

“Delivering as One” Pilots: End-of-2007 Stocktaking

Pakistan Country Report

Joint Report on Piloting UN Reform by
Government of Pakistan, UNCT and Donors

Islamabad
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Part 1: Overview of what has happened in 2007 in response to being a pilot:

a) *What were the goals and expectations set at the beginning of the pilot process by the Government, UNCT and other stakeholders?*

The goals and expectations were firmed up through meetings of the Government, the UN Country Team (UNCT) and Donors. Three basic milestones were agreed for the first year of the pilot:

- Complete the UNDAF review by third quarter of 2007.
- Formulate draft Joint Programmes by end 2007.
- Design and test common business practices by end-2007.

The parties agreed on the following objectives:

- **Common principles and targets for 'One UN'**
 - Key principle of inclusiveness; building trust and changing mindset.
 - Effective UN reform is an indispensable prerequisite for successfully implementing the Paris Declaration on Aid Effectiveness. Pakistan is determined to follow up on the Paris Declaration.
 - 'One Programme' is central to UN reform.
 - By 2010 at least 80% of all resources channelled through the UN system in Pakistan will be for Joint Programmes. Stand-alone activities will account for maximum 20%.
 - By 2010 each UN entity operational in Pakistan will utilise at least 60% of its core resources (if applicable) for its activities that fall under Joint Programmes.
 - Joint Programmes will include service delivery, policy formulation and normative functions.
 - Individual agencies are ready to accept sacrifices (real or perceived) for the common good but based on equity and inclusiveness.
 - Need to communicate effectively with staff and partners.
 - For piloting to be meaningful, all options and approaches must be considered on merit.
- **Strategic review of UNDAF**
 - Review of the UN Development Assistance Framework (UNDAF) to focus UN assistance more sharply on national priorities, grouped around five thematic areas and four cross-cutting themes.
 - Extension of UNDAF cycle to 2010 to align with the national planning cycle.
 - Explore geographic focus to maximise synergies.
- **Joint Programmes**
 - Joint programming implies planning together rather than joining existing plans.
 - Joint programming is meant to maximise the UN's collective effectiveness and efficiency and to avoid duplication and overlap.
 - Undertake activities together, e.g. joint planning, joint implementation, integrated communication, joint monitoring and evaluation, and policy dialogue.
- **Programmatic Field Coordination**
 - Regular development coordination meetings at the provincial level.
 - Institutionalising of 'One UN' at the provincial level to ensure reform at all levels.

- **Operational priorities**
 - Variations and incompatibility of UN management systems are an impediment to 'deliver as one'.
 - Harmonisation towards unification of relevant management practices (systems and processes) is a top priority.
 - Major areas of action include:
 - Common HR management centre for national staff
 - Common procurement facility
 - Standardisation of web-based material
 - Harmonisation of SOPs (i.e. agreements with Participating Agents)
- **Joint funding mechanism**
 - 'One Budget' comprises two components: the 'One Budgetary Framework' and the 'One Fund'.
 - 'One Budgetary Framework' is a financial management information system that shows UN annual funds and expenditures – broken down by sector, theme, ministry, agency, function and other relevant categories.
 - 'One Fund' is a mechanism to channel funds to the Joint Programmes.
 - Joint in-country resource mobilisation (SOPs to be developed).
 - Funds disbursed in line with pre-agreed allocations based on Joint Programme budgets.
 - Common reporting to donors per Joint Programme – irrespective of whether funding is parallel or through the 'One Fund'.
 - Donors to limit earmarking.
- **Donor support**
 - Support the 'Transformation Fund' for a finite period based on clear objectives.
 - Use the 'One Fund' for funding Joint Programmes.
 - Communicate with relevant UN Boards regarding harmonisation of programme documents and rules and procedures as they relate to 'delivering as one'.

b) What are the key features of the pilot (i.e. what are you doing differently)?

Five main instruments were established to drive the pilot phase in Pakistan.

1. High-level Committee (HLC) on UN Reform supervises the pilot. It embodies the leadership of Government of the UN reform efforts in Pakistan. HLC provides guidance and political support and takes or ratifies strategic decisions. Chaired by the Minister for Economic Affairs, it comprises 28 members from line ministries, provincial authorities, donors, UN agencies and civil society organisations. HLC meets quarterly and more frequently whenever needed. Its composition and terms of reference was gazetted. A Core Group from within the HLC membership was established to act as the operational group for the HLC. It is co-chaired by the Secretary of the Economic Affairs Division and the Resident Coordinator (RC). Regular meetings take place between RC and the Economic Affairs Division.
2. UNCT is the main forum for discussing all aspects of piloting UN reform among the UN entities. Operating in an inclusive manner, the UNCT is headed by the UN Resident Coordinator (RC) and consists of heads of all UN entities operational in Pakistan.

3. Thematic Working Groups (TWGs) review and re-focus relevant UNDAF outcomes and formulate relevant Joint Programmes. They are co-chaired by two Heads of Agency to balance managerial and substantive considerations. Co-chairs rotate on an annual basis. All TWGs consult with relevant Government departments at all stages of UNDAF review and joint programming. The Economic Affairs Division chair shall the prioritisation phase of each TWG to ensure alignment with national priorities.
4. Operations Management Team (OMT) is to accelerate the harmonisation, simplification and integration of key business practices to support the implementation of the Joint Programmes in an efficient and effective manner. Representatives from all UN entities with operations in the country participate in the OMT. Its work is supported by HQ/Regional colleagues and external consultants in studying existing practices; in proposing common systems; and in providing required training to ensure successful application of new business practices, setting new standards of excellence housed in one location.
5. UN Communication Group (UNCG) plays an essential role in communications for development. Piloting UN reform requires change in attitudes and behaviour of both institutions and individuals. UNCG takes initiatives to discuss the objectives of UN reform with staff, with partners and with the media. It conducted a perception survey among UN staff and organised a town hall meeting on UN reform with more than 1,000 UN colleagues participating.

Major features include:

- The 'One Programme' is central to the pilot in Pakistan. The agreed principle is that 'format follows function'. The other 'Ones' are to support the 'One Programme'.
- Government is firmly committed to supporting the UN to 'deliver as One' in a substantive, effective and efficient manner.
- A rigorous review of the UNDAF is carried out, involving: (a) sectoral analyses in each thematic area which identifies possible UNDAF and Joint Programme Outcomes; (b) SWOT analyses vis-à-vis the findings of the situation analyses to assess UN comparative advantages; and (c) a final prioritisation exercise to be led Government whereby strategic choices are to be made on what the main focuses of the UN should be. Joint Programmes will be developed around the prioritised Outcomes.
- A Transformation Fund was established to access additional capacities necessary for implementing change management and other technical and operational innovations. It covers a period of 24 months. Unspent resources will be reallocated to programmatic resources through the 'One Fund'. Six donors are providing funding.
- UN staff who volunteered to be 'Champions' for UN reform are being trained to conduct dialogue sessions at various levels and locations. Public debates are being conducted to encourage the staff to voice their concerns so as to address them. UN Day celebrations in 2007 brought together over 1,000 UN staff members in Pakistan to discuss UN reform at a town hall meeting.
- A network of M&E focal persons in UN entities was established. It is responsible for advising the UNCT and TWGs on joint M&E work, formulating the M&E matrix on UN reform; developing the M&E Plan for the 'One Programme'; and coordination all M&E and data activities related to the 'One Programme'.

- The OMT works through sub-groups that involve over 60 operations staff. A proposal to establish common premises on Government-donated land is already under consideration at headquarters. The OMT has identified nine core objectives under UN reform, comprising
 1. Common Premises
 2. Harmonised approach to recruitment
 3. Unified Radio Communication System
 4. Common approach to ICT: 1 set of standards, 1 helpdesk, 1 virtual network
 5. Harmonised approach to procurement
 6. One Finance Hub
 7. One Administrative Support Budget
 8. One Unit for Host Country Relations
 9. One Motor pool/fleet management system

c) *What has been accomplished in 2007 in terms of substantive outputs (e.g. joint programme development, alignment with national plans, mobilization of additional resources, development of proposals for common business support, etc.) and process (division of labour, participation, etc.)?*

- The matrix below summarises the main outputs so far:

Area	Achievements (Dec 06-Nov 07)
One Programme	<ul style="list-style-type: none"> - In line with the MDG framework, five thematic areas were identified: <ol style="list-style-type: none"> 1. Agriculture, Rural Development & Poverty Reduction [MDG 1] 2. Education [MDG 2] 3. Health and Population [MDGs 4, 5 & 6] 4. Environment [MDG 7] 5. Disaster Management [country specific]. - Four issues cut across all Joint Programmes: <ol style="list-style-type: none"> 1. Gender equality [MDG 3] 2. Human rights 3. Civil society engagement 4. Refugees - TWGs conducted with stakeholders the Situation analyses and the SWOT analyses. The prioritisation is expected to be completed in early 2008. - A draft Gender Parity proposal was submitted to the Spanish MDG Fund as a joint endeavour of 14 UN entities in Pakistan. - The processes have been rigorous, inclusive and bottom-up, which has meant that more time was required than originally planned.
One Budget	<ul style="list-style-type: none"> - Principles of the 'One Budgetary Framework' drafted. - Principles of the 'One Fund' established.
One Office	<ul style="list-style-type: none"> - Proposal for common premises on Government-donated land under consideration by UN headquarters. - Detailed work plan for realising the unified business practices spelt out. - Output on harmonisation of emergency communications completed.
One Leader	<ul style="list-style-type: none"> - TOR for UNCT functions and responsibilities drafted. - Advisers, specialists and support staff recruited, with financial support of several UN entities. - Firewall between RC and UNDP implemented. - Transformation Fund established. - Strategies for planning and cross-cutting themes drafted.

	<ul style="list-style-type: none"> - Log-frame for M&E on UN reform formulated. - Strategy and plan of action for UNCG developed.
National Ownership	<ul style="list-style-type: none"> - High-Level Committee on UN Reform established and gazetted. - Pilot on UN reform in Pakistan launched by the Prime Minister at the very first convening of the HLC. - Government partners involved at every step of the UNDAF review.

d) *What does the team intend to focus on in 2008?*

- The matrix below summarises the main outputs planned for 2008:

Area	Future Outlook (Dec 07-Dec 08)
One Programme	<ul style="list-style-type: none"> - 'One Programme' finalised and implementation started. - Joint M&E of Joint Programmes operationalised. - 'DevInfo' software used for integrated database of the 'One Programme' - Cross-cutting themes mainstreamed.
One Budget	<ul style="list-style-type: none"> - Standardised budgetary framework functional. - 'One Fund' established and functioning. - Resource mobilisation conducted jointly on the basis of the Joint Programmes.
One Office	<ul style="list-style-type: none"> - Various unified business practices implemented.
One Leader	<ul style="list-style-type: none"> - Governance of the UNCT agreed and operational. - Programme Communications and Public Information integrated on 'One UN'. - Steps towards the objectives of piloting UN reform systematically documented.
National Ownership	<ul style="list-style-type: none"> - Govt. involvement in UNDAF review and development of Joint Programmes. - Joint reviews/evaluations with Government and stakeholders

Part 2: Analysis of the pilot process thus far and review of the potential/emerging results that it could have in the coming years around the following key themes:

a) *National leadership and ownership and alignment with national priorities and development strategies, taking into account contributions of other aid providers;*

- Government and UNCT decided to extend the UNDAF by two years to align it with the national planning cycle.
- HLC agreed to structure the UN interventions in Pakistan around five thematic areas and on four cross-cutting themes in line with the MDG framework. The active involvement of senior officials from relevant line ministries and provincial authorities in the deliberations conveys strong ownership. E.g. Government decided that HIV/AIDS be brought under the theme of Health & Population. Environment was added as a theme; it was previously treated as a cross-cutting theme. Disaster Risk Management was also added, given the proneness of the country to natural disasters.
- In spite of stated intentions by many partners, Government strongly feels that limited progress has been made in implementing the Paris Declaration. A more proactive approach will greatly benefit the UN reform.
- There is limited interaction between the UN and the IFIs at the country level, which will potentially intensify as a result of the UN reform.

- b) *Ability of the UN system to ensure a strategic and focused use of all its assets to meet national priorities. Strategies to ensure access of the Government, incl. line ministries, to specialized expertise of the UN system (including that of non-resident Agencies) with due attention to cross-cutting themes. Strategies to facilitate inclusiveness, participatory nature and joint ownership of the pilot process;*
- TWGs created a platform for greater synergies between the various UN entities, line ministries, provincial authorities and relevant NGOs.
 - Joint programming identified the main issues where the UN system can best contribute given its comparative advantages.
 - The validation of the situation analyses and assessment of the comparative advantages of the UN system involved relevant Government partners and key stakeholders.
 - The UNDAF review highlighted deficiencies in the UN's analytical capabilities at the country level. It has demonstrated the need for in-house sectoral expertise apart from the project-focused profile of most UN staff. This is particularly relevant for mainstreaming cross-cutting themes – not only in normative terms but also programmatically. This implies a re-profiling of existing UN staff but does not preclude the possibility of additional technical capacities if so required.
 - Some partners would prefer to see a continuation of the project-based approach to UN assistance.
- c) *Quality of the support programmed and being implemented by the UN (UN Programme);*
- Current UN activities focus on service delivery while other elements such as policy advice and normative functions are not adequately addressed.
 - TWG discussions helped to re-balance the various roles for the UN – i.e. service delivery, policy advice, normative functions, and convener of stakeholders – so as to improve its quality assurance.
- d) *Impact on overall resources (funding) available through the UN system to the countries to meet their national goals within the framework of IADGs, including MDGs;*
- The donor community expresses considerable interest and support for UN reform in Pakistan.
 - While some donors might continue to earmark funds for specific elements of the 'One Programme' through bilateral agreements, the majority are expected to increase non-earmarked funding.
 - The impact of UN reform on overall resources mobilisation cannot be estimated at this point with any degree of precision.
- e) *Impact on transaction costs to partners;*
- Joint financial and substantive monitoring/quality assurance of the 'One Programme' will simplify procedures and will reduce transaction costs.
 - With the establishment of the 'One Fund', the cost of negotiating, receiving and reporting on donor funds will be reduced.
 - Provincial authorities mentioned during the consultations that they also foresee reduced transaction costs in dealing with a reformed UN.

f) *Any early indication of impact on overhead costs of the UN system at the country level and coordination costs related to the pilot;*

- The new provisional UN House (which houses 5 of the 19 UN entities in the countries) has cut rental costs by over 75%.
- Common premises for the majority of UN entities in Islamabad will expand such savings to all participating UN entities.
- Joint review, joint analyses and joint programming show that UN staff can make more substantive contributions when working in teams. This ensures that the value added of the UN system can be more than the sum of its individual parts.
- Harmonised and unified business practices are based on a clear 'business case' to help minimise overhead costs.

g) *Any new specific mechanisms through which the pilot processes are implemented and their effectiveness.*

- Five main instruments were established for the piloting phase (see section 1b above).
- Relevant technical experts from UN Agencies have been appointed to serve the TWGs and UNCT for each cross-cutting theme to make sure that the themes are not lost or de-prioritised.
- The communication strategy was unified, given the critical importance to get buy-in from all partners and especially from the UN staff.
- A network was established of UN focal persons responsible for M&E and data work. It has been instrumental in strategising the possible integration of M&E functions at the country level.

Part 3: Review of lessons learned by the pilots based on analysis of the initial progress:

a) *What has worked thus far? Is there evidence of early gains in terms of coherence, effectiveness and efficiency?*

- The inclusive approach proved central to success. Although some may argue that the process is taking too much time and efforts, the prerequisite for success and sustainability is inclusiveness. There are no shortcuts to UN reform.
- Attendance to UN reform events – e.g. TWG and OMT sessions – remains high and participants engage actively.
- Communicating with UN staff is critically important for buy-in. A two-way dialogue has offered opportunities to express concerns, which has allowed for excitement and exuberance on UN reform. This is evidenced by the fact that 172 colleagues have volunteered to be 'Champions' for UN Reform.
- The UNDAF review has led to a stronger analytical basis and more focused outcomes that respond strategically to national priorities. This bodes well for the development of Joint Programmes driven by substantive assessments and analyses.
- Better coherence has been established through the M&E network. It is developing criteria for determining the geographical focus of the Joint Programmes.
- A well equipped RC office in Pakistan has proven essential in providing professional and solid support to the UNCT and other instruments for UN reform – e.g. TWGs, UNCG and OMT.

b) *What is proving difficult and what should be done to solve these difficulties, either locally or by HQs? What has been particularly challenging and why?*

- Of the four 'Ones', progress on the 'One Office' is the slowest. So far, progress towards 'programming as one' and 'funding as one' has been encouraging but the ultimate goal is to 'deliver as one'. This will remain elusive if the business practices will not see faster and more pro-active engagement from UN headquarters. Without harmonising and simplifying the many aspects of the 'One Office', delivery will remain fragmented. From the perspective of the country level, the 'One Office' implies an element of '*Reform without Change*'.
- There is a misalignment between the expectations on the one hand and the resources and authorities on the other for the UNCT and the RC. From the perspective of the country level, the UN reform has an element of '*Management without Authority*'. The UNCT and the RC office need adequate resources to meet the expectations of Government, donors and UN headquarters.
- Prioritisation is a challenge. Initial Joint Programme Outcomes will need to be pruned to attain strategic focus aligned with national priorities. Without the support of expertise with the tools and a robust methodology for prioritisation, the 'One Programme' document will be at risk of remaining a collection of the wishes of separate UN entities, Government departments and Donors.
- Effective integration of cross-cutting themes in the analyses and programme development is a challenge; specifically in terms of ensuring accountability for the agreed results. The issues of gender equality and civil society engagement in particular, although supposedly championed by all entities, are particularly challenging to mainstream effectively. The proactive engagement of the key Government departments with a mandate for relevant cross-cutting themes is of critical importance.
- Communication is crucial, yet it is not always prioritised. The UNCG is limited to Public Information Officers and many find it difficult to address Programme Communication.
- Clear, uniform and unambiguous messages supporting the reform process from UN headquarters to the country level will be vital to sustain the efforts.
- Support from the Regional Director's Team needs to cover more UN entities. This will require more efforts at making the coverage of regional bureaux/offices more consistent among the different UN entities.
- The existing human resources management systems in the UN entities do not provide staff incentives to promote change and to practice UN reform. If unaddressed, it will undermine the sustainability of the pilots because, ultimately, UN staff must be the change the UN system seeks to achieve.

c) *What types of support from the wider UN and other partners locally and internationally would increase the UN ability to deliver development assistance to the country and continue the implementation of the pilot initiatives next year?*

- More proactive support from UN headquarters in terms of the 'One Office'. Government feels very strongly that progress in this area is both slow and limited. Reforms on business practices cannot be led from the country level; they need to be agreed among all UN entities at headquarters.

- More active engagement of all partners on the Paris Declaration would help the UN to become more focused and better integrated. Government feels that all donors and UN entities must embrace the Paris Declaration on Aid Effectiveness in letter and spirit.
- The adverse effects of earmarked funding by donors and excessive 'project-ised' UN assistance to line ministries are well known.
- Stronger support from UN headquarters in terms of M&E and data management, especially in terms of selecting common indicators, data methods and reporting procedures.
- A clearer vision for UN reform must be forthcoming from the General Assembly. Without strong and unambiguous political commitment and inter-governmental agreements on UN reform, the pilots may be at risk. UN reform is not solely a technical matter that can be solved among UN entities; it is a political matter that needs to be supported among Governments.
- Messages of all partners need to be consistent at local and global levels.
- UNDP needs to strengthen its role as the administrator of the RC system. This responsibility does not only mean the development of RC selection, management and appraisal systems, but also the overhaul of its operational capacity (administrative, HR, finance, procurement, etc.) to better support the 'Delivering as One'. It needs to reorganise how it operates at the country level in its role as (a) the operational backbone to a significant number of UN entities; (b) the operational lead for the majority of the common services; (c) the lead manager of inter-agency functions; and (d) the financial backbone of the 'One Fund', including its role as Administrative Agent.
- The office of the UN Development Group (DGO) is in the same predicament globally as RC offices are at the country level; facing high expectations with limited resources and no real authority. UNDG decisions must be made binding on the respective members. DGO needs the resources to follow these decisions through.