



**Government of Albania**

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*UN Albania*

# **Delivering as One United Nations in Albania** **Country Stocktaking Report**

**Prepared by the UN Team and the Government of Albania**

**Tirana, December 2007**

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

### ▪ **Goals and expectations set at the beginning of the pilot process**

In January 2007, following a request made by the Prime Minister, Albania was selected as a pilot to 'Deliver as One United Nations'. The Government of Albania and the UN Team thus embarked on an exciting and un-charted process. At the time, expectations varied, but certain goals were clearly prioritized by the Government, the UN and close national and international partners. These expectations and goals are highlighted below.

#### ❖ *Greater impact and results of UN system's development assistance in Albania*

The United Nations system would enhance its coherence at country level by bringing together the comparative advantages of the United Nations within a single strategic One UN Programme. The Programme had to be defined based on national priorities, with the ultimate aim of greater development impact and contribution to making a difference in the lives of Albanians.

#### ❖ *Increased national leadership and better alignment with national priorities*

The UN's response would be better aligned with Albania's national priority of European integration and with priorities contained in the new National Strategy for Development and Integration (NSDI). The One UN Programme would be designed and implemented within the broader context of Government's on-going reforms, including implementation of an Integrated Planning System, aligning external assistance with NSDI priorities and better linking resources to planning.

#### ❖ *A more efficient UN, reducing transaction costs and saving time for national and international partners*

UN Agencies would work with unity of purpose, coherence in management and efficiency and effectiveness in operations to support national partners. The UN would make all efforts to complement assistance provided by other development partners with the Government leading donor coordination in the spirit of the Paris Declaration for aid effectiveness.

#### ❖ *An inclusive process, striving to include resident and non-resident UN agencies that could contribute to Albania's development needs as defined by national priorities and the UN's comparative advantages.*

The UN system's normative and operational roles, neutral positioning, convening power and policy expertise would support Albania's national development and European accession goals. The One UN Programme would include all UN Agencies that could respond and provide value added to address national development needs.

❖ *Enhanced opportunity for UN system to provide more effective advocacy, policy advice and communication*

A more cohesive UN would have an increased role in advocacy and policy support through joint programmes and analytical work to be undertaken together with the Government.

▪ **Key features of the pilot and what we are doing differently.**

After eleven months of intensive work by the UN team and the Government – although it is still early to assess the full benefits of the pilot at this stage – we can see the beginnings of change. The One UN Pilot offers both challenge and opportunity. The *challenge* is in achieving major change in the way UN agencies work together and with national partners. The *opportunity* is found in improved efficiencies and effectiveness and in a strategically defined and agreed One UN Programme expected to increase impact. Below are some key areas where we have begun to do things differently.

❖ *A more cohesive and strategic UN at country level*

There is increased dialogue and communication among the UN Country Team (UNCT), including with non-resident agencies (NRAs), leading to better understanding of agency expertise, mandates and comparative advantages. The UN team is more cohesive, and participating UN agencies in the One UN Programme have alignment of vision and expectations on results. There is also an increased understanding and respect within the UN team regarding the importance of national leadership and the increased alignment of UN's work with national priorities.

The One UN Programme is more strategic and better aligned with national priorities following careful analysis and increased consultations with Government and other national and international partners on the role and comparative advantages of the UN in a pre-EU accession country. This is particularly significant for NRAs that have joined the resident UN Country Team in the development of the One UN Programme. When developing the Programme, UN Agencies, together with the Government, carefully reviewed the existing role of the UN in Albania. The priority areas selected are based on the existing UN Development Assistance Framework (UNDAF 2006-2010), with two new key areas of focus added at the request of the Government. These are greater emphasis of UN's work on (i) gender equality and (ii) environmental management<sup>1</sup>.

❖ *Communicating as One*

There is a more harmonized approach of the UN's work with Government, donors and other stakeholders on communication. A draft strategy for joint advocacy and communication on the One UN Programme has been developed with the

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<sup>1</sup> These are also the two areas where Albania needs to make increased efforts to meet its MDGs.

participation of UN agencies. Joint advocacy efforts provided an excellent opportunity to integrate cross-cutting issues into broader advocacy messages.

❖ *Enhanced role of the Resident Coordinator (RC)*

The enhanced role of the RC in shaping the One UN Programme and in negotiating the Programme with the Government on behalf of the UN System has been recognized and accepted by all participating UN Agencies and national partners. Through the piloting process, the relationship between the RC and the UNCT has gained clarity and, through "learning by doing," trust in the concept of a strengthened One Leader is evident. This is also evidenced by the fact that the RC is increasingly called on to advocate for, or represent, the broader UN agenda and to facilitate inter-agency dialogue in the development of joint programmes. Capacity of the RC Office has increased through the addition of one new staff as well as UN Agency staff made available at times to support common initiatives. The capacity needs of the RC Office will be further reviewed in early 2008 as we begin full implementation.

❖ *Strengthened national leadership and use of existing national systems to guide the One UN Pilot*

National structures and capacities, such as the Government Modernization Committee (GMC) chaired by the Deputy Prime Minister, provide oversight and strategic direction to the One UN Pilot. The Department of Strategy and Donor Coordination (DSDC) leads national donor coordination efforts and co-chairs the Joint Executive Committee of the One UN Programme together with the RC. An Inter-Ministerial Working Group provides guidance to the One UN initiative and ensures interests of line ministries are included in decisions taken.

❖ *Working through common results and financial framework*

UN Agencies will be working through a common results framework and will have common accountability for achieving results. A common M&E framework, targets and indicators were developed to support this process. A One Budgetary Framework has been developed, providing transparent financial information to Government, donors and UN system with clarity on funding gaps and available resources of the UN participating agencies in the One UN Programme. A common resource mobilization strategy and fund allocation criteria based on highest national priorities is being developed.

❖ *Increased contribution and participation of specialized agencies and non-resident agencies in One UN Programme development and implementation*

The Pilot has given renewed impetus to working with non-resident and specialized Agencies of the UN system. Based on Government's request and priorities, the following agencies were asked to increase their presence and work in the country through the One UN Programme: UNESCO, UNEP, ILO, FAO and UNIFEM. Current efforts to work collaboratively with IFAD under the Regional Development pillar of the One UN Programme are expected to lead to increased synergy among interventions as

well as an increased concentration of resources within a limited number of geographic areas, significantly improving the overall targeting and impact of UN assistance.

❖ *Regional Director's Team provide increased guidance to UNCT on the One UN Pilot*  
The Regional Directors Team began to provide regular and coordinated guidance to the UN team during the development of the One UN Programme.

### ▪ **Accomplishments in 2007**

While we still have a lot to do in the coming months, we have accomplished quite a lot since the beginning of the pilot eleven months ago. Below are the key accomplishments of the Pilot in Albania.

❖ *One UN Programme Approved on 24 October 2007 - UN Day*  
Following an intensive period of consultations between UN Agencies and the Government of Albania, as well as with donors and civil society, a strategic One UN Programme was signed with the Government of Albania on 24 October 2007. The One UN Programme has five priority outcome areas: (i) *More transparent and accountable governance*; (ii) *Greater inclusive participation in public policy and decision-making*; (iii) *Increased and more equitable access to quality basic services*; (iv) *Regional development to reduce disparities* and (v) *Environmentally sustainable development*.

In all five priority areas, the core principles of gender equality and development of national capacity will be upheld and incorporated throughout the implementation of the programme.

❖ *The One UN Coherence Fund Established*  
The One UN Coherence Fund was established with the signing of the Memorandum of Understanding (MOU) among participating Agencies in the One UN Programme for the administration of funds on 7 November 2007.

❖ *The Joint Executive Committee Established*  
The Committee, consisting of Government and UN Agencies responsible for executive and joint decisions regarding the One Programme, was established in August 2007.

❖ *Strong National commitment and leadership in place*  
In March 2007, the Prime Minister tasked the Government Modernization Committee (GMC), which is the Government's highest-level policy, with coordination and decision-making authority to provide strategic oversight and approval of the One UN Programme. The GMC appointed an Inter-ministerial Working Group (IMWG) composed of Secretary Generals of line ministries representing the primary counterparts of participating UN Agencies. The IMWG met twice to provide comments on the One UN Programme from line ministries covering sectoral and cross cutting themes.

❖ *Alignment with National Strategies and Plans*

One of the features of the Albanian pilot has been that the process of defining the One UN Programme has been undertaken in parallel with Government's efforts to finalize its National Strategy for Development and Integration (NSDI). The NSDI is composed of 34 sectoral and cross-cutting strategies. The Government has also been finalizing its Strategy for Orientation of External Assistance at the same time. This national context facilitated the goal of aligning the UN programme with emerging national priorities. The alignment of external assistance with NSDI priorities and with the budget, and agreement on a small number of high priority investments in each sector, enabled Government to point to priorities where the UN has comparative advantage.

❖ *Seven Joint Programmes Developed*

Together with the Government and other national partners, the UN team developed seven joint programmes: HIV/AIDS; Support to Minority Rights and Roma; Environment; Gender Equality; Culture and Development; Economic Governance and Youth Employment. A joint programme on regional development is currently being prepared with interventions in three pilot regions, and concentration of resources in certain geographical areas is expected to significantly improve the overall impact of UN assistance.

The Spanish MDG Achievement Fund provided a timely opportunity to strengthen technical-level cooperation among Agencies and has proven a welcome source of funds in an otherwise difficult environment for resource mobilization. To date, MDG-F Concept Notes have been approved for the Culture and Development window led by UNESCO (US\$3m) and for the Economic Governance window led by UNDP/World Bank (US\$2m).

❖ *Resources Mobilized*

As of December 2007, we have approximately US\$6 million in confirmed pledges for the One UN Coherence Fund. In addition, we expect to receive US\$5 million from the MDG-F for the already approved concept notes mentioned above in 2008. We also expect to mobilize another US\$6 million in 2008 for joint programmes.

❖ *One UN Communications virtual team established*

A UN Communications strategy was developed during a retreat held for communications officers from resident and non-resident agencies in December. UNCT produced a 20-minute TV documentary on UN Agencies' programmes and achievements in Albania. The documentary was also used for disseminating information on the One UN and how we will work differently.

❖ *One UN House proposed by Government*

Recognizing the efficiencies to be gained by having UN resident agencies under one roof, the Government of Albania moved quickly to provide the UN with a potential One UN building.

❖ *UNDP establishes the Country Director position*

UNDP selected and appointed a Country Director who will assume functions in January 2008. The Country Director will be responsible for the day-to-day management of the UNDP Country Office, allowing the RC to dedicate more time to the One UN Programme and other UN matters.

▪ **What we intend to focus on in 2008**

During 2008, the UN team and the Government will focus on ensuring quality implementation of the One UN Programme. Efficiency gains through common services will be a priority as well as the finalization of the agreement with the Government for the One UN House.

- ❖ A joint Resource Mobilization strategy will be finalized and implemented, identifying the best options for mobilizing funds to the One UN Coherence Fund and for joint programmes.
- ❖ An assessment of participating UN Agencies' assets and capacity needs will be undertaken in early 2008. This will also include the Office of the Resident Coordinator. The objective of this exercise is to ensure that the UN team has the required capacity to deliver the expected results as agreed under the One UN Programme. Effort will be made to support those agencies or programmes which require additional resources to strengthen their implementation capacity.
- ❖ The Government intends to review the One UN Programme together with the RC and UN team in the second half of 2008 and may invite other UN agencies to join the Programme based on priority needs.
- ❖ Joint Advocacy will be increased with a focus initially on gender equality and climate change. Training on strategic communications will be held for UN Agency programme staff. The UN team will benefit from the addition of a UNV Communications Specialist.
- ❖ Further clarity on the accountability framework for the RC, as well as the mutual accountability framework of the RC and UNCT within the One UN Programme, will be undertaken with the support of the various inter-agency groups working in this area as well as with DGO.
- ❖ The UN team will review and select those joint programmes to be implemented through the cluster approach.

**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**

▪ **National leadership and ownership and alignment with national priorities and development strategies**

Albania's request to become a One UN Pilot country demonstrates its long-standing strong commitment to UN Reform. The Government's on-going reforms place emphasis on the coordination and alignment of external assistance and integration of national planning and resource allocation. The One UN pilot falls very much within this broader national effort, which started prior to the One UN Pilot.

The One Programme builds on the UNDAF and several UN Agencies' CPAPs (2006–2010). Compared to the UN Development Assistance Framework (UNDAF), the One UN Programme is better aligned with national priorities articulated in: the National Strategy for Development and Integration (NSDI); the Stabilization and Association Agreement (SAA) and the over-riding priority of the Albanian Government to join the European Union; the Integrated Planning System; programmes of other international partners and the global reform context, particularly with respect to harmonization and increased aid effectiveness in the context of the Paris Declaration. Based on the Government's priorities, UN's work on gender equality, social inclusion, environment and economic governance will be up-scaled. These areas were not very pronounced in the UNDAF and covered on a more ad-hoc basis depending on funding availability.

Increased attention will be placed on the quality implementation of programmes under the One UN Programme. Indicators and baselines to measure and monitor the quality of the support of the Programme have been prepared in consultation with the Government, taking into account as much as possible the national monitoring systems.

▪ **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 pilot has attracted increased donor attention and as indicated above we have commitments from several donors for funding in 2007 and 2008. These amounts are not sufficient to cover the financial gap of the Programme. It is also too early to determine whether the funding will continue and be provided on a multi-year basis; to date only one donor has committed to providing funds on a multi-year basis for the entire duration of the Programme (2007-2010). It is also too soon to tell whether there will be increased funding or whether donors will simply redirect existing funding through the Coherence Fund.

In 2005 Albania received US\$ 387.8 Million in ODA. The UN system share was US \$26 million, nearly 7% of total ODA in the country.

The total financial volume of the One UN Programme for the years 2007-2010 is approximately US\$75 million with a gap of approximately US\$34 million. Average expenditure for the UN system in Albania has ranged between US\$22-27 million per year over the past few years. The financial volume of the One UN programme does not exceed these amounts which indicate that the One UN pilot process has not artificially inflated the role of the UN in the country but efforts were made to make the presence and work more strategic. UN agencies were also asked to focus and include only those most strategic programmes responding to highest national priorities within the One UN Programme.

#### ▪ **Impact on transaction costs to partners**

Given that actual implementation has not commenced, it is premature to determine the impact on transaction costs to partners. The first year of the pilot and the associated initiatives such as developing the programme did increase transaction costs for the UN team as well as key national and international partners. However, we expect efficiency gains and savings to begin for our partners in the coming months and year.

In 2008, UN participating agencies in Albania will have narrative and financial consolidated reports to Government and Donors on the One UN Programme. The 7% overhead costs agreed by all UN participating agencies is seen by the Government and donors as a real positive step. Common training and capacity building events for national counterparts will be held. A harmonized approach on cash transfers, increased joint missions and common monitoring and evaluation processes will be established.

A few initiatives undertaken in 2007 already demonstrate the potential for savings in time and costs for partners. These include the joint UN missions undertaken this year for formulation of key programmes under the One UN. Increased joint advocacy events of the UN team in 2007 also proved cost-effective, including activities undertaken for Poverty Week, World AIDS Day, UN Day, Advocacy against Domestic Violence.

The harmonization of business practices is the most challenging task but also the key to achieving efficiency gains associated with the One UN Initiative. To support this process, UN agencies in Albania are working to strengthen the UN Operations Management Team (OMT) which leads the harmonization of business practices.

- **Early indications of impact on overhead costs of the UN system at the country level and coordination costs related to the pilot**

The establishment of a One UN House, or Common Premises, is critical to achieving greater UN coherence and cost-savings for the UNCT in Albania. Currently, UN agencies are housed in seven separate locations in Tirana, which makes it complicated to establish common services or to take harmonization and simplification measures further. The Government of Albania has offered the UN a building and seven UN resident Agencies expressed interest to join. It is estimated that there will be about 100 staff in total operating from the common premises.

The UN in Albania already benefits from common services in the area of security, medical services, banking and travel. Long-term agreements for additional common services such as procurement of office supplies and fuel, translation and interpretation services, publishing as well as event management will be in place by early 2008. Following a cost-benefit analysis, it was determined that savings in the first year alone would be approximately \$ 350, 000<sup>2</sup> if UN Agencies shared common premises and common services, with substantial annual savings thereafter.

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

- **What has worked thus far and evidence of early gains in terms of coherence, effectiveness and efficiency?**

Although the pilot process is still in an early stage, there is growing evidence of increased coherence, effectiveness and efficiency of the UN at the country level. The political support for the One UN Pilot has given UN Agencies an opportunity to move away from “business as usual”.

UN agencies are better aware of each others’ programmes and expertise which paves the road for closer cooperation. Preparation of the One UN Programme and development of joint programmes has improved the coherence of programming of the UN team. The Government, donors and civil society have a better understanding and information on the UN and its activities in Albania. The Government and international community already recognize that the UN is becoming more cohesive on the ground. The coherence effort and the strategic programming have increased the attention of donors which we expect will lead to additional funding for the One UN Programme and joint projects.

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<sup>2</sup> This is equivalent to approximately 40% of total UN resident Agencies 2006 expenditures in services, maintenance and rent.

### ▪ **Challenges and difficulties encountered**

- ❖ While it has been an advantage to have the opportunity to experiment and pilot, there could have been more coordinated guidance from headquarters to the Pilots. More clarity would also be useful on support expected from the Development Group Office (DGO), Regional Director's Teams (RDT) and the CEB.
- ❖ The generally harmonious UNCT process of developing the One UN Programme needs to be fully supported at regional and HQ level of UN Agencies. There is a danger that regional structures and HQs may undermine agreed divisions of roles and responsibilities at country level. More support at HQ level could be given to the resource mobilization efforts and to ensuring convergence of operations procedures and systems.
- ❖ Preparing the One UN Programme and the associated process has been labor intensive and time consuming. The normal planned work of each agency has not been put on hold, thus the time spent on the One UN pilot has taken away from time spent with on-going commitments. Although this was expected, it has affected the quality of the work to some degree.
- ❖ After defining the One UN Programme, the challenge now is to concentrate with full energy on 'how' we deliver for better results, increased efficiency and alignment with national priorities and systems.
- ❖ Capacity of some Agencies to deliver agreed results with quality inputs may require further support and attention.
- ❖ Increasing and maintaining the already existing Government leadership and ownership during the implementing the Programme.
- ❖ Ensuring limited UN funds will be effectively used and in line with Government systems for harmonized donor assistance.
- ❖ Increased clarity is still required on enhanced RC authority and accountability and mutual accountability between RC and UNCT in the context of the One UN Programme delivery.
- ❖ Ensuring NRAs are not at a disadvantage and are fully integrated in key decision-making process within the UNCT.
- ❖ Inclusiveness of the broader UN system in the One UN pilot while maintaining and strategic focus of the One UN Programme has been and will remain a challenge.

- ❖ The building offered by the Government for the potential UN House has recently undergone a seismic and engineering study at the recommendation of the Inter Agency Working Group on Common Premises (IAWGCP). Unfortunately, the study recommends that the UN does not accept the building due to poor structural soundness.
- **Support requested from the wider UN and other partners locally and internationally to increase the UN's ability to deliver development assistance to the country and continue the implementation of the pilot initiatives next year**
  - ❖ The Governments of the Pilot countries could engage more with each other and share experiences.
  - ❖ Existing high-level commitment of the Albanian Government to the One UN Pilot to remain consistent for the entire duration of the Pilot and beyond.
  - ❖ Government of Albania continues to coordinate and lead development assistance.
  - ❖ The commitment towards the One UN Pilots in the eight countries is set and moving forward. It is important that this commitment is maintained and supported by all levels of decision making in the UN system thereby ensuring that any global dialogue and decisions related to UN reform does not impact negatively the strong commitment at country level.
  - ❖ During the pilot phase (especially the first year) there should not be rotations or changes in the UN team at Heads of Agency level.
  - ❖ Key messages and commitment to UN reform should be communicated to all levels of UN agencies ( HQs, regional teams and country level) as at times there are mixed messages at different levels of organizations.
  - ❖ More support at HQ level should be given to the resource mobilization efforts, especially in the context of countries like Albania where local development assistance is declining.
  - ❖ More dedicated attention to be given by senior members of agencies to ensuring convergence of operations procedures and systems (IT, Human Resources and finances).

- ❖ Certain key principles of the One UN (particularly One Budget and One Leader) should be agreed at the level of HQs of the Agencies involved and not left only to the local UN team to work out.
- ❖ Predictable and multi-year funding commitment to the One UN Programme is key to the success of the Pilot as it promotes coherence and strategic assistance to the country. A Programme that is not adequately funded will no doubt lead to agencies pursuing their own independent resource mobilization efforts with the risk that the UN at country level becomes fragmented with competition among agencies, leading to a non-strategic Programme.
- ❖ The UN team and the Government of Albania look forward to a successful 2008. We have realized that the success of the Pilot in Albania will only be achieved with unwavering support and commitment of: the broader UN system at all levels to advance UN Reform; the financial and political commitment of the international donors to support the Pilot; consistent strong national leadership and ownership of the process and - last but not least - a more cohesive and effective United Nations at country level which you can count on our team to pursue.