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Lessons from delivering as one: options for UN member states

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Briefing Paper 13/2012

Lessons from Delivering as One – Options for UN Member States

Summary

Since 2007, the UN development system has experimented with new approaches to enhance its coherence, efficiency and effectiveness in eight pilot countries. Similar to other international processes aiming to increase the effectiveness of aid and development policy through coordination, the results are mixed. Some benefits could be reaped, although the pilot initiative Delivering as One (DaO) has demonstrated that there are clear limits to what can be achieved with voluntary coordination within existing mechanisms and accountability structures. The lessons learned from DaO provide an important input for the on-going negotiations in the UN General Assembly. In autumn 2012, Member States will formulate guidance and directions for the UN development system for the next four years, the so called Quadrennial Comprehensive Policy Review (QCPR). The QCPR provides a crucial opportunity for Member States to adapt the UN development system to the changing landscape of global development cooperation. In principle, they have four options:

1. States could agree that the pilots provided interesting insights, but that DaO should not be pursued further.
2. States could decide that DaO is a valuable new approach that programme countries can adopt on a voluntary basis, yet fail to give clear and decisive guidance to the UN agencies to overcome the identified obstacles.
3. States could combine their support for DaO as a voluntary option with imperative directives to UN agencies by – among other things – replacing the current consensus-based decision making at the country level with an *Arbitrator System*. In such a system, the Resident Coordinator would have ultimate authority, for instance with regard to allocating tasks and resources among agencies. In parallel, a more reliable and sustainable funding mechanism would be put into place.
4. States could agree that the DaO pilots were too modest a reform attempt, and decide to tackle the challenges of the UN development system in a more fundamental way and completely redesign the UN structure and accountability system at the country level with for example a small number of *Operational Lead Agencies*.

Only options (3) and (4) would clearly be a departure and count as an attempt to actively address the looming threat of a marginalised UN development system that is irrelevant to developing countries' needs and to the provision of global public goods. UN Member States may have different views on the future organisation and objectives of UN operational activities, but they should agree that it is their responsibility to decide on a reform path. If the reform is left to the UN agencies – like in the DaO pilot exercise – reform would not only advance very slowly, but also within narrow boundaries and with high transaction costs. Therefore, Member States must step up and truly empower the Resident Coordinator by setting up an Arbitrator System. They must install funding mechanisms that both provide reliable funding and incentivise cooperation among UN agencies. And they should explore the Operational Lead Agencies model, which provides a bold solution to the highly fragmented accountability within the UN development system.

The Delivering as One pilot initiative

The DaO initiative is embedded in ongoing reforms to tackle the challenges of effectiveness, efficiency and relevance of the UN development system. The UN development system – or rather network – consists of a wide range of very different agencies loosely bound together under the auspices of the General Assembly and the Economic and Social Council (ECOSOC). It is well established and ubiquitous in the global development arena; in 2010, the UN development system received roughly 31 per cent of multilateral aid flows and was the largest channel for direct multilateral funding. However, the system's fragmentation, the trend of an ever growing, disproportional share of earmarked funds and other internal challenges weaken the UN system's contributions to global development. They might make it harder for the UN agencies to remain relevant in an increasingly diverse and competitive international development landscape, and possibly undermine the UN's role in global developmental/economic governance. Important changes, such as the rise of the Global South or the increased need to think about global development within planetary boundaries, necessitate a profound transformation of development policy. To date, there are few signs that the UN development system is quick to react and adapt, and fit for the demands of the 21st century.

In 2006, the High-Level Panel on System-Wide Coherence presented its reform proposals at the request of the Secretary-General. In the previous year at the World Summit, member states had mandated him to develop reform options. One of the key recommendations was that at the country level the UN should "deliver as one". This could include adopting the 'Four Ones', namely One Leader, One Programme, One Budget and – where appropriate – One Office. The discussion of the reform proposals revealed differences regarding the vision for the future positioning and design of the UN development system not only between donor countries and countries of the Global South, but also within each of these groups. While the debate on how to strengthen the coherence of the UN system in the General Assembly lasted more than five years, eight countries volunteered to officially pilot the Delivering as One approach: Albania, Cape Verde, Mozambique, Pakistan, Rwanda, the United Republic of Tanzania, Uruguay and Viet Nam. Since 2007, these countries have each interpreted and applied the four DaO principles in their own way, and also developed two additional ones, namely One Voice, a joint communication strategy, and One Fund.

Findings and Lessons from DaO

UN Member States authorised an independent evaluation of the lessons learned of the DaO pilot initiative. The evaluation, one of the most extensive in the UN in recent years, presented its findings and lessons to ECOSOC in July 2012. The comprehensive report of over 300 pages concluded that the DaO principles could yield many improvements, but also showed the limits of a voluntary reform that takes place within established structures. More specifically, the evaluation found that on the positive side ...

- ... governments have obtained stronger ownership of their UN programmes under DaO;
- ... DaO has contributed to greater coherence in advocacy and policy dialogue; joint communication increased the prominence of UN concerns; (Box 1)
- ... the coverage of cross-cutting issues (such as human rights, gender equality, HIV/AIDS) has improved as they have become flagship issues of the reform;
- ... gains in efficiency are possible through common services and simplification of business practices, as demonstrated in procurement, ICT systems or recruitment.

Box 1: Successful integrated UN Communication in Viet Nam

The One UN Communications Team in Viet Nam brings together a team of communication specialists from United Nations Development Fund (UNDP), United Nations Population Fund (UNFPA), United Nations Children's Fund (UNICEF), the Joint United Nations Programme on AIDS (UNAIDS) and UN Volunteers (UNV). It supports the UN-wide agenda on advocacy and communication, and the specific communication needs of the five agencies. It contributed to a more effective UN advocacy by promoting unified and comprehensive UN messages on issues of common concern, such as climate change, human rights, health, and disparities and inequalities.

Source: Independent Evaluation of Delivering as One, Main Report, United Nations, New York, September 2012

On the negative side, the evaluation found that ...

- ...it is extremely difficult to establish an evidence-based argument that results achieved are significantly different from those of earlier non-DaO programmes; the programmes in the DaO countries ('One Programme') have posed challenges in terms of defining the right balance between strategic focus (be selective) and inclusiveness (wide participation of UN agencies). (Box 2)
- ...while transaction costs for the interaction of governments with the UN have gone down, the transaction costs of coordinating the UN agencies have risen significantly;
- ...the agencies struggle with differences in operational and administrative rules and procedures, e.g. financial reporting or human resources policies;
- ...the new DaO funding arrangements may not be sustainable, because donor commitments are decreasing.

Fragmented accountability at the heart of the matter

The evaluation team drew a number of lessons from the DaO initiative. The limitations of DaO as it is currently being implemented stand out. One of the main limitations stems from the fact that the UN development system is composed of a number of rather independent agencies with their own governance structures, mandates and cultures. The DaO evaluation shows that individual agencies remain the primary unit of accountability for performance and management. The *fragmented lines of accountability* are the key reason why the UN agencies are not One but many. Delivering as One does not turn the UN into one organisation at country level.

Box 2: Challenges between strategic focus and inclusiveness
On average, 15 UN agencies per country participate in the One Fund (a specific funding instruments to support DaO). In Mozambique, Rwanda and Tanzania, the One Fund is even divided among 19 agencies. The analysis of related One Programmes reveals that UN agencies pursue many objectives, and there exist tensions between the programmes' inclusiveness and the strategic focus. Such tensions can be overcome, as was shown by joint programming exercises.
Source: Independent Evaluation of Delivering as One, Main Report, United Nations, New York, September 2012

Therefore, the evaluation team more accurately calls DaO 'Delivering *as if* One'. This lesson is very important, since accountability to (and compliance with) agency specific mandates, rules and regulations arguably is a much stronger driver for the behaviour of UN agencies and their staff than other drivers such as shared visions or common goals. While there is a subsidiary accountability *between* the agencies, the principal accountability remains *within* each agency. Ultimately, actions and performance are justified and assessed in terms of their conformity with and contribution towards the expected results of each individual UN agency.

Reforms require catalytic resources

While the governments of the pilot countries and UN staff were key in realising the DaO principles, five donors alone (Canada, Netherlands, Norway, Spain and the United Kingdom) contributed 83 percent of the funding to One Funds and the Expanded Funding Window of the Millennium Development Goals Achievement Fund. These non-traditional funding flows proved catalytic for many of the benefits gained by the pilot exercise. They helped to make the UN development system more responsive to government needs and enhanced the authority of the Resident Coordinator, enabling a more strategic and coordinated approach of the UN on the ground. However, as the evaluation team writes, in times of austerity and increasing bilateralisation of development policy, "even the most enthusiastic donor offices are unable to guarantee that their parent bodies will sustain high levels of support" (§ 213). If the funds dry up and no alternatives are created, a crucial driver for more flexibility and coherence will be lost.

What reform path?

Member States must shoulder the responsibility. Member States may disagree on how the UN development system should be organised and which issues and groups of countries it should focus on. However, they should agree and accept that it is their responsibility to choose the reform path. The QCPR provides a crucial opportunity for Member States to provide new orientation for the UN development system. If Member States do not act upon the lessons learned – or only half-heartedly address the identified obstacles – the ideas, energy, enthusiasm and money invested in the DaO pilot initiative would yield a very modest return and a unique opportunity would be missed.

Member States need to *be bold and ambitious* in deciding on a reform path. Too often in the last decades, when designing reforms, the smallest common denominator was chosen – leading to often small, technical steps in a piecemeal approach. This might have brought about improvements compared to inaction or the status quo. Yet, such incrementalism falls short of tackling the more fundamental problems of the UN development system. As stated in the evaluation report's final remarks, "bolder measures may be required to put the UN system on a more comprehensive track of reform, including: 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".

States need to replace the current consensus-based decision making process at the country level with an *Arbitrator System*. Such a system would truly empower the Resident Coordinator (RC) to give authoritative guidance to agencies, including the final say on the allocation of tasks and resources. While the function of the RC would have to be completely delinked from UNDP, the mandates and structures of the agencies would largely remain unchanged. Additionally, Member States must insist – through different boards and governing bodies – on harmonising and reducing the operational and administrative rules and procedures. This should happen in human resources management, financial management, planning and reporting, and common support services, and will require concerted action by the headquarters of the UN agencies.

States need to install a *funding mechanism* that provides reliable and unearmarked funding, and facilitates and incentivises cooperation within the UN development system. Currently, UN agencies compete with each other over scarce funding. The combination of differences in budgeting regulations and other business practices and the unreliability and earmarking of funds discourages cooperation. One consequence is a high number of often small and scattered projects that are much less relevant to developing countries than what the UN could actually offer. The experience from DaO has shown that the pooling of funds at country level can help in creating incentives for cooperation, but did not provide a solution to the problem that cooperation among agencies is severely limited, if two thirds of their funding is earmarked. Member States should commit to targets for core contributions, and request UN agencies to pool parts of their funding at the country level; they could ask UN agencies to reject earmarked funding that is outside of their strategic focus.

The model of *Operational Lead Agencies* should be explored and eventually pursued. The model of Operational Lead Agencies (OLAs) significantly reduces the lines of accountability at the country level. While keeping the number of UN agencies at the global level unchanged, the model of OLAs would reduce the number of UN agencies operating at the country level to three or four. These OLAs are the 'natural' leaders based on programme size, country presence and thematic priority – likely candidates would be UNDP, UNICEF, the World Food Programme (WFP) and the United Nations High Commissioner for Refugees (UNHCR). All other UN agencies entrust their operational activities to one of them; their activities would be fully integrated into one of the OLAs country programmes. The OLAs in turn can rely on the expertise of UN partner entities and can profit from 'seconded' staff. OLAs would have full responsibility and be accountable for delivering results. While the OLAs model has the same

objectives as DaO – namely to create a more relevant and effective UN by reducing fragmentation – it would overcome some of the limitations of the current DaO approach. The lines of accountability would be clarified and simplified. The complexity and resulting transaction costs involved in 20 to 30 UN entities trying to work as one would be reduced, and the balance between inclusiveness and a strategic approach could be struck more easily.

Conclusions

Just like in any complex systems, the coordination of UN agencies is a daunting endeavour. No organisation voluntarily relinquishes autonomy and authority. None is happily subjected to coordination in a non-hierarchical system. That is why reform left to the UN agencies – such as in the DaO pilot exercise – advances very slowly and within narrow boundaries. The DaO approach has reached its limits. Still, the pilot phase has demonstrated that at the country level, there is potential for a more coherent, relevant, efficient and ultimately more effective UN. In the short term, the DaO approach can be significantly strengthened by an Arbitrator System. In the medium term, the UN development system at country level must become much leaner by introducing the Operational Lead Agencies model or a similar structure. Yet such a UN certainly requires decisive action by Member States. It is high time that they accept this responsibility.

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