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UN REFORM IN MALAWI

TAKING STOCK

Review of 2007 and Perspectives for 2008¹

The objective

The UN system's collective objective is to support Malawi to achieve the Millennium Development Goals and contribute to equitable economic growth and poverty reduction by strengthening systems of accountability and the delivery of quality social services to every woman, man and child.

Process and set up

The report of the Secretary General's High Level panel on System-wide coherence states the case for repositioning the United Nations system in a changing aid environment. In Malawi, the recommendations of this report laid the foundation for a paradigm shift in the way the UN system would endeavour to maximize the impact of the sum of its parts. This, through working towards One Programme, One Leader, One Office, One Budgetary Framework and One Voice.

The UN Country Team in Malawi (UNCT) has made significant progress towards 'Delivering as One.' Although not an official pilot country, Malawi has been formally invited by the Secretary General to join the One UN country-level reform pilot process.

In December 2007, the UNCT in Malawi released the Malawi UN Business Plan (UNBP). This document is a holistic overview of the UN activities at the country level. It sets out the specific outcomes, both in terms of UN Programmes and UN Reform, that the United Nations and Government of Malawi together aim to achieve by 2011.

¹ This report is compiled from the following documents:

1. Secretary General's High Level Panel on UN System wide coherence in the areas of Development, Humanitarian Assistance, and the Environment, November 2006.
2. Role of the UN Malawi in a changing Aid environment: A Position paper by the UN Country Team, July 2006.
3. ODI Report on Funding options in Malawi, November 2006.
4. UN Business Plan, December 2007.
5. UNDAF 2008-2011.
6. UN Country Team Retreat Report, January 2008.

The UNBP consists of two pillars addressing seven workstreams:

1. UN Programmes (Workstream 1)

The programmatic pillar of the UNBP. Work stream 1 is the One Programme, UN Development Assistance Framework (UNDAF) 2008-2011. This consists of all UN Programme activities in Malawi.

2. UN Transformation (Workstreams 2-8)

The UN transformation activities support alignment within the UN System and between the UN System and external partners. This brings together UN Common Services, UN Common Premises, UN Harmonisation & Alignment, Joint UN Communication & Advocacy, UN Disaster and Humanitarian Coordination, Single Financial Framework and Joint Resource Mobilisation.

In this report the UNCT in Malawi takes stock of its achievements in 2007 and sheds some light on the way forward.

One Programme

Aligning the UN Programme cycle with the National Development cycle

In 2007 the UNCT deferred its planning cycle by one year in order to ensure that the UNDAF was fully aligned with the Malawi Growth and Development Strategy 2008-2011 (MGDS).

The MGDS draws upon the sector strategies, policies and plans that have been developed over the last few years, many with the support of the UN. It was drafted by the Government on the basis of consultation with actors whose engagement is critical to the country's future. These included politicians and Government officials, civil society and development partners, including the UN System.

The UN system has a special contribution to make to Malawi's growth and development objectives. This contribution is not primarily financial. It is a standard setter, policy adviser, capacity builder, implementation supporter, coordination specialist and catalyst – including new approaches at the grass roots level that can lead to systemic and national change. The MDGs provide the basis for our strategic positioning and support for national development plans.

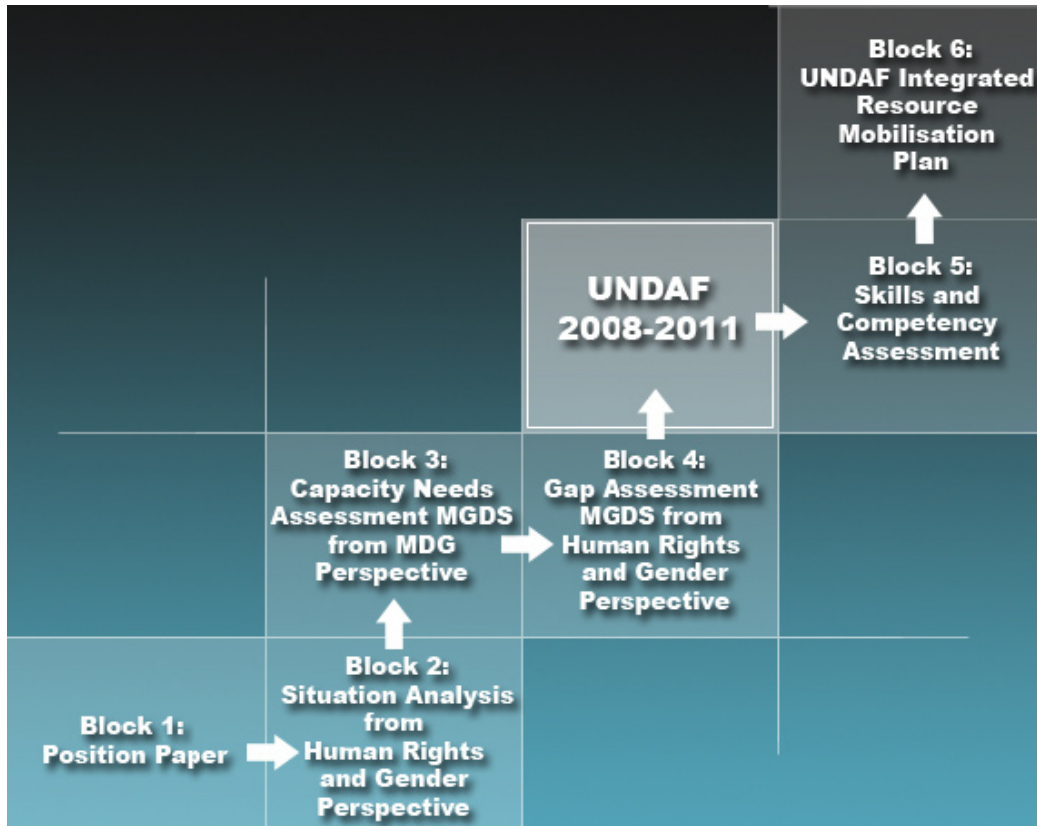
In preparing the UNDAF, the Government and UN system worked together to define the ways and specific areas in which the UN is best placed and best equipped to contribute to national objectives. The UN system defined its role in order to fulfil the expectations and hopes generated by the Paris and Rome Declarations.

The 2008-2011 UNDAF includes all programmatic activities of the UN system in Malawi as the One Programme, with five Clusters working towards the achievement of only 16 macro-level Country Programme Outcomes. It aligns the various UN agencies behind one strategy and will facilitate joint programming as well as improving efficiency through unified country level funding and a joint monitoring and evaluation framework. The drafting of the UNDAF was overseen by the Joint UNDAF Steering Committee, chaired by the Ministry of Finance and the UN

Resident Coordinator (RC). This Committee will coordinate and monitor the implementation of the UNDAF and the other workstreams of the UNBP.

Based on the national priorities outlined in the MGDS, the UNCT used a 'building block' approach from which the UNDAF was generated. The approach was to evaluate the UN system's past and current performance and assess Malawi's national strategy from a human rights and gender perspective. A position paper on the UN's role in Malawi in a changing aid environment serves as the first building block.

UNDAF Building Blocks



Through this process the UNCT adopted a multi-agency cluster approach to deliver the UNDAF outcomes. The following five UNDAF clusters were identified:

- Cluster 1:** Equitable economic growth and the achievement of food and nutrition security.
- Cluster 2:** Care and protection of the Ultra poor and reduction in the impact of economic shocks and disasters on the most vulnerable
- Cluster 3:** Increased equitable access and use of basic social services
- Cluster 4:** Scale up the National response to HIV and AIDs
- Cluster 5:** Good Governance, human rights and gender based approach to development

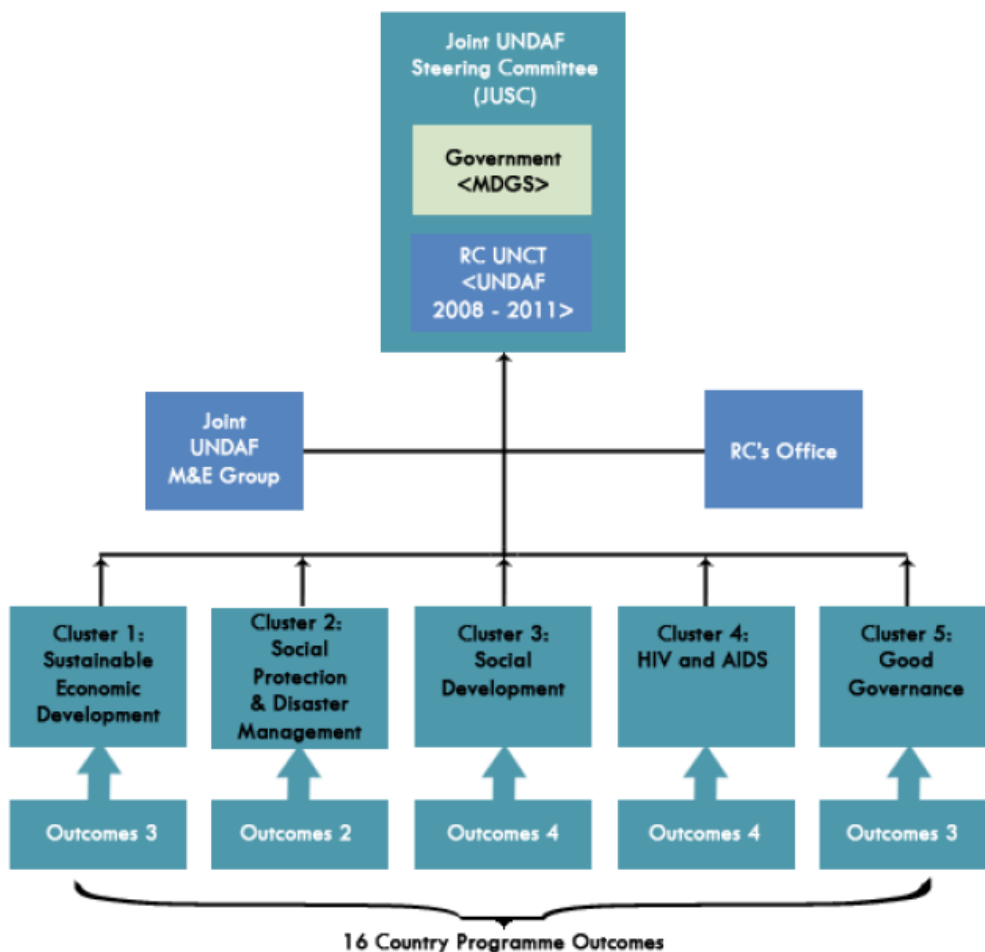
Each cluster has one overarching UNDAF outcome and a number of associated country programme outcomes, with one Agency head nominated as a Cluster Convener who leads - on behalf of the RC - on policy matters in discussions with Government and other partners for each theme. Each of the five Clusters is responsible for i) implementation and refinement of outcomes ii) M&E of progress towards outcomes iii) reporting to the UNDAF Steering Committee. The Cluster Conveners are responsible for i) acting as focal points for high level discussions ii) ensuring that cluster work plans are prepared, monitored and reviewed regularly and iii) ensuring that outcomes are achieved.

The end of 2007 saw a high-level event for jointly signing the required Country Programme Action Plans (CPAPs) for 'Excom' agencies and CPAPs equivalents done by specialized agencies – FAO, UN Habitat, WHO etc. These CPAPs and equivalents derive from the UNDAF 2008-11 and represent each agency's plan during the UNDAF period. The ambition in Malawi is to eventually develop one joint CPAP document based on the Cluster structure of the One Programme/UNDAF.

The UNDAF M&E Technical Working Group has been strengthened and has undertaken a number of steps to support the implementation of the UNDAF. Notably, the UNDAF M&E Matrix was updated with baselines, SMART indicators, and targets. This led to the development of an Annual Work Plan, better alignment with national M&E systems an UNDAF M&E Calendar for 2008. Various UN agencies supported the Joint M&E Programme including the Malawi Socio-Economic Database (MASEDA) - a UN-managed Basket Fund on behalf of donors

The UNDAF also highlights four cross cutting areas – human rights, gender, disaster risk reduction and capacity development for implementation.

UNDAF Governance Structure



The UNDAF cluster system was made operational in 2007 and a joint thematic annual review and work planning session was carried out. Special measures were taken to integrate Non Resident Agencies (NRAs) in the UNDAF Programmes and projects.

Finally, in preparation for the introduction of a Harmonized Approach to Cash Transfer (HACT) in 2008, UN agencies commissioned macro and micro assessments of implementing partners and oriented implementing partners and UN staff on the new procedures. A total of 308 participants from UN & implementing partners were trained in 2007 and an inter-agency working group (co-chaired by UNICEF) has been established to oversee the implementation in 2008.

One Budgetary Framework

The introduction of a Single Budgetary Framework represents an important step in UN Reform. In November 2007, the Overseas Development Institute (ODI) carried out a scoping mission into funding sources of UN Agencies in Malawi towards a Single Budgetary Framework. The study was split into 3 main sections:

1. Establishing the context for UN Reform in Malawi, briefly discussing international and national development processes.
2. Trends in financing to the UN System, briefly outlining international trends before looking in more detail at financial flows to the UN in Malawi.
3. The feasibility of introducing a Single Budgetary Framework in Malawi, looking at experience in other Pilot countries, reporting findings from field interviews and mapping out a possible model for the UNCT to consider.

Amongst its many recommendations, the ODI report advocates for:

- A comprehensive Single Budgetary Framework that captures full developmental expenditures of all UN Agencies in the UN System in Malawi. Covering all UNBP activities, including: i) programmatic expenditures for the delivery of the UNDAF, both core and non-core; ii) UN Transformation activities; iii) a full and transparent picture of operational expenditures.
- A Single Budgetary Framework that retains a 'light touch' philosophy, avoiding adding onerous reporting requirements to Government, the participating UN Agencies and their respective (sub) National partners and should not require additional staff.
- Distinguishing between budgetary ceilings as fundraising targets and as best forecasts of available resources.
- A Joint UNBP Steering Committee to provide a high-level monitoring and accountability structure for overall delivery.
- A Task Force of the UN Agencies Finance Officers, under the guidance of the UN Resident Coordinator's Office (RCO) to deliver the framework.

Through the UNBP the UNCT will ensure that the UN's collective human, technical and financial resources are used in the most effective and efficient manner to achieve measurable and relevant results. Whilst the UNDAF and UN Transformation are described by their very ambitious timelines and demand for professionalism in their delivery, the possibility of achieving them fundamentally rests on funding. In December 2007, the four Ex-com UN Agencies in Malawi signed four separate agreements with the Government (CPAPs and DPAPs for WFP) on how the UNDAF would be delivered.

These documents indicated that, together the agencies have raised US\$ 75 million from their core funding, and should receive US\$155 million from pledged or committed donor funding. However, looking at the US\$340 million resource requirement, there still remains a funding gap of US\$ 110 million. This is what would be termed the 'One Fund' (resources for development activities within the UNDAF that need to be mobilized through the RCO in Malawi).

The UN Transformation has been estimated to cost approximately US\$ 2.8 million. A UN Transformation Fund has been established in order to finance the Transformation component of the UNBP. This Fund is supported by Ireland, Norway and the UK.

The UN in Malawi is well placed to take advantage of the momentum around Delivering as One and the increasing donor interest to provide un-earmarked funding to the UN but it must work to gain the trust of external partners through i) improving transparency, coherence and alignment of UN development assistance and ii) providing high quality performance management information. The Single Budgetary Framework will be used to generate realistic budget estimates, reconciling planned outputs with available resources, strengthening the quality and timeliness of financial reporting to the Ministry of Finance, and improving the quality of information regarding UN System compliance with the Paris Declaration baseline indicators.

One Leader

A number of steps were taken to strengthen the role of the RC and ensure increased accountability of the UNCT to One Leader and vice versa. Through the hiring of a Senior UN Coordination Adviser, a UN Coordination Specialist and a UN Coordination Analyst, the UNRCO is now fully staffed.

There is a strong sense of collaboration and coherence in the UNCT. Close oversight of the UNDAF process by the RC and the establishment of the Cluster system where UNDAF Cluster Conveners and staff are made accountable for results under their respective UNDAF outcomes facilitated ownership.

One Office

In support of the UN Transformation pillar of the UNBP, a framework for strengthening common services and common premises has been developed and various working groups were established under the UN Operations Management Team (OMT). They were tasked with the development of joint action plans for the improvement of common services, including UN House, Travel, Fleet Management, and Procurement.

A cost-benefit analysis for the establishment of One UN House was carried out and on the basis of the findings and recommendations for the study, the UNCT decided to pursue the plan for a One UN House. The Government of Malawi has allocated the UN a plot for the construction of the building and in 2008 the UN will work to secure the financing of the new building.

Lessons Learned in 2007

1. RC leadership is key to achieving Delivering as One.
2. More emphasis needed on “Delivering as One together with Government.”
3. Delivering as One needs to be more closely aligned with Aid Effectiveness.
4. Systematic internal communications to all staff on Delivering as One is needed to ensure effectiveness of One Programme implementation and operational transformation.

Perspectives for 2008

2008 constitutes a transition year where the UN system moves from planning to full-fledged implementation of the UN Business Plan. In order to sustain the momentum, continuity and staff engagement in this process, strong RC leadership and accountability are central.

To strengthen the role of the RC, being the One Leader, as well as recognizing the need for strengthening external communication, a key priority in 2008 is working towards Communicating as One in order to be clearly perceived as a credible and coordinated UN Team in Malawi.

The following areas were identified at the UNCT Retreat in January 2008:

One Programme

- Implement the One Programme based on the UNDAF 2008-11
- Strengthen joint UN M&E
- Ensure systematic inclusion of cross cutting issues in all UNDAF Clusters
- Energize the UNDAF Steering Committee for mutual UN-GoM accountability
- Roll out Skills and Competencies Assessment
- Fully implement HACT in 2008
- Take special measures to integrate NRA in UNDAF programmes and projects
- Strengthen internal communication on joint progress and guidance of One Programme is a key priority in 2008

One Budgetary Framework

- Develop a Single Budgetary Framework
- Mobilize sufficient resources for the One UN Fund in Malawi

One Leader & One Team

- Develop a Code of Conduct for the UNCT to ensure business continuity and smooth handover to a number of new UNCT members in 2008 (including the RC)

One Office

- Jointly sign the formal Memorandum of Understanding for UN House establishment and submit to the Working Group on Common Premises (WGCP)
- Identify architects with international experience and credentials for developing a cutting-edge Green UN House in Malawi
- Mobilize approximately US\$2 million for construction of the UN House
- Strengthen Common Services, from clarifying responsibilities and TOR of OMT and Common Services Clusters to achieving results set out in the UNBP