Programmes than before DaO.</p> <p>In the second generation of One Programmes, Governments have been closely involved in planning processes and will play a major role in management.</p> <p>Central coordinating ministries are chief Government drivers and beneficiaries of DaO.</p> <p>Some Line Ministries made new partners under DaO, particularly through the catalysing effects of the One Fund on NRAs and Agencies.</p> <p>DaO has been built on a strong tri-partite alliance between Government, the</p>	<p>Line Ministries mostly had well-established relationships with specific UN partners and have gained less than Central Ministries from DaO.</p> <p>The tri-partite alliance between Government, the UN system and donors needs to be strongly maintained if DaO is to continue its progress. However, it is not clear that all of the key donors will be in a position to continue at the same level of support as to date.</p>	Strong

	UN system and donors.		
UN system delivers better support to countries	<p>First generation One Programmes responded to country priorities, but largely by retro-fitting planned activities into a modified framework.</p> <p>One Programmes produced results, particularly in the area of cross-cutting issues.</p> <p>Second generation One Programmes have been conceived and planned with Government and have tried to have strong strategic focus; often with little or no emphasis on Joint Programmes.</p> <p>Some countries have concluded, based on the experience of their first One Programme, that it will be more strategic and effective to have Joint Programming rather than Joint Programmes.</p> <p>The One Budgetary Framework has been an important innovation, allowing UNCTs to present all planned and costed programme activities in one place, together with available and expected funding resources, including the One Fund.</p> <p>The additional financial</p>	<p>First generation One Programmes faced challenges to balance the desire for inclusiveness with the need for strategic focus; particularly with regard to Joint Programmes.</p> <p>Joint Programmes and One Programmes as a whole had numerous and complex outcomes, which were difficult for M&E systems to address.</p> <p>Little firm evidence of the difference between DaO results based on One Programme and “normal” UN business approaches.</p> <p>Although second generation One Programmes have more developed M&E systems, it is not clear that there will be adequate M&E specialists and field monitoring to make them effective.</p> <p>Although Governments and UNCTs have been able to rationalise their programming processes with the Funds and Programmes through</p>	Moderate

	<p>resources from the One Fund have enabled a broader range of Agencies to collaborate.</p> <p>Several donor countries have supported pilots through the One Fund: and sometimes through funding the RCO or the reform process, or seconding staff. Donors have also supported system level structures such as DOCO and regional UNDG teams.</p> <p>Pilot countries have sought to enhance leadership role of RC and mutual accountability with UNCT: e.g., through Codes of Conduct.</p> <p>Common ownership of RC system has been strengthened, assisted in particular by appointment of UNDP Country Directors.</p> <p>“One Voice”, implemented in most pilots, has provided greater coherence in advocacy and policy dialogue; as well as increased visibility and strengthened UN identity and culture among staff.</p> <p>National and international mid-level staff have played a critical role in the innovation of many processes, in the</p>	<p>the preparation of Common Country Programme Documents, Executive Boards have approved these separately.</p> <p>Accountabilities between RC and UNCT not yet reciprocal: (whilst RC is assessed by UNCT, reverse is not true).</p> <p>Reservations still remain concerning effectiveness of “firewall”.</p> <p>Realisation of the DaO concept is challenged by predominance of agency-specific accountability at all levels.</p> <p>Support to pilot countries by Agency regional offices and UNDG Regional Teams was little more than that provided to other countries.</p>	
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	<p>programming and operational areas.</p> <p>Most UN Agencies have become more active in system-wide coherence efforts during the DaO pilot period; usually as one element of their engagement in wider UN reform processes.</p> <p>Most UN organisations have made special efforts to support the country pilots and broader DaO processes.</p> <p>UNDG and other high level bodies have provided significant support to the DaO pilots and broader system-wide coherence efforts. Conversely, the pilot experiences have provided important inputs into system-wide reform.</p>		
<p>Reduced transaction costs</p>	<p>Some efficiency gains for UN system in country through expansion of common business practices. Governments note reduced transaction costs: reduced mission duplication and in-country meetings.</p> <p>Some donors report reduced transaction costs through less in-country meetings.</p> <p>HQ of Agencies and the System have issued</p>	<p>Compared with overall costs of UN operations, savings in transaction costs to date are modest.</p> <p>Processes to generate reduced transaction costs among UN Agencies are themselves time consuming, and therefore costly.</p> <p>RCs and UNCTs report insufficient support from HQ levels to meet</p>	<p>Little</p>

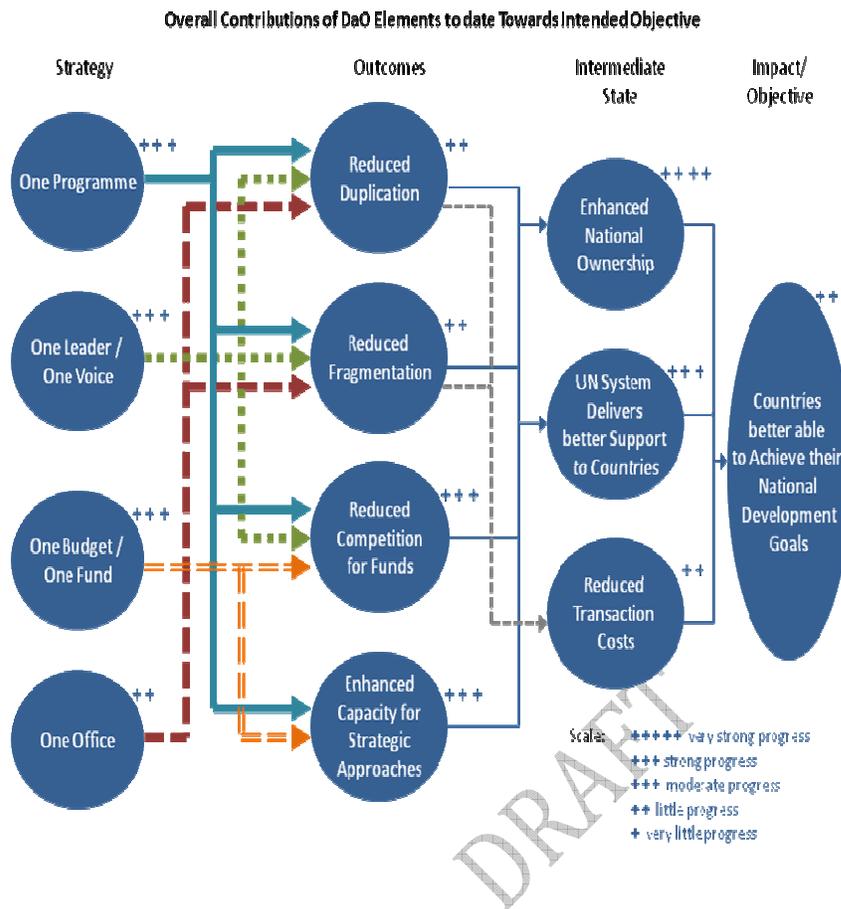
	substantial guidance.	<p>their needs in a timely fashion.</p> <p>DaO has not resulted in consolidated management information and it is difficult to gain an accurate aggregate picture of the effects of DaO on finances and business practices.</p>	
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4.5 Progress towards the Objective of DaO

9. The long-term objective or impact to which DaO hopes to contribute is that countries should be better able to achieve their national development goals (including commitments to MDGs and/or IADGs). There has been little progress towards this objective to date. This is to be expected, since such an objective could easily take decades to achieve; particularly when it is borne in mind that even the total UN development system is but one player amongst many in the countries concerned. Although there are specific, tangible gains, which have been made in most countries, these are small in comparison with the development challenges faced. Furthermore, it is clear that the One Programme, which is a critical element of the results chain, was a substantial learning exercise and challenge in all pilot countries. All maintain that the second One Programme, which is either in preparation or has recently started, will be far better than the first. Some have completely changed the approach, from one based on Joint Programmes to another based on Joint Programming. The contribution of such changes to countries' ability to achieve their national development goals is in its early stages and will only become evident some years in the future.

10. The overall contribution of the various elements of DaO and of the process as a whole to the intended objective is summarised in Figure 4.1 below.

Figure 4.1: Overall Contributions of DaO Elements to date Towards Intended Objective



4.6 Conclusions concerning the Evaluation Criteria.

11. Three of the four evaluation criteria (relevance, effectiveness and efficiency) are closely related to the Intermediate States of the Theory of Change developed for Delivering as One. Sustainability requires slightly different treatment, as discussed in Section 4.6.4. An overview of the rating process is provided in Table 4.4 below. For all Evaluation Criteria, a five point scale, corresponding to that used for the earlier assessment of progress, is used as follows:

- Very strong (+++++)
- Strong (++++)
- Moderate (++++)
- Weak (++)
- Very Weak (+).

4.6.1 Conclusion on the relevance of DaO

12. According to the Framework Terms of Reference for the evaluation, the *relevance* of the DaO pilot initiatives and of the approach as a whole should be assessed in terms of responsiveness to the needs and priorities of the individual pilot countries and enhanced relevance and coherence of the UN development system. These criteria are all elements of the concept of National Ownership, which has been reviewed in detail in Chapter Three and assessed in this Chapter.

13. The relevance of DaO therefore relates to the extent to which Governments have been able (through enhanced ownership) to ensure that their own needs and priorities are driving UN programming; as well as to the coherence of their dealings with UN. In both these respects, as analysed in Sections 3.3 and 4.4, performance has been strong. (++++)

- **It is therefore concluded that the relevance of DaO to the pilot countries has been strong.**

4.6.2 Conclusion on effectiveness of DaO

14. The Framework Terms of Reference specify that the *effectiveness* of DaO should be assessed in terms of: strengthened national ownership and leadership and enhanced national capacities / capacity development in pilot countries; contribution of the UN system to development results; implementation of appropriate processes and production of results, including on crosscutting issues, notably gender equality and women's empowerment.

15. The effectiveness of DaO therefore relates primarily to the contribution made by DaO to the delivery of better support to the countries and to development processes and results, including on cross-cutting issues. These issues correspond closely to the Intermediate State of the ToC, "UN System delivers better support to countries". The extent to which this has been achieved has been addressed in detail in Section 3.2.2 and 4.4 of this report. On the basis of the evidence and conclusions presented in those sections:

- **It is concluded that the effectiveness of DaO has been moderate.** (+++)

4.6.3 Conclusion on the efficiency of DaO

16. The Framework Terms of Reference specify that the efficiency of DaO will be assessed in terms of the reduction of transaction costs for the countries, the UN system and other partners; new ways of doing business; simplification and harmonization of rules, regulations and procedures; additional, more predictable and more flexible funding mechanisms.

17. This corresponds closely to the Intermediate State, “Reduced transaction costs”, which incorporates all of the required elements. This issue has been addressed in Section 3.2.1 and 4.4 of this report. These sections have noted achievements in the specified areas, but that these have been severely restricted by limited mandates of Country Offices to change procedures, incompatible systems across agencies, time consuming processes required to achieve any change, inadequate support from higher levels of the system for UNCTs with regard to the change agenda; and the absence of coherent and consolidated Country-wide management information systems.

- **It is concluded that the efficiency of DaO has been weak. (++)**

4.6.4 Conclusion on the sustainability of DaO

18. The FTOR indicate that the *sustainability* of the Delivering as One approach should be assessed in terms of the probability of it continuing over time and the likelihood of long term benefits from DaO, both at the level of the pilot countries and for the UN development system as a whole. This is the most difficult of the criteria, since it implies the extrapolation of findings on existing benefits into the future. However, it is obvious that there are many factors which cannot be treated in this way. For example, the commitment of a donor to supporting the One Fund does not simply depend on the perceived success of this innovation to date. It may be affected by broader national economic or policy dimensions in the donor country, over which DaO, and even the donor Country Office, will have minimal influence. The criterion of sustainability is therefore more speculative than the other three.

19. Accepting this limitation, the following approach has been taken to the assessment of sustainability. The first need for the criterion to be met is that the DaO approach is understood by the countries, the UNCTs and the broader UN system (notably Member States) to have delivered the right results (relevance), in the right way (effectiveness), with the right balance of costs and benefits (efficiency). The second need is that the approach should have gained sufficient impetus to continue to be driven forward. For this it would require strong “champions” or supporters at all levels (but particularly senior levels) of the UN system and in Member States. (The “champions” are particularly important to ensure that financial and human resources, as well as support from the UN system, continue to be available for the DaO reform process). Sustainability is therefore a combination of the extent to which DaO is relevant, efficient and effective and to which “champions” exist in all relevant systems to continue its promotion.

20. The existence of ‘champions’ for DaO is assessed as strong (++++) on the basis of several hundred interviews conducted by the Independent Evaluation Team in pilot countries, throughout the UN system and with Member States; as well as on the basis of extensive documentary evidence and the Country Led Evaluations.

21. In the case of DaO, the “equation” for sustainability therefore produces the following assessment:

- Relevance (++++)

- Effectiveness (+++)
- Efficiency (++)
- Existence of “champions” in Governments and UN system (++++).

22. Sustainability “scores” 13 out of 20 pluses. This gives it an individual “score” of 3.25, which falls under the category “moderate”.

- **It is concluded that the likelihood of sustainability of DaO is moderate.**

Table 4.4: Overview of Performance against Evaluation Criteria

Evaluation Criterion	Corresponding Intermediate State	Progress /Rating	Key Factors	Contribution to Sustainability
Relevance	Enhanced national ownership	Strong	Govt. perceptions. Increased Govt. involvement in UN planning and programming processes. Strong alliance between UNCT, Govt. and donors	Strong
Effectiveness	UN system delivers better support to countries	Moderate	Main increase in effectiveness not from first One Programme, but expected from second One Programme. These just started or in preparation. Weak M&E results on specific effectiveness of DaO. One Budgetary Framework and Fund improved funding effectiveness, but future of DaO additional funding uncertain. One Leader improved coherence, but no authority over UNCT, in which Agency-specific accountability predominates. Increasing body of guidelines on such reform processes as One Programmes (but not unique to DaO).	Moderate
Efficiency	Reduced transaction costs	Little	Some efficiency gains through expansion of common business practices and reduced duplication System guidelines on procedures and processes Staff costs to achieve gains very high Necessary high level decisions not taken in timely fashion No consolidation management or financial information on DaO	Weak

Sustainability	Nil	Moderate	Mixed performance of DaO on the other three Evaluation criteria reduces prospects of sustainability Strong commitment by “champions” of DaO among UNCTs, pilot country Govts, donors, some high level UN system bodies and some Member States provides positive support for sustainability	-
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5. LESSONS LEARNED

5.1 Introduction

1. This section responds to the Key Evaluation Question 7: “What are the key lessons, based on positive contribution or challenges faced by the DaO initiatives that can be carried forward into the future work of the UN?”¹³⁶

2. An important consideration in the case of the DaO pilots concerns the level at which lessons learned should be addressed. This evaluation analytically distinguishes between four “types” or “levels” of lessons for the future work of the UN system, as follows:

- **What has been learned by / from the DaO experience?** Lessons concerning the performance of DaO at country and systemic levels.
- **What has been learned about issues that require decision-making by UN organizations, drawing on existing TCPR/SWC mandates, which would have enabled further advancement?** *Lessons concerning the performance of DaO, which would need to be addressed at the level of CEB/HLCM/HLCP/UNDG, drawing on existing TCPR/SWC mandates.*
- **What has been learned about what requires reform through the QCPR process and / or in governing bodies of individual agencies?** Lessons concerning the performance of DaO, which would need to be addressed through inter-governmental decision-making through a new QCPR resolution and / or Governing Bodies of individual agencies.
- **What has been learned about issues that are beyond the DaO experience?** Lessons concerning issues that would require reforms at a yet higher level (e.g. political will of Member States, comprehensive restructuring of governance structures).

3. The key task of a “lessons learned” chapter is to take the specific evaluation conclusions and draw out their broader significance. It is also recalled that the DaO piloting exercise was defined at the outset as a project to generate important lessons from changing fundamental parameters in the UN system’s approach to programming, management, collaboration, funding and business processes. The task of the present evaluation is to assess the lessons learned, especially with a view to inform the forthcoming QCPR in late 2012, as well as other inter-governmental processes concerning system-wide coherence.

¹³⁶ The DAC Glossary defines *lessons learned* as follows: “Generalizations based on evaluation experiences with projects, programs, or policies that abstract from the specific circumstances to broader situations. Frequently, lessons highlight strengths or weaknesses in preparation, design, and implementation that affect performance, outcome, and impact”.

4. Overall, an important set of lessons learned relates to what can be achieved at the country level and also explores the limits of what can be done without reform at the systemic level. Despite considerable efforts by RCOs and UNCTs, there is still much to do in the pilot countries to achieve the full potential of DaO. However, it is also clear that, in the long run only the higher levels of the system, such as CEB/UNDG/HLCM/HLCP, and top management in each organization (responding to the decisions of Member States) can drive the more comprehensive measures needed to promote greater system-wide coherence. These might include: promoting greater decentralisation of decisions to country level; offering support and decisions on issues raised at country level in a timely and effective fashion and harmonizing business practices within existing inter-governmental mandates. Unless these higher levels are fully engaged and committed to the process, the intended benefits of DaO will not be fully realised. The pilots have shown the limits of what can be achieved by the UN system with a country-led approach.

6. Furthermore, in order for these higher levels of the UN management system to be in a position to take the necessary measures, Member States will need to exercise their decision-making power in the General Assembly, ECOSOC, Executive Boards and Governing Bodies to create a more coherent policy framework concerning governance, funding, accountability, reporting, incentives and other issues, which currently present barriers to DaO performance. Given the complex governance structure of the UN system, it is important that political directives are articulated consistently across all its governance structures. Furthermore, Member States play an important role that inter-acts with actions taken by the UN system in its follow-up to DaO. The engagement and ownership of the host country governments is a critical factor. It is also noted that the policies of donor countries have significantly influenced the design and outcomes of critical elements in the DaO pilots; notably as regards funding decisions and new funding windows and modalities.

7. It is also evident that the country-led nature of DaO has often meant that challenges have actually been addressed in the wrong sequence. Country teams have devoted great effort to trying to overcome challenges which, in fact, must first be resolved at a higher level, before returning to countries for associated actions to be taken. This has greatly contributed to the inefficiency noted in DaO processes. But to address these challenges at corporate and systemic challenges will not be easy given the diversity in mandates, organizational culture and mindsets characterizing UN organizations.

5.2 Lessons Learned from the DaO Pilot Experience

5.2.1 What has been learned by / from the DaO experience? *Lessons concerning the performance of DaO at country and systemic levels*

Lesson 1: Voluntary adoption of the DaO approach by national Governments of programme countries has greatly contributed to their ownership and leadership of the reform process. Programme countries need to decide, whether the DaO approach is appropriate to their needs and priorities and, if so, they should lead planning, decision-

making and implementation processes in directions, which enable the achievement of Delivering as One.

Lesson 2: The DaO pilot process has shown that the UN system is able to tailor its country level presence to respond to the specific needs and priorities of very different countries, including Least Developed and Middle-Income Countries. The DaO approach was meant to enhance the UN system's ability to respond to the needs and priorities of a broad range of Member States. At the same time, it must be acknowledged that the DaO approach does not necessarily meet all needs and priorities of these countries and that its added value needs to be considered in each country's context.

Lesson 3: The DaO approach is found to enable Members States to gain enhanced access to the range of expertise and resources of the UN system for the purposes of their development agendas. This allows for involvement of those agencies that are not permanently present at country level or only at a limited level. Most UN Agencies became more active supporters of system wide coherence and saw it as enhancing rather than limiting their specific mandates and programmes.

Lesson 4: The DaO pilots have shown that there are limits to what can be achieved with voluntary coordination through existing systems, which are very diverse. Given the fact that each UN organization has its own governance structure, mandate and culture, individual agencies remain the primary unit of account for performance and management. "Delivering as One" can be more accurately described as "Delivering *as if* One", as the UN development "system" consists of a network of legally independent and financially autonomous organisations. Delivering as One does not make the UN at country level one organization and there is no evidence of loss of identity of individual agencies or loss of contact with the agencies' traditional ministerial counterparts.

Lesson 5: DaO allows the UN system to more adequately address cross-cutting issues in developing countries with the added benefit of enhancing its ability to support the Governments on other multidisciplinary development issues (e.g. poverty, child mortality or local governance). DaO as implemented has raised the profile of the UN system in such areas as human rights, gender equality and social protection, which require several UN organizations to work together. DaO has not fostered strong cooperation with civil society.

Lesson 6: The DaO experience has shown that the promotion of gender equality and women's empowerment can be effectively pursued with full management commitment, adequate staff incentives and monitoring of results. However, this raises a significant question concerning the feasibility of supporting these additional inputs at a broader level across programme countries.

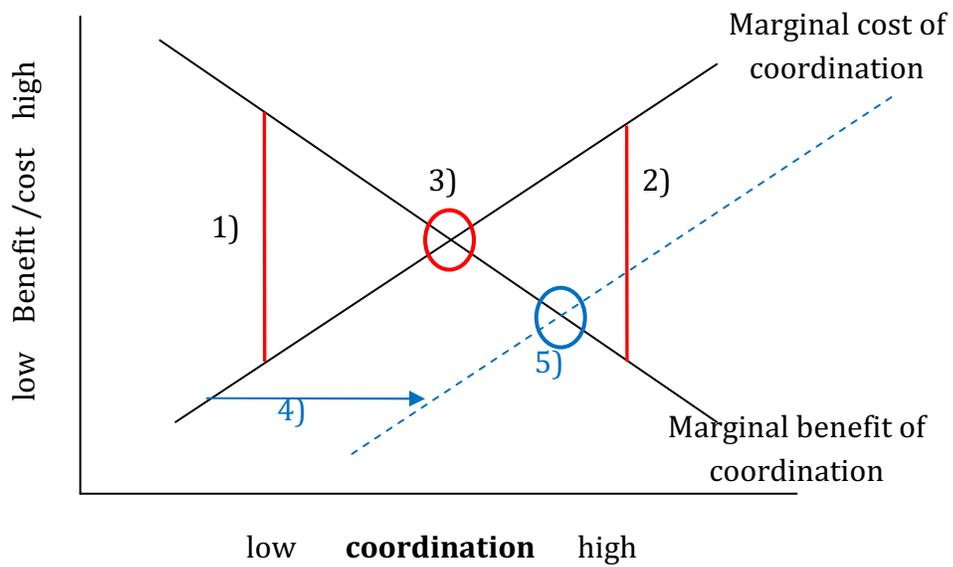
Lesson 7: While other UN reform initiatives have focused on specific aspects of programming, funding, management and accountability, the uniqueness of DaO is that it considers all these aspects in an interlinked package composed of "the Four Ones". The package also comprises a variety of other innovations that are potentially

useful for the UN development system as a whole; for example, new ways of dealing with Joint Programmes and Joint Programming, joint monitoring systems, local joint procurement, common communication strategies and UNCT codes of conduct.

Lesson 8: The One Budgetary Framework / One Fund approach has enabled the government leadership role and fostered a close interaction between Governments, donors and UN agencies at the country level throughout the resource management cycle. In this way, it has ensured a better alignment with and more flexible responses to national priorities. It also offers some potential to reduce donors' preference for earmarked funding. With the One Fund a new funding variant has been tested, conceptually combining advantages of core and non-core funding. Its unique feature is that the associated resource programming and allocation processes are located largely at country level.

Lesson 9: UNCTs, with the support of RCOs, in pilot countries are approaching the limits of what can be achieved in terms of reducing transaction costs and increased efficiency through country level innovations. Whilst this has enabled considerable improvements to be achieved, the level of reform has been less radical than many stakeholders, including host Governments and development partners, have indicated as necessary and anticipated.

Lesson 10: Only significant systemic change could make country level coordination easier and cheaper (see figure 5.1). What emerges from analysis of the DaO experience is that since so many high level systemic elements have not been changed, the marginal cost of enhanced coordination at country level is increasing.



- 1) Marginal benefits of coordination *higher* than cost
- 2) Marginal benefits of coordination *lower* than cost
- 3) Marginal benefits = marginal cost (DaO pilots optimum)
- 4) Only a quantum leap - significant systemic change – will make coordination fundamentally easier/cheaper.
- 5) New optimum with higher benefits from more coordination at lower cost.

Figure 5.1: Costs and benefits of increased coordination at country level.

5.2.2 What has been learned about issues that require decision-making by UN organizations, drawing on existing TCPR/SWC mandates, which would have enabled further advancement? *Lessons concerning the performance of DaO, which would need to be addressed at the level of CEB/HLCM/HLCP/UNDG, drawing on existing TCPR/SWC mandates.*

Lesson 11: There is currently a lack of clarity and shared vision among UN organizations and stakeholders concerning the desirable extent of integration and how it can best be achieved, including on how coordination is perceived and approaches to enhance coordination. This underlies many of the challenges, which the pilots faced in attempting to pursue a coherent approach at country level. Whilst it seems that none of the stakeholders in the UN system are against coordination in principle, there are considerable differences in positions concerning the desirable extent of coordination (including at the country level), in order to ensure Member States' full confidence in operational activities for development of the UN system. There is clearly an important trade-off between the specific value of each organisation, often with highly specialised mandates and expertise, and the value added of enhanced coordination and collaboration.

Lesson 12: The One Programme has not led to one line of accountability and this has implications for the measurement of performance, which remains primarily within organisations. In the pilots, the negotiations and processes to build the One Programme have taken very considerable amounts of staff time; sometimes (according to staff themselves) to the detriment of inputs into programme implementation. Challenges remain in the development of shared monitoring and evaluation systems. Furthermore, while DaO has promoted the idea of accountability to Governments and between organisations, the primary accountability for results delivery has remained within organisations.

Lesson 13: There must be clear and transparent accountability for the contribution of the results of the "One Team", combined with incentives to all involved UN staff, if the current levels of motivation around Delivering as One are to be maintained. The pilot process helped to reduce the "silo mentality" among agencies and to enable them to recognize and better understand each other. Expectations created by DaO, supported by messages from high levels of the UN system, have influenced UNCT heads to place emphasis on their role as part of the "One Team" led by the RC. However, the many additional responsibilities associated with DaO urgently need to be recognized and incorporated into agency job descriptions, performance appraisal systems and other elements of HR management, accountability and performance management systems.

Lesson 14: On numerous occasions, localised "solutions" have been found to present management challenges at corporate levels. Whilst solving one issue, new approaches have often created a countervailing challenge at corporate level, where efficiency is characteristically achieved through standardization, rather than through the acceptance of diversity. Since so many high level systemic elements have not been changed, the marginal cost of enhanced coordination at country level is increasing.

Only significant systemic change could make country level coordination easier and cheaper. (See also Lesson 10).

Lesson 15: There is currently an unintentional and undesirable side effect of the principle “One Size Does Not Fit All”, in that UN system-wide transparency in terms of financial data beyond the One Fund cannot be achieved under the current approach to DaO documentation. While the approach has been productive in giving space for experimentation in the pilot countries, if it were to be more widely adopted, the UN system would need to evolve a set of standardised (or at least easily comparable) operational and reporting tools, including definitions and templates for key elements in country programming, fund management and implementation, covering not only the One Fund but all activities of the UNCT. Overall, it has emerged that each UNCT has devised its own approach to budgeting and planning, which was sometimes limited to activities covered by the One Fund. This may be considered logical and coherent from the country perspective, but it has so far generated an unmanageable situation for the UN system as a whole. This is because consolidated results data and information covering the entire performance of the UN at country level can only be reached through time-consuming and intricate procedures. These data are not readily available from the RC Offices.

Lesson 16: Within the DaO pilots, it has been demonstrated that transferring resources and authority for managing and allocating some unearmarked funds to the country level allows a better and more flexible response to the needs of programme countries. However, as this process has been on a pilot and experimental basis, there have also been shortcomings and flaws. For this new approach to work, the reporting systems covering the activities of the UNCT need considerable strengthening in order to create the conditions for a system-wide approach. This cannot be achieved without support from corporate levels. Although funding issues are of vital concern to individual UN organizations, DaO has not achieved system-wide transparency in terms of financial performance, beyond activities supported by the One Fund.

Lesson 17: Improvements in country-level accountability and reporting systems of new DaO funding mechanisms are still necessary in order to satisfy expectations of donors. Donors, who became involved in the management of the EFW and of the One Fund, held expectations for accountability and reporting systems that were not part of these Funds’ design and which could not be met in the short term.

Lesson 18: The successful application of the concept of working for the system rather than for one agency demonstrated by the role of the MPTF Office for the One Funds offers a model that could be adapted to the broader range of support services that UNDP performs on behalf the UN system. The UNDP MPTF Office is seen to have provided transparent and accountable support to the entire UN system, in addition to its parent agency. The firewall in the management of the MPTF has worked effectively. Its involvement in setting up the One Funds at country level has ensured that the dimension of funding and finance has been handled with a UN system-wide perspective and vision, even

though the MPTF Office is part of UNDP and the participating agencies have their own governance and financial systems.

5.2.3. What has been learned about what requires reform through the QCPR process and / or in governing bodies of individual agencies? Lessons concerning the performance of DaO, which would need to be addressed through inter-governmental decision-making through a new QCPR resolution and / or Governing Bodies of individual agencies.

Lesson 19: DaO has not been fully institutionalized and requires further engagement by inter-governmental structures and processes. One Programme documents, notably Common Country Programme Documents, still need separate approval by the Executive Board of each Fund and Programme, while UNDAF documents are potentially to be considered by the governing bodies of all involved agencies. Member States may wish to explore options to streamline governance procedures to make approval of One Programmes and related mechanisms more efficient.

Lesson 20: The current RC system has serious limitations in terms of the RC's ability to coordinate the UN operational activities and ensure financial transparency. Governing bodies of UN organizations would need to approve considerable modification of their current accountability frameworks if they wished to allow RCs to take full financial responsibility for resources made available through individual agency internal control frameworks and to be accountable for results achieved. Delivering as One gives the Resident Coordinator an enhanced voice and visibility in policy dialogue. The concept of a more empowered RC (a "Chief Executive") is attractive to many among Governments and development partners, since it is seen as a way of reducing procedural steps (the "Committee culture"), further reducing transaction costs and streamlining financial management. However, at present, the RC has no line authority over the UNCT members and no authority over how their resources are programmed, so that his/her leadership is not institutionalized.

Lesson 21: Funding is a major driver of organisational change and the One Fund has proved an important incentive for agencies to work together. The One Fund is not limited to agencies' mandates and it is also less earmarked and more predictable than other forms of non-core funding. These characteristics make it a valuable addition to traditional core and non-core funding and give it the potential to address a broader range of the needs and priorities of programme countries than do traditional core and non-core funding, which are limited to those addressed by the agencies mobilizing the resources.

Lesson 22: The DaO pilot experience, including related reform attempts at the systemic level, have clarified the urgent need for inter-governmental leadership and decision-making to insist more vigorously on further simplification and harmonization of business practices. This should encompass the areas of planning, reporting and evaluation, as well as human resource rules and procedures, financial

management and reporting, and such support services as procurement and information technology. This will require time and resources, but if adequately supported by the various governance structures, this could catalyse the convergence of key management systems and processes, enabling the development of one corporate vision and approach of the UN system despite its diversity. Such business practice harmonisation is vital to enable the UN to become a more relevant, efficient, effective and sustainable supporter of programme countries, in their efforts to achieve their national and international development goals and to deal with emerging global challenges.

5.2.4. What has been learned about issues that are beyond the DaO experience?

Lessons concerning issues that would require reforms at a yet higher level (e.g. political will of Member States, comprehensive restructuring of governance structures).

Lesson 23: Although there is a need for more system-wide coherence at the systemic level, it is important to maintain the principle that individual programme countries should be free to choose the approach to their partnership with the UN system that most suits their national priorities and needs. The experience in the eight DaO pilot countries shows that voluntary adoption and government leadership were strong drivers of the process and contributed to results achieved. Although the approach was pursued by diverse countries, including Least Developed and Middle-Income Countries it cannot be concluded that it will meet the needs and priorities of all programme countries. Furthermore, the DaO modality may not be sufficient and adequate to meet the rapidly evolving global challenges and the changing needs of developing countries that were recognized by the 2005 World Summit Outcome. Moreover, different Member States may have very different expectations from the UN system. For example, some may prefer a selective use of a restricted range of agency mandates and expertise that would not substantially benefit from the DaO approach.

Lesson 24: In the interest of greater burden-sharing and of ensuring the sustainability and potentially wider dissemination of the approach, it should be considered to expanding its funding base. This would also entail attracting resources from countries outside the traditional donor community, which are in a position to contribute to funding of the UN development system. DaO has drawn 83 % of its new and additional resources from only five out of a total of 17 major UN funders. The sustainability of predictable multi-year funding through the new funding modalities currently depends on the continuous commitment of this small number of “traditional” donor countries, which may not be taken for granted in the prevailing global climate of budget austerity, even though they have been filling an important funding gap due to their unearmarked nature.

Lesson 25: Many stakeholders, in Member States and within the UN system, perceive DaO to be a relatively limited and unambitious reform package. Whilst its efforts at reform are often positively assessed, many stakeholders believe that DaO is not the radical approach required to put the UN system onto a new track in development. They feel that bolder measures should be enacted through discussion and agreement at the highest levels of the system, notably through a concerted vision of reform emanating from Member States. Such stakeholders note that, while the vision of the High Level Panel was not accepted by Member States, no alternative vision has been developed

or approved. According to these stakeholders, core areas for discussion and decision-making would include rationalisation of the number of UN agencies, reform of mandates and governance structures and funding modalities, and a new definition of the range of development expertise expected from the UN system.

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