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**Research Report**

## Towards more policy advice: Maximizing the UN's assets to build back better

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## Towards More Policy Advice: Maximising the UN's Assets to Build Back Better

### Summary

In order to effectively assist countries in “building back better” following the COVID-19 pandemic and returning to a path towards the Sustainable Development Goals (SDGs), the United Nations (UN) and its development entities, organised within the United Nations Development System (UNDS), will need to adjust their approach. They need to respond not just through selected interventions of limited scope, which aim to achieve quick and tangible results, but by providing more and higher quality policy advice to governments for dealing with the deep inequalities laid bare by the pandemic worldwide.

The argument for a stronger focus on policy advice directed at high-level decision-makers and delivered through both dialogue and advocacy, is not to deny the importance of service delivery, capacity-building and systems strengthening – other key UN delivery modalities that currently account for the majority of the UN's development activities. Through them, the UN saves lives and helps developing countries reduce their reliance on external support. However, such work often fails to achieve the kind of broader, sustainable impact so urgently needed for ensuring a more equitable and sustainable recovery.

The UN has long recognised the importance of policy advice, and UN entities have a unique role to play in helping to implement universal norms and values that have been agreed by UN member states and which should inform any recovery. The recent strengthening of the UN resident coordinator system (2019), which ensures that the on average 18 UN entities per programme country deliver more “as one”, has put the UN in a better position

to provide integrated policy advice. Building on these reforms, UN Secretary-General António Guterres recently encouraged a greater role for the UN in the provision of “integrated policy advice”, citing “persistent challenges in forging integrated policies” (UN, 2020).

These “persistent challenges” to policy advice (or “upstream work” in UN parlance) also come from structural factors that push UN entities towards implementation or “downstream” work directed at interventions on the ground. Also, member states have been increasingly reluctant – despite often lofty commitments at the global level – to support policy advice through robust mandates, their own strategic engagement and suitable funding at the level of UN entities.

The following actions are recommended to correct disincentives to policy advice:

- The UN should define policy advice more clearly as a distinct mode of UN engagement and track good practice from UN country teams to further develop this mode of engagement.
- Member states should strengthen their endorsement of UN entities' provision of quality policy advice and request them to undertake concrete steps to expand this mode of engagement.
- Resident coordinators need to fully exercise the new roles envisioned by the UNDS reform and lead on policy dialogue in collaboration with the UN entities concerned.
- Donors should engage strategically with UN entities through core contributions and non-core partnerships to incentivise, rather than discourage, the provision of increased policy advice.

### Policy advice in the UNDS – the current status

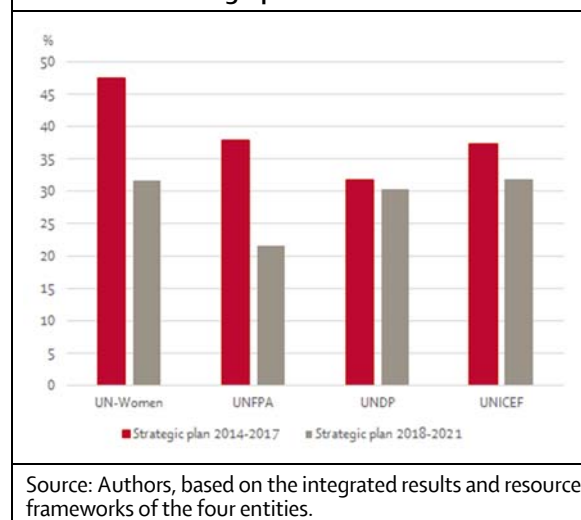
As the UNDS has no standard definition of policy advice, we follow the definition advanced by the Consensus Building Institute (CBI, 2011) and understand “policy advice” to constitute those activities that support the elaboration of national-level policies as embodied in laws, strategies and budgets. Policy advice is typically organised as a dialogue with host government decision-makers, but it can also take the shape of public policy advocacy around which policies should be developed. In practice, policy advice is often intricately linked with capacity-building and systems strengthening, as implementation efforts are bound to bring up policy questions. What sets policy advice apart is that it is essentially about “what” should be done, and not the “how” of implementing agreed policies.

UN development entities have mandates from the General Assembly and their respective boards to engage in policy advice. The Quadrennial Comprehensive Policy Review from 2016 mandated the UN to provide “integrated policy support” in line with internationally agreed goals and “normative support”; other functions are, in that order, “capacity-building”, “partnership support”, and “technical and scientific cooperation”. Entity-specific strategic plans also accord high priority to policy advice and advocacy, and these functions are typically clearly placed above downstream functions. While policy advice is often seen as a particularly relevant UN modality for middle-income countries, the United Nations Population Fund (UNFPA) strategic plan mandates it across all country types, and other strategic plans also do not differentiate in that regard.

In practice, however, policy advice still plays a comparatively minor role in the way UN entities implement their mandates. A study conducted in 2017 – the only one so far – as an input to the UNDS reforms, showed direct support and service delivery (which includes humanitarian assistance) accounted for 50 per cent of total UNDS programmatic expenditure. This was followed by capacity development and technical assistance, at 23 per cent of total expenditure. The combined category of normative support, policy advice, data collection and analysis, and convening accounted for just 21 per cent of total UN expenditure. Policy advice alone accounted for just 5 per cent (Dalberg, 2017).

Our own analysis of the current strategic plans of the four New York-based funds and programmes – the United Nations Development Programme (UNDP), United Nations Children’s Fund (UNICEF), UNFPA and UN-Women – shows that approximately 28 per cent of their output indicators (in their results frameworks, which describe an entity’s mandated work programme) relate to policy advice, including indirect advocacy activities, such as convening and knowledge production. Interestingly, in the previous strategic plan period (2014-2017), a much higher share of output indicators was policy related – 39 per cent. According to our interviews, this sharp decline in the attention to policies (Figure 1) reflects the need to accommodate growing pressure from donors to demonstrate quantifiable impact to their taxpayers.

**Figure 1: Share of upstream indicators in strategic plans**



The UN’s commitment to policy advice is also not sufficiently reflected in institutional arrangements, as system-wide reporting on the UN’s functions is not yet established, apart from broad categories such as “development” and “humanitarian” activities. Recent changes include using more granular codes from the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC), which might introduce more clarity if used effectively. The guidance for the new cooperation frameworks, which describe the UN’s collective work programme in a given developing country, is more attuned to the policy level. It focuses on root causes and makes reference to “integrated policy advice”. However, the guidance stops short of explicitly requiring an analysis of policies, with the exception of “leaving no one behind”, for which an examination of potentially discriminatory policies and laws is required. The new UN Joint SDG Fund, set up in 2019 to support the resident coordinator system in helping incentivise the policy shifts and strategic investments required to meet the SDGs, has an explicit focus on integrated policy advice, but remains underfunded by member states.

### The case for a stronger UN role in policy advice

Policy advice is not a silver bullet. It is not immune from being externally driven, and its focus on high-level decision-makers can run counter to the trend towards decentralisation that has helped shape development thinking in the last two decades. And while the successful adoption of integrated and dynamic policies can be a game changer for a whole nation, implementation cannot be taken for granted in contexts of weak governance systems.

Yet, the UN is also uniquely placed to deal with these challenges. Given its universal membership, and the unique legitimacy derived from that, the UN has a key role to play in helping to translate global UN norms into national policies. It is particularly through this function that the UN gives practical meaning to multilateralism. The perception of the UN as impartial, and its traditionally strong relationships of

trust, are also key assets enabling it to play a role in policy development, even when doing so can be politically sensitive.

While the case for policy advice thus rests on the UN's multilateral potential, a greater focus on policy advice is also imperative from the standpoint of development effectiveness. The stance, typically found among a number of field staff, that the UN can only make a difference at the grassroots level, is perhaps justified in the humanitarian context. However, it is not borne out by the aid effectiveness literature and seems difficult to reconcile with the need for systemic change and sustainable transformations, which are at the heart of both the 2030 Agenda and the principle of building back better.

Evaluations of the UN's work at country level provide ample evidence of the shortcomings of interventions that are too much, or even exclusively, focused on implementation work while neglecting the policy dimension of development issues. Downstream interventions that do not address and resolve issues in national policies may still deliver quick and tangible results, but will not address root causes and will have limited sustainable impact. And while it is difficult to secure meaningful local ownership for aid projects, which are often externally driven, changes to national policies are more likely to have ownership, since they are made by constitutional bodies such as parliaments and cabinets.

Although policy advice is often a long-term endeavour, where success is difficult to measure and attribute (but not impossible, as pilots and studies suggest), both formal UN documents and informal exchanges with UN staff convey the conviction that without policy engagement sustainable impact cannot be achieved, and that the UN's relevance often lies, at least in the development sector, in its ability to engage on policies.

### Lessons from the field: the PAT in Vietnam

An illustrative case study of how to maximise the UN's policy impact is the Policy Advisory Team (PAT) established by UNDP in Vietnam in 2007 (Booth, 2016). Thanks to financial support from the United Kingdom that allowed flexible recruitment of top policy advisors in the areas of rule of law, anti-corruption and climate change (in addition to the existing economics advisor), the PAT operated outside the normal project portfolio and had access to substantial resources for research, provision of policy advice and innovative pilot initiatives, which could later be taken to scale.

The policy advisors were crucial in paving the way for engagement with national partners on often sensitive ideas and norms from international perspectives. The PAT approach has been recognised by Vietnamese officials as supporting knowledge acquisition, rather than pushing a particular line. In addition to solid results, the provision of effective policy advice can also lead to much more sustainable, long-term impact – a critical counter-point to donors' increasingly short-term window for results. As recently highlighted by the Brookings Institution, Vietnam's noteworthy success to date in containing COVID-19 has not only been due to its past experience with pandemics and the nature of the country's political system, but also its decades-long effort to improve governance and

responsiveness at local levels (Nguyen & Malesky, 2020). One of two initiatives pointed out by Brookings is the Provincial Administrative Performance Index, a long-standing UNDP project that originated from the work of the UNDP anti-corruption advisor, with PAT funding, and is still having a real impact over 10 years later.

The PAT model, as pioneered by UNDP in Vietnam, is not the only way that UN entities can strengthen their role in policy advice. Evaluations from other entities suggest that core funding, a programmatically driven approach (rather than project-based work), adequate capacities for data and knowledge management, and the involvement of UN headquarters and regional offices as "door openers" (CBI, 2011) can also serve to enhance the role of UN country offices in policy advice.

Policy advice also benefits from a well-functioning UN resident coordinator system. As the independent evaluation of "Delivering as One" showed, the UNDS is much more effective in supporting countries to tackle cross-cutting challenges, such as social protection and gender equality and women's empowerment, when UN country teams provide integrated policy support (CBI, 2011).

### Factors discouraging policy advice

Policy advice typically requires long timeframes, operates in complex political environments and does not reward development actors with the kind of tangible and visible results that downstream interventions yield. At least three structural factors can be identified that discourage field-based UN entities from engaging in more policy advice.

1) Funding practices: Approximately 80 per cent of UNDS income is tightly earmarked for specific programmes and projects. In the quest to demonstrate impact to taxpayers, donors often demand quick and tangible results. This introduces a short-term orientation and rigidity in project planning, where the opposite is required – long timeframes and flexible approaches to affecting change.

2) Organisational arrangements: Increasing reliance on short-term consultants (to a large degree a result of efficiency pressures by donors) makes it difficult to build expertise and gain the trust of relevant stakeholders. There is currently no real career track for policy expertise within the UNDS, at least not in the field (Booth, 2016). Project management and reporting systems, built around rigid log frames, are optimised for downstream work, as are the skill sets of many UN staff.

3) Political risk: Policy advice can also be politically risky. Field offices have to carefully balance their policy-related mandates with their relationships with host governments. Where policy advice is most needed, it is typically most difficult to deliver.

### Conclusion

Through policy advice, the UN can play a more relevant and effective role in advancing sustainable development and building back better, across all country types. The UN has what it needs to do so: based on its global mandates,



it can initiate policy discussions; it can mobilise the expertise necessary from its extensive networks; and it can act as a trusted and impartial convener for all relevant national stakeholders. What it often lacks is the political will from member states to more fully utilise these assets, including by providing the right kind of core or softly earmarked funding.

The recent UNDS reform is an opportunity for UN country teams to more effectively pool their influence on critical normative issues. Early reporting indicates that UN socioeconomic impact assessments and response plans for COVID-19 in many countries have been developed in a more coordinated manner with greater attention to the provision of quality policy advice. This is in part due to a robust global UN framework for the socioeconomic response to COVID-19 developed by the United Nations Development Coordination Office and UNDP. This good practice is matched by a series of global UN system-wide policy briefs providing advice to national policy-makers in key thematic areas, for population groups facing particular challenges and regarding different regional issues and specificities.

Given the demands for dynamic and impartial policy advice in order to both build back better and meet the integrated requirements of the SDGs, it is critical that policy advice plays a more central role in the UNDS' work on the ground. Intergovernmental negotiations on the UN's operational activities for development, as well as the next round of strategic plans (2022-2025), provide an opportunity for member states to enhance the UN's role in policy advice.

Four specific recommendations can be derived from the analysis presented here:

- The UN should define policy advice as a distinct mode of UN engagement. It will be important to track good practice from UN country teams' current provision of policy advice in response to COVID-19 and make it easily accessible on a system-wide basis to help the UN further develop this mode of engagement.
- Member states should strengthen their endorsement of UNDS provision of quality policy advice and request UN entities to undertake concrete steps in their strategic plans and organisational arrangements to expand this mode of engagement.
- Resident coordinators need to fully exercise the new roles envisioned by the UNDS reform and lead on policy dialogue in collaboration with the relevant UN entities. They need to be able to draw upon the often scattered policy assets of the system. Country frameworks and other guidance, as well as skill sets, will need to be updated as required.
- Donors should engage strategically with UN entities through core contributions and non-core partnerships to incentivise, rather than discourage, the provision of increased policy advice. In doing so, it will be important to determine in governing bodies of UN entities how best to report on policy advice in a way that reconciles accountability, impact and adaptive management.

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