

## **ANNEX VII: COUNTRY INFORMATION SHEETS**



## Country Information Sheets

Introduction

Albania

Cape Verde

Mozambique

Pakistan

Rwanda

United Republic of Tanzania

Uruguay

Viet Nam



## Introduction

1. One part of the independent evaluation of Delivering as One was a written survey covering funding and business processes. This survey<sup>1</sup> was launched between December 2011 and January 2012. It was addressed to the resident coordinator offices to provide information on the activities of the entire UN country team in relation to the UNDAF and the new funding instruments introduced by Delivering as One. It covered:
  - Funding of UN programme expenditure and new funding instruments;
  - Statistical information on programme delivery;
  - Coordination with other forms of external funding (e.g., aid provided by OECD-DAC, South-South cooperation, global funds, etc.);
  - Business process harmonization and transaction costs; and
  - Statistical information on operational support to UN programme delivery.
2. The resident coordinator offices were invited to highlight differences in views between funds and programmes, specialized organizations and non-resident organizations, if they existed. In questions relating to national authorities, differences in views between central coordinating authorities and line ministries should be mentioned, if they exist and are relevant.
3. Responses from the resident coordinator offices were consolidated in the following country information sheets, and supplemented by information extracted from various documents prepared by the UN country teams and resident coordinators, such as One Programme documents, annual progress reports and the country-led evaluations. Funding information was extracted from the Multi-Partner Trust Fund Office Gateway, and aid information was derived from OECD-DAC statistics where appropriate. This information was further supported by information collected by the evaluation teams during field visits, without going into evaluative approaches. All resident coordinator offices were consulted on various drafts. They reviewed and endorsed the country information sheets.
4. Preparation of the sheets encountered the following limitations:
  - a) Funding and expenditure information regarding the One Fund is consistently available to the resident coordinator offices and through the Multi-Partner Trust Fund Office Gateway. For funding and expenditure information on UN country team activities outside the One Fund framework, resident coordinator offices had to consult the members of the UN country team and compile the information manually. Judging from the feedback, this information was not provided in all cases. Further, as UN country team members' funding and expenditure information, outside the One Fund, would follow organization-specific standards, the information provided did not always coincide with what was available to the resident coordinator offices as information on UN assistance for the country concerned. Not all resident coordinator offices were therefore in a position to provide consolidated funding and expenditure information on UN assistance, and attempts to relate One Fund performance to overall UN country team performance under core and non-core funding therefore had to be abandoned as not feasible within the timeframe available. For this reason, Table 3 in the country information

---

<sup>1</sup> The questionnaire is included in Annex VI

sheets is particularly incomplete and inconsistent, but reflects the information provided by the resident coordinator offices for the survey.

- b) Regarding information on staffing and the costs of human resources for UN country teams, a similar constraint was encountered. Most of the resident coordinator offices were not in a position to provide complete time-series for the period 2006-2010/11 on staffing in the their offices, or UN organization country offices. In at least one case, organization-specific information was considered confidential. For this reason, any analysis of changing staffing patterns in the country offices to support the One Programme, and to assess whether the One Programme resulted in a change of staffing patterns and cost of human resources, had to be abandoned as not feasible. The results shown in Table 4 in each country information sheet are incomplete and inconsistent, reflecting information provided in response to the survey.
- c) Approaches to the preparation of common budgetary frameworks also differed. The main issue was that after the initial preparation of a One Budgetary Framework for the One Programme, several resident coordinator offices and UN country teams abandoned the initial presentation as a benchmark. Instead, they prepared annual budgetary frameworks along the model of the annual work plans prepared by funds and programmes for country programme action plans. The main progress was that these annual work plans were now prepared for the entire One Programme, rather than only for one organization. But as funding requirements were calculated every year, they could not be used to assess success in resource mobilization for the One Fund against an established funding gap. The use of annual frameworks made funding requirements and funding gaps a moving target, as organizations continued to mobilize core and non-core resources.
- d) Several of the resident coordinator offices that contributed to the completion of the survey had not been dealing with Delivering as One since its beginning. Their approach to information was in several cases driven more by their knowledge of the situation today than by a perspective of Delivering as One since its inception. This absence of institutional memory required several verification steps when there were inconsistencies between the information available in official reports and the current knowledge of the situation. This fact may also be responsible for some inconsistencies in presentation in the country information sheets.
- e) Information in the Multi-Partner Trust Fund Office Gateway is real-time for the funding situation, but information on expenditure relies on organizational contributions fed into the gateway annually. This makes comparing funding with expenditure meaningful only when the expenditure information for the One Fund has been updated, i.e., around April every year. During the preparation of the country information sheets, funding information was available up to the time of preparing the report, February 2012. Expenditure information was only available up to 2010. Comparing February 2012 funding and end-2010 expenditure information for a programme that was truly operational only for two to three years did not seem to make sense, particularly because 2011 was a critical year for most UN country teams – they were preparing new UNDAFs that would in most cases follow the One Programme format.

5. All the resident coordinator office and UN country team staff who contributed to the survey and the subsequent dialogue did so with considerable dedication and a high sense of purpose, sometimes responding at midnight at their local time. Flaws and gaps in the information are therefore the result of systemic constraints, and in one case also due to adverse events. In one country, all relevant data were lost due to floods. In another country, the team was totally taken up by an audit.

6. Based on the experience with this survey, there clearly is a need to establish one common management information system at country level. Such a system would need to be based on commonly agreed standards and definitions, and consistent with corporate enterprise resource planning, so that retrieving and consolidating funding and expenditure information as well as other operational information relating to the activities of the members of the UN country team is feasible without major cost or delays. This would enable the resident coordinator and the team to know their past, current and future resource and expenditure situation, provide for required transparency within the team and for other stakeholders (e.g., governments and donors where appropriate) and foster conditions for better management and enhanced accountability.

7. The country information sheets all follow the same structure and have the same tables on funding and expenditure to allow some cross-country comparison (at the end of the country sections). As not all required information was available from all UN country teams at the desired level, there is some unevenness in presentation.

1. Implementation of the Ones
2. Overall management of Delivering as One
3. Funding modalities within the framework of Delivering as One  
*Common Budgetary Framework*  
*One Fund*
4. Programming and funding mechanisms – governance and resource allocation  
*Governance of the One Fund mechanism*  
*Resource allocation criteria and fund performance*
5. Highlights  
*Related to the One Programme, including joint programming*  
*Related to the funding situation*
6. Business process harmonization
7. Use of national systems by UN organizations within the framework of Delivering as One
8. Transaction costs for national partners, donors and the UN country team
9. Cost of coordination

Statistical tables relating to the funding situation (at the end of each country section)<sup>2</sup>:

Table 1: Deposits by donors to the One Fund in US\$ (millions), 2007-2011

Table 2: Transfer of funds from the One Fund to UN organizations, and actual expenditure in US\$ (millions), end 2011

Table 3: Source of funding of UN development expenditure

Table 4: Source of funding of UN development expenditure and staffing, and cost of supporting the One Programme

---

<sup>2</sup> In some pilot countries, it was not possible to obtain all the relevant information. One or more tables may therefore be missing in certain cases.

## Albania<sup>3</sup>

### 1. Implementation of the Ones

1. Albania's achievement of middle-income country status has made it a lower priority for development assistance. Its own priority to accede to the European Union drives the direction and nature of UN system support, which complements assistance provided by other multilateral and bilateral development partners. The country's ODA was US\$1,453 million for 2007-2010.<sup>4</sup> Total UN assistance for the same period was US\$79 million. Annual UN assistance increased from US\$16.3 million in 2007 to US\$26.9 million in 2010, for an average of 5.5 percent of ODA commitments. Humanitarian assistance was negligible, below US\$600,000 per year.<sup>5</sup>

In US\$ (millions)				
	Total annual UN programme expenditure	ODA	Total annual UN programme expenditure/ODA, %	
2007	16.3	325	5	
2008	15.9	378	4	
2009	20.1	378	5	
2010	26.9	372	7	
Total 2007-2010	79.2	1,453	5.5	

2. Delivering as One in Albania is implemented through One Programme, One Budgetary Framework, One Leader and One House. The main stakeholders are the government Department of Strategy and Donor Coordination, within the Council of Ministers; line ministries; UN organizations; donors and civil society organizations.

3. The first One Programme ran from 2007-2010, with an extension to 2011. It was a retrofitting of the 2006-2010 programmes of cooperation where they existed (e.g., for UNDP, UNICEF and UNFPA). Country programme action plans (or other bilateral programme agreements between organizations and the Government) had been prepared in close consultation with the Government, to help meet national development goals. The first One Programme built on the priorities of the UNDAF, with five programme areas: governance, enabling increased participation in policy-making, improving access to basic services, reducing internal disparities in the country and supporting environmentally sustainable development. The cross-cutting "core principles" of gender equality and development of national capacity were to be incorporated in all programme areas.

4. The second One Programme will run from 2012 to 2016. It involves 19 UN organizations and the IOM. The Government-UN Programme of Cooperation 2012-2016 aims to "to promote sustainable and equitable development, social inclusion and the adherence to international norms and fulfilment of international obligations, in support of the integration of Albania into the EU." It has four programme

---

<sup>3</sup>The analysis is based on statistical data provided by the UN resident coordinator office.

<sup>4</sup>Source: ODA commitments as per official government sources on ODA 2006-2011 (provided by the Ministry of Plan Implementation in January 2012).

<sup>5</sup>Figures as reported by UNHCR in Albania.



areas: governance and rule of law, economy and environment, regional and local development, and inclusive social policy.

5. The One Budgetary Framework is intended to allow joint resource mobilization and to track resources. It presents the agreed costed results of the programme, outlining the core funds and additional multi- and bilateral contributions, and identifying funding gaps for which additional resources will be sought.<sup>6</sup> An important means of meeting funding gaps is the One UN Coherence Fund. This encourages donors to commit non-earmarked, multi-year funding, and aims to:

- Streamline, simplify, harmonize and ensure the predictability of resource flows; and
- Ensure that priority areas of the One UN Programme are funded.

6. Overall management of Delivering as One is provided by the One Leader (resident coordinator), who provides strategic leadership, brings together relevant analytical capacities, and develops synergies among the various UN assets and mandates. Organizations confirmed that the resident coordinator is seen as an effective leader of the country team, and has played a positive role in nurturing and preserving overall cohesion and enthusiasm.

7. The initial plan for a One House was not realized largely due to financial constraints. A smaller One House is planned with the participation of most but not all UN organizations in Tirana.

## **2. Overall management of Delivering as One**

8. A Joint Executive Committee involving the Government and the UN system ensures ongoing management and coordination of the One UN Programme. It is co-chaired by the director of the Department of Strategy and Donor Coordination, within the Council of Ministers, and the UN resident coordinator. Together with participating organizations, they decide on One UN Coherence Fund allocations.

9. Management processes are implemented by the UN country team, which is composed of 14 organizations. Seven are resident in Albania: UNDP, UNV, UNFPA, UNHCR, UNICEF, UN Women and WHO. There are seven non-resident organizations: FAO, IFAD, ILO, UNEP, UNESCO, UNIDO and UNAIDS. Guidance for interaction is provided by working principles agreed by the UN country and by the global Management and Accountability Framework agreed by the UNDG. The UN country team is supported by inter-agency advisory bodies, including:

- The Operations Management Team;
- The Communications Team;
- The Monitoring and Evaluation Group;
- The programme working groups;
- The Gender Working Group;
- The HIV/AIDS Theme Group; and

---

<sup>6</sup> For the old 2007-2011 programme, budget figures were taken from existing country programme action plans and compiled under the One UN Budget Framework. For the 2012 programme, all agencies provided their projected financial contributions.

- The Results-Based Management Advisory Committee (as of the new programme cycle).

10. The Operations Management Team aims to introduce business simplification and a harmonized approach to reduce transaction costs. It is very active in many areas and has demonstrated a readiness to achieve even higher level milestones, including:

- Progress in common services (e.g., joint procurement, long-term agreements);
- Savings (economies of scale, e.g., IT, fuel, communications, event management, etc.);
- Efforts to measure intangibles (e.g., reduction in staff time due to joint procurement); and
- Access to higher quality services at no additional costs.

11. The Communications Team was set up in the early stages of the first One UN Programme. It played a key role in fostering joint communication on the results achieved under the programme and on the Delivering as One experience.<sup>7</sup>

12. Programme working groups were established for the first One Programme with a lead organization for each of the five pillars of the One UN Programme. Each contributed to the One UN annual work plan, allowing the UN team and the Government to see the overall programme implementation plan for the year in a transparent and clear manner, while ensuring that group leaders and the UN country team had a monitoring tool. The groups proved to be less effective as an additional management layer. Following their abolition, under the Programme of Cooperation 2012-2016, the groups have been replaced by Outcome Coordinators, who are members of a Results-Based Management Advisory Committee.

13. The Monitoring and Evaluation Working Group leads the development of the One Programme results framework and supporting framework for tracking progress of the reform process. It is also responsible for overseeing the monitoring and evaluation of the Delivering as One UN Programme, both in terms of the programme results delivered and progress in UN reform. It advises and guides the UN country teams and programmes in the monitoring and tracking processes required under the One UN monitoring and evaluation framework.

### **3. Funding modalities within the framework of Delivering as One**

#### *Common Budgetary Framework*

14. The Common Budgetary Framework is updated annually, which means that requirements for implementing the outcomes of the One Programme are assessed annually, and compared with available resources from core and non-core funding, including the One UN Coherence Fund. The resulting funding gap is calculated annually; it can be resourced through core or non-core funds, including the One UN Coherence Fund.

#### *One Fund*

---

<sup>7</sup> In the second programme cycle, building on the above, the Communications Team aimed to influence thinking and behaviour. The upcoming Communication Strategy 2012-2016 will be prepared to reflect four components: external communication on results, advocacy, internal communication and capacity development.

15. There has been an overlap between the One Programme and the UNDAF (2006-2010) because of the timeframe of the One Programme (2007-2011). The terms One Budget, One Budgetary Framework and One Programme were used synonymously. The One Programme was funded by various core and non-core sources of funding, and during 2007-2011, it covered approximately 85 percent of the UN's work in Albania, bringing together 14 participating organizations.

16. Non-core funding constituted the main funding instrument for the One Programme; it has comprised the One UN Coherence Fund, the Extended Funding Window and direct project funding and other non-core funding. The One Fund, under which the Expanded Funding Window falls, is the main contributor. During 2007-2011, non-core funding<sup>8</sup> represented about 85 percent of total funding.

**Ratio of non-core annual total funding in US\$ (millions)**

Year	Non-core funding (A)	Core funding (B)	Total funding (A+B)	Ratio A/(A+B), %
2007	9.2	2.7	11.9	77
2008	12.3	2.4	14.7	84
2009	15.2	2.5	17.7	86
2010	20.8	2.3	23.1	90
2011	18.8	3.1	21.9	86
<b>2007-2010</b>	<b>76.3</b>	<b>13.0</b>	<b>89.3</b>	<b>85</b>

17. The One UN Coherence Fund, later supported by the Expanded Funding Window, was established in late 2007 to provide a mechanism through which development partners could channel unearmarked contributions to a single pooled fund, without the necessity of dealing with each UN organization separately. In 2011, the Fund contributed approximately 22 percent of total programmable funds for the One Programme, compared to 27 percent in 2010, 31 percent in 2009 and 24 percent in 2008. For the period 2007-2011, the fund contributed an average of 25 percent of total programme funding.

18. In accordance with aid harmonization principles, the multi-year unearmarked funding provided by donors to the One UN Programme, through the One UN Coherence Fund, has been allocated to support the achievement of national priorities. Decisions on fund allocations have been taken by the Joint Executive Committee, which increased the level of government ownership.

#### **4. Programming and funding mechanisms – governance and resource allocation**

##### *Governance of the One Fund mechanism*

19. The following mechanisms have been set up in Albania to govern Delivering as One:

- The **Government Modernization Committee**, chaired by the Minister of Innovation and Information and Communication Technology, comprises all relevant line ministers. The Government's highest-level policy, coordination and decision-making authority for the One UN Programme, it determines strategic priorities, monitors progress on an annual basis, and ensures

---

<sup>8</sup>Data provided for 2011 are based on a mid-term budgetary framework review.

coordination of the One UN Programme with other inter-ministerial and cross-sectoral policies and priorities.

- The **Joint Executive Committee** is co-chaired by the director of the Department of Strategy and Donor Coordination of the Council of Ministers and the UN resident coordinator. It includes the heads of participating UN organizations. The committee endorses programme annual work plans, reviews and approves funding priorities, prioritizes and approves the allocation of resources mobilized through the One UN Coherence Fund, and oversees the fund's management and operations. In case a consensus cannot be reached, the resident coordinator makes the final decision.
- **Government inter-ministerial working groups**, comprising line ministries at the secretary-general level, support the Government Modernization Committee and Joint Executive Committee with technical advice on subjects falling within the scope of the programme.
- **Programme working groups** have been responsible for supporting the implementation and achievements of the One UN Programme. Five groups were established, with one lead organization for each of the five pillars of the One UN Programme. They monitored the overall implementation of their pillar and reported back to the UN resident coordinator and UN country team on progress, with reports as well to the Joint Executive Committee. They coordinated among each other and with cross-cutting working groups on gender and HIV/AIDS, as well as with national sector working groups to provide optimal support within the programme and avoid duplication with other international partners
- The **UN country team**, chaired by the resident coordinator, functions in a collegial and participatory manner. It engages in dialogue on reform and development priorities, and has designated substantive leadership to organizations for each of the One UN Programme outcome and thematic areas.
- The **UN resident coordinator** provides strategic leadership and coordination throughout the programming process as the One UN Leader, as a member of the Joint Executive Committee and jointly with the Government.

#### *Resource allocation criteria and fund performance*

20. The pooled funding approach provided a clear incentive for improved performance, due to a competitive process<sup>9</sup> governing the submission of funding requests and the application of performance-based allocation criteria for the One UN Coherence Fund.

21. During the first programme cycle from 2007-2011, there was no need to adjust the allocation criteria of the One UN Coherence Fund. For the second programme cycle from 2012-2016, the UN country team introduced strengthened performance-based allocation criteria governed by three key principles:<sup>10</sup>

---

<sup>9</sup> UNICEF stated: “While performance was a criterion for fund allocation from the coherence funds, it was never applied. Even though, the paragraph states that proposals were made on a competitive basis, while the evaluation asserts that the coherence fund removed competition. In UNICEF's view, a competition based on merit and relevance of proposals as discussed with donors, or based on agency performance was replaced by an unhealthy internal competition between agencies within the UN (country team).”

<sup>10</sup> UNICEF also noted: “(I)n the first allocation meeting of 2012, the allocation criteria and process suggested for the new cycle was disregarded in their entirety. The argument that the available amounts in the Coherence Fund are small (and

- *Eligibility*: This criterion involves contributions to the results of the Government-UN Programme of Cooperation 2012-2016, demonstrated capacity to deliver results in the given time period, delivering as one and aid effectiveness.
- *Performance*: This criterion has been designed to provide important information on the status of indicators, annual targets, the implementation rate (activities and resources), and national ownership.
- *Exceptional priority*: This category reflects on evolving contexts, including evolving national priorities, and the time sensitivity of certain activities.

## 5. Highlights

*Related to the One Programme, including joint programming<sup>11</sup>*

22. For programmes related to the MDG-F, the joint programme modality was mandatory.<sup>12</sup> For activities funded from the One UN Coherence Fund,<sup>13</sup> the modality was optional. Joint programmes under the One Programme were both optional and mandatory.

*Related to the funding situation<sup>14 15</sup>*

23. The total funding of the One Programme for 2007-2011 and available funds for the first year of the Government-UN Programme of Cooperation 2012-2016 (mainly unearmarked funding) from the One UN Coherence Fund for the period from 2007 to early 2012 amounts to US\$27 million. As shown in the table below, Austria, Finland, the Netherlands, Norway, Spain, Sweden, Switzerland and the European Commission have contributed resources to the fund. The Netherlands “soft” earmarked 7.7 percent of One UN Coherence Fund resources to the areas of gender (2008) and the environment (2009). In 2011, the Government of Sweden provided soft-earmarked funding to the One UN Coherence Fund of US\$2.9 million for the years 2011 and 2012, under the new programme cycle.<sup>16</sup>

<i>Contributor/partner</i>	<b>Contributions to the One UN Coherence Fund 2007-2011 in US\$</b>						
	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2007-2012</b>
AUSTRIA, Government of		387,675	296,500	276,400	254,162		1,214,737

hence the criteria cannot be applied) carry no weight, as the size of CF was no consideration in the design of the guidelines. In contrast, if the Coherence Fund has sufficient funds to fund almost everything, we would not need criteria.”

<sup>11</sup> The second generation Delivering as One programme – the Government-UN Programme of Cooperation 2012-2016 – supersedes joint UN programmes and UN-supported initiatives, offering a single, coherent plan for all UN organizations, in which each is responsible for delivery on a set of key actions that jointly contribute to shared results. The results framework defines outcomes and outputs; management arrangements are organized around these. The annual work plans combine the inputs of all UN organizations. Output working groups are the technical committees with roles and responsibilities directly related to the achievement of a specific output. Members are representatives from relevant implementing partners, contributing UN organizations and other partners that implement (part of) the annual work plans. The groups are responsible for the joint coordination and design of relevant activities included in joint annual work plans, and the monitoring and reporting of the respective plans.

<sup>12</sup> They were: culture and development, nutrition, economic governance, and youth, employment and migration.

<sup>13</sup> For example, the Gender Joint Programme (financed entirely by the One UN Coherence Fund) has been optional (UN implementing organizations were UNDP, UN Women, UNFPA and UNICEF).

<sup>14</sup> The data upon which this analysis relies have been provided by the resident coordinator office, which collected and consolidated the information from individual organizations in Albania.

<sup>15</sup> For details, see Table 1 at the end of the information sheet.

<sup>16</sup> There were differences in the reporting requirements: The Netherlands never asked for a specific report, and did not pick specific outputs. Sweden tied its contribution to specific outputs.

EUROPEAN UNION		3,011,951	446,705		17,434	3,476,090
Expanded Funding Window		1,070,000	2,243,000	295,000		3,608,000
FINLAND, Government of				394,240		394,240
NETHERLANDS, Government of	507,600	1,858,260	1,479,840			3,845,700
NORWAY, Government of	1,081,276	1,414,227		842,886		3,338,389
SPAIN, Government of	1,000,000	1,000,000	2,000,000			4,000,000
SWEDISH INTERNATIONAL DEVELOPMENT COOPERATION		1,380,100	1,345,400	1,440,300	1,446,969	5,612,769
SWISS AGENCY FOR DEVELOPMENT AND COOPERATION	285,363		873,052	461,553		1,619,968
<b>Total</b>		<b>2,366,639</b>	<b>3,309,502</b>	<b>10,489,863</b>	<b>7,095,784</b>	<b>2,383,702</b>
					<b>1,464,402</b>	<b>27,109,892</b>

24. Contributions to the One UN Coherence Fund have *decreased* over the last two years, in line with the evolution of donor country strategies following Albania's attainment of middle-income country status and since it is an EU pre-accession country.<sup>17</sup>

25. In 2007, 73 percent of overall UN assistance delivered in Albania was part of the One UN Programme; by 2010, the figure increased to 85 percent.

26. The share of the non-resident organizations in overall programme delivery for the One Programme nearly doubled from 8 to 12 percent annually from 2007-2009 to 23 percent in 2010.

<b>Total expenditure for 2007-2010 in US\$ (millions)</b>				
<b>UN organizations</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>Resident</b>	14.3	13.8	17.9	19.5
<b>Non-resident agencies</b>	1.9	1.7	1.6	5.7
<b>Total</b>	<b>16.2</b>	<b>15.5</b>	<b>19.5</b>	<b>25.2</b>
<b>Share of non-resident in total, %</b>	<b>12</b>	<b>11</b>	<b>8</b>	<b>23</b>

27. The One UN Coherence Fund was supported by eight donors, including the European Union and the Swiss Agency for Development and Cooperation; they provided 86 percent of resources. The remaining 14 percent came from the Expanded Funding Window.<sup>18</sup>

28. Nine organizations implemented activities under the One Programme with funding from the One UN Coherence Fund, of which funds and programmes absorbed 93 percent, specialized organizations 5 percent and other organizations 1 percent.<sup>19</sup> The table below shows the total amount of funds that each organization committed to the One Programme for the period 2007-2011, as well as the total amount of funds received from the One UN Coherence Fund during the same period.

<sup>17</sup> An additional dimension of donor strategies has been to support the One UN Coherence Fund to assist coherence approaches by the UN country team.

<sup>18</sup> For details, see Table 1 at the end of the information sheet.

<sup>19</sup> See Table 2 at the end of the information sheet.



Organization	Budget per Agency			Coherence Fund 2007-2011		% of Transfer CF/Total Budget
	Core Funds 2007-2011	Non-Core Funds 2007-2011	Total Budget	Approved budget 2007-2011	Transfers 2007-2011	
FAO	606,155	846,659	1,452,814	315,300	315,300	22%
IFAD	169,737	-	169,737	-	-	0%
ILO	283,300	3,119,110	3,402,410	-	-	0%
UNAIDS	372,387	57,400	429,787	-	-	0%
UNDP	3,548,318	32,168,609	35,716,927	9,007,587	8,990,931	25%
UNEP	170,000	349,500	519,500	409,244	254,244	49%
UNESCO	271,621	4,398,487	4,670,108	414,750	414,750	9%
UNFPA	2,729,471	3,891,822	6,621,293	3,319,341	3,319,341	50%
UNHCR	1,096,830	-	1,096,830			0%
UNICEF	1,529,357	19,586,527	21,115,884	6,951,039	6,951,039	33%
UNIDO	137,000	493,000	630,000	493,000	493,000	78%
UNV	526,500	175,000	701,500			0%
UNWOMEN	991,982	1,614,042	2,606,024	950,220	950,220	36%
WHO	566,000	9,714,540	10,280,540	570,000	570,000	6%
<b>Total</b>	<b>12,998,658</b>	<b>76,414,696</b>	<b>89,413,354</b>	<b>22,430,481</b>	<b>22,258,825</b>	<b>25%</b>



There were no major operational issues reported in the management of the One UN Coherence Fund and Expanded Funding Window.<sup>20</sup> Programmes were approved as planned. In some cases, UN organizations were not able to sign project documents in time for Joint Executive Committee allocation decisions. Delays in disbursement occurred, mainly due to delays on the government side or to sudden changes in the Government's immediate priorities. Generally, funding was received on time, but there were cases during the 2007-2010 period where UN organizations were not able to present legal documents to trigger the disbursement. Signing project documents late in the year resulted in delays in implementing work plans and funds allocated to respective programmes. The submission of progress and expenditure reports was on schedule, and narrative and financial reports from UN organizations were received on time. Some difficulties occurred in funding the activities of the resident coordinator office.

29. Several programmes under the One UN Programme have substantive links with a wide range of other funding sources, such as the Global Environment Facility, The World Bank, the European Union, various bilateral donors, the OPEC Fund for International Development and the Montreal Protocol Fund.

## **6. Business process harmonization**

30. UNFPA introduced Delivering as One-based evaluations as a substitute for project/outcome evaluations, even though the latter have not been abolished. This was mainly because the Government Modernization Committee, Joint Executive Committee and programme working groups took on similar functions as the annual country programme and outcome boards. In the future, UNDP's and other UN organizations' project-based approaches will be replaced with joint programming based on annual work plans. Previous project steering committee meetings will be replaced by fewer output working group meetings under Delivering as One.

31. One major obstacle to business process harmonization has been differences in procurement procedures, which prevent different organizations from relying on each other for already performed tenders or biddings. Long-term agreements in place prior to Delivering as One mitigated this effect. The UN country team requested that procurement, financial and human resources rules, procedures, practices, and, to the extent possible, support mechanisms should be harmonized.

32. Long-term agreements are expected to bring some savings, mainly due to potentially significant time and cash savings for the UN country team as a whole. This could occur through reduced transaction volumes, better prices, professionalization and rationalized staffing arrangements. The Operations Management Team measured the actual cost declines resulting from reduced staff time due to joint procurement. Savings were calculated for selected procurement activities where common

---

<sup>20</sup> UNICEF noted the following issues in the operation of the One UN Coherence Fund:

- *Long delays in taking allocation decisions (e.g., up to 14 months between one allocation decision to the next, at a time when the CF guidelines required quarterly meetings).*
- *Slow disbursements, with some of the donor contributions sitting in the Coherence Fund for more than 2 years before being allocated to agencies. This can be easily calculated from the inflows and outflows of the Albania CF.*
- *Changing allocation criteria (e.g., duration of activities eligible for funding; required details of submissions) resulting in unnecessary debate in the UNCT.*
- *Performance based criteria never applied in allocation decisions.*
- *Lack of clear agreement on how to manage significant under-expenditure by agencies, sometimes for several years.*

long-term agreements were established. For example, bidding steps for fuel consumption would only be done once every three years rather than several times a year.<sup>21</sup>

33. The UN country team experienced efficiency gains in the following areas:
- Progress in common services (e.g., joint procurement services, long-term agreements);
  - Savings due to economies of scale (e.g., IT, fuel, communications, etc.); and
  - Better quality services because of larger orders (more weight as client).

## **7. Use of national systems by UN organizations within the framework of Delivering as One**

34. During the past five years, the Government has made progress towards improving public financial management and procurement systems. All ministries engaged in a medium-term budget programme process, public management procedures were developed, etc..

35. There was improvement in all of the OECD-established pillars for assessment, as compared to an assessment in 2006. Albania is now rated a C by OECD/DAC regarding the reliability of its national public procurement system. The late 2010 assessment of the national public procurement system by the Department of Strategy and Donor Coordination, with UNDP assistance, concluded that the Government has made significant efforts in improving and modernizing it, particularly the legal framework. Nonetheless, the procurement system needs further strengthening to enable donors and UN organizations to use it. UNICEF for many years has not imposed its own accounting or related procedures on government institutions.

36. UNDP has partially used the national public financial management system, and recognizes that its budget is implemented as intended following the established rules and regulations. UNFPA and other UN organizations have also been cautiously using the national system. At present, UN organizations use the system at a rate of 3 percent, compared to 11 percent by international donors.

37. The UN system macro-assessment of the readiness of the Government to adopt HACT has indicated concerns, which impede progress in transferring programme funds to national implementing agencies. Efforts continue to strengthen public procurement systems. There is a clear commitment by the UN country team to increase national execution of projects, and to transfer funds to counterpart agencies, albeit with requisite financial management and audit systems and mechanisms.

38. Micro-assessments have been conducted to apply HACT at institutions where a significant transfer is expected. So far, only funds and programmes (i.e., UNICEF, UNDP and UNFPA) apply this approach.

---

<sup>21</sup> Source: resident coordinator office. "In UNDP, if no LTA was in place, this transaction would occur twice per month. Yearly, the total cost saving (time saving) generated by the common LTA amounts to USD 1,792, i.e., 12 months x 2 processes/month x USD 62 (saving per process not involving CAP) + USD 304 (saving per process involving CAP). Moreover, by adding the USD 13,650 saving generated by the lower price offered upon the establishment of the LTA, the total annual saving for this specific procurement case amounts to USD 15,442."

## **8. Transaction costs for national partners, donors and the UN country team**

39. The UN country team conducted business process analysis in the areas of event management, fuel consumption, communications, travel and printing to identify potentials for reduced transaction costs. In the absence of agreed and reliable methodologies for measuring reductions, however, the actual benefits generated by the reduction of processes could not be fully quantified, even though there is considerable agreement on the estimation of benefits gained through the new arrangements. There was no baseline against which internal and external transaction costs could be measured and monitored.

## **9. Cost of coordination<sup>22</sup>**

### *Staffing and cost of country offices<sup>23</sup>*

40. The position of UNDP country director was introduced in 2008 in lieu of the previous deputy resident representative. A clear change that happened due to Delivering as One, this reflects UNDP's commitment to the pilot.

41. The professional staffing of the resident coordinator office has grown from three in 2006 to six in 2011, which includes three international and two national professional officers. The three international positions have been funded by Sweden. National positions have been funded by UNDP and DOCO.

42. The staffing of UN organizations shows the following trends.

- a) From 2006-2011, at the funds and programmes, the number of professional positions increased. In 2011, there were 32 professionals, encompassing 12 international and 20 national posts, compared to 11 and 19, respectively, in 2007. This represents a 6.6 percent increase. One international position is counted under programme delivery. The number of General Service positions fell from 26 positions in 2007 to 24 positions in 2011.
- b) Among specialized organizations from 2006-2011, the number of resident international and national professionals remained the same.

43. The cost of operational support to programme work (i.e., of the resident coordinator office and the country offices of individual organizations) increased from 2007-2011, including international and national staff positions, General Service posts and non-staff allocations. The cost of the resident coordinator office increased from an estimated US\$427,000 in 2007 to US\$469,000 in 2011. The cost of the offices of UNDP, UNFPA and UN Women increased by about 29 percent, from US\$2.4 million in 2007 to US\$3.1 million in 2011. No information on the cost of the offices of specialized organizations was provided.

---

<sup>22</sup>For details, see Table 4 at the end of the information sheet.

<sup>23</sup>Please note that the resident coordinator office possessed the data for UN organization expenditures (not detailed in core and non-core resources) only for 2007 and 2010. In the compilation of the questionnaire, several UN agencies did not provide figures for 2008, 2009 and 2010. Therefore, the data have been generated from One UN Budgetary Framework tables.

## Statistical tables relating to the funding situation

**Table 1: Deposits by donors to the One Fund from, 2006-2011 in US\$ (millions)<sup>24</sup>**

Contributor/partner	Commitments	Deposits	Share, %
Austria	1.2	1.2	5
European Union	3.5	3.5	13
Expanded Funding Window			
Finland	0.4	0.4	1
<b>Netherlands</b>	<b>3.8</b>	<b>3.8</b>	<b>15</b>
<b>Norway</b>	<b>3.3</b>	<b>3.3</b>	<b>13</b>
<b>Spain</b>	<b>4.0</b>	<b>4.0</b>	<b>16</b>
Sweden	5.6	4.2	16
Switzerland	1.7	1.7	7
<b>Total deposits</b>	<b>27.1</b>	<b>25.7</b>	<b>100</b>

**Table 2: Transfer of funds from One Fund to UN organizations in US\$ (thousands), end 2011<sup>25</sup>**

Organization	Total One UN Coherence Fund	
	Transfers	Share of transfers in total, %
UNDP	8.990,9	<b>40</b>
UNFPA	3.319,3	<b>15</b>
UNICEF	6.951,0	<b>31</b>
UN Women	950,2	<b>4</b>
<b>Funds and programmes</b>	<b>20.211,5</b>	<b>91</b>
FAO	315,3	<b>1</b>
UNESCO	414,8	<b>2</b>
UNIDO	493,0	<b>2</b>
WHO	570,0	<b>3</b>
<b>Specialized organizations</b>	<b>1.793,1</b>	<b>8</b>
UNEP	254,2	<b>1</b>
<b>Total other organizations</b>	<b>254,2</b>	<b>1</b>
<b>Total funding of One UN Coherence Fund</b>	<b>22.258,8</b>	<b>100</b>

**Table 3: Source of funding of UN development expenditure<sup>26</sup>**

	Values in US\$ (millions)					
	2006	2007	2008	2009	2010	2011 <sup>27</sup>
<b>Total estimated annual UN expenditure for development by programme and funding source</b>	<b>3.4</b>	<b>16.3</b>	<b>15.9</b>	<b>20.1</b>	<b>26.9</b>	<b>24.7</b>

<sup>24</sup>Source: Multi-Partner Trust Fund Office Gateway. Countries in bold also supported the Expanded Funding Window.

<sup>25</sup>Source: Multi-Partner Trust Fund Office Gateway.

<sup>26</sup>The consolidated data reflect the data submitted by the resident coordinator office.

<sup>27</sup> Amounts are still estimates since final 2011 end-of-year figures were not available at the time this country information sheets was prepared.

<b>Non-One Programme</b>	<b>0.0</b>	<b>0.1</b>	<b>0.4</b>	<b>0.6</b>	<b>1.7</b>	<b>1.7</b>
○ Core funding	0.0	0.1	0.0	0.0	0.1	0.1
○ Non-core funding of non-One Programme activities	0.0	0.0	0.4	0.6	1.6	1.5
<b>One Programme</b>	<b>3.4</b>	<b>16.2</b>	<b>15.5</b>	<b>19.5</b>	<b>25.2</b>	<b>23.0</b>
○ Core funding	0.7	0.0	2.9	3.1	0.0	3.3
○ Non-core funding	2.6	0.0	12.6	16.4	0.0	19.7
<b>Share of non-core funding in annual expenditure for development, %</b>	<b>78</b>	<b>0</b>	<b>82</b>	<b>85</b>	<b>0</b>	<b>86</b>
<hr/>						
<b>One UN Coherence Fund</b>	<b>2.6</b>	<b>0.0</b>	<b>12.6</b>	<b>16.4</b>	<b>0.0</b>	<b>19.7</b>
<b>Share of non-core funding, %</b>	<b>100</b>	<b>-</b>	<b>97</b>	<b>96</b>	<b>0</b>	<b>93</b>

**Table 4: Source of funding of UN development expenditure and staffing, and cost of supporting the One Programme**<sup>28</sup>

	In US\$ (millions)		Change, % 2007-2011
	2008	2011	
<b>Total estimated annual UN expenditure for development by programme and funding source</b>	<b>15.9</b>	<b>24.7</b>	<b>55</b>
<b>Non-One Programme</b>	<b>0.4</b>	<b>1.7</b>	<b>425</b>
<b>One Programme</b>	<b>15.5</b>	<b>23</b>	<b>48</b>
- Core funding	2.9	3.3	14
- Non-core funding	12.6	19.7	56
<b>Support to programme costs (cost of resident offices)</b>	<b>Number of staff</b>		
Human resources of resident coordinator office	4	6	50
Human resources of country offices of funds and	53	56	5.6
Human resources of specialized agencies	28	28	0

<sup>28</sup>The consolidated data reflect data submitted by the resident coordinator office; 2006 data are not included as they were not complete.

## Cape Verde<sup>29</sup>

### 1. Implementation of the Ones

1. The context for Delivering as One in Cape Verde is unique. Cape Verde has been the only country where One Office has actually been implemented. The key characteristics of Cape Verde in the context of Delivering as One are:

- The country has been successful in graduating from least-developed country status to middle-income country status.
- It has one of the highest annual aid per capita indicators in sub-Saharan Africa,<sup>30</sup> about US\$438 in 2008.
- ODA until recently accounted for the largest share of GDP, but has been declining to an estimated 14 percent in 2008.
- The country's ability to attract continued donor support and flexibility was a key factor in its success in mobilizing ODA.
- Cape Verde pioneered a reconfiguration of its relationship with donors in various initiatives, such as the UN initiative for the joint office (2005) and the Delivering as One pilot initiative (2007).
- As a result of these achievements, the share of grants in ODA is declining while loan-based assistance is increasing.

The Delivering as One reforms resulted in a significant increase in resources. The UN system in 2010 ranked as the third largest donor.

2. When Delivering as One was launched, Cape Verde was already piloting the only One Office initiative, under which four funds and programmes (UNDP, UNICEF, UNFPA and WFP) agreed to operate as one in Cape Verde. Beyond the common premises that existed since the early 1990s, the four organizations were merged under one management, which meant combining business practices and staff. The joint office was launched in 2006, followed by a redefinition of organizational structures, job descriptions and staff positions, and by the adoption of the processes, systems and contracting arrangements of UNDP.<sup>31</sup>

3. This context meant:

- The One Office/One Management component required less attention than in other countries.

---

<sup>29</sup>Source of information: Delivering as One survey, field interviews, document research and the Multi-Partner Trust Fund Office Gateway. This note has been reviewed and verified by the UN country team.

<sup>30</sup> Source: country-led evaluation, 2010.

<sup>31</sup> The transition process was very turbulent; see also the country-led evaluation, 2010.

- Significant cost reductions had already taken place by decreasing the number of representatives from four to one.
- 
- A single operation (human resources, finance, procurement, fleet management, cleaning services, security services, etc.) resulted in a 12 percent reduction in total operating costs between 2005 and 2008, according to the UN country team.

4. Due to this particular context, the focus for Delivering as One in Cape Verde was on programmatic integration with the following pillars: One Programme, One Leader, One Budgetary Framework and One Management System.

- The process leading to the One Programme was difficult, which explains why it did not start operating before 2009. The One Programme consists of nine sub-programmes consistent with the Government's Poverty Reduction Strategy. The sub-programmes are organized along four themes, consistent with the Government's programme (good governance, economic growth, environment, and human capital and social protection). Each sub-programme has a lead organization to coordinate activities and has defined a main objective, with various outcomes leading to this objective (there are 19 outcomes in the One Programme), and various outputs contributing to the outcomes. The outputs are annually translated into concrete activities (346 in the 2010 annual work plan). In preparing annual work plans and negotiating One Fund allocations, each organization is required to align its respective programmes and activities with the common outputs.
- The resident coordinator in Cape Verde is accepted as the One Leader, but the actual practice is leading through consensus. Nonetheless, the resident coordinator retains the authority to make the ultimate decision in case of disagreement. The resident coordinator represents the wider UN system on the local level, including the non-resident agencies. The latter are members of the UN country team.
- The One Budgetary Framework is fully operational. The One Fund is the financial vehicle that is established to cover the funding gaps of the One Programme. While there is no formal common resource mobilization strategy, in practice joint resource mobilization takes place.

## **2. Overall management of Delivering as One**

5. The Delivering as One institutional framework consists of three layers: a steering committee, the UN country team (supported by the resident coordinator office) and the sub-programmes.

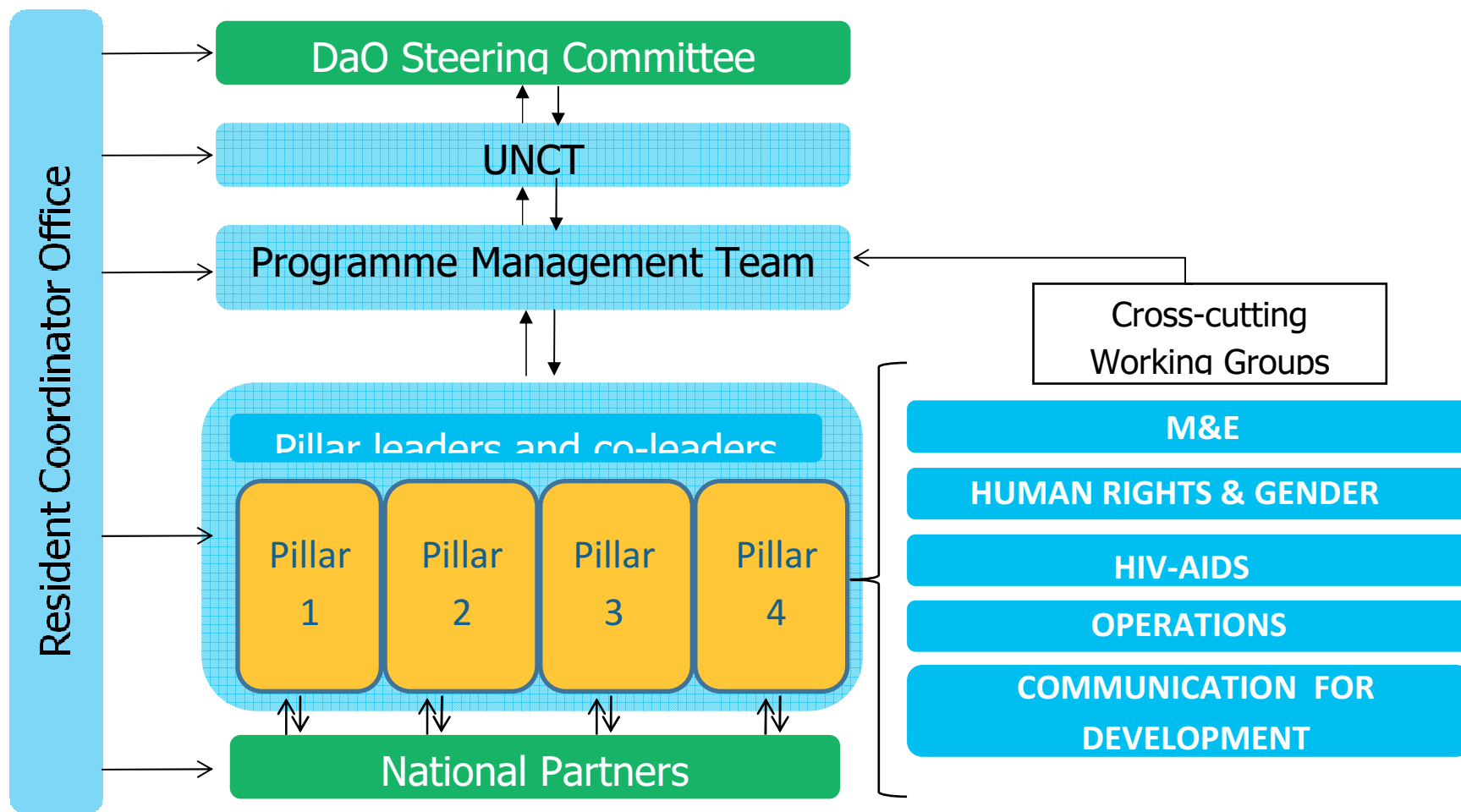
6. The One UN Steering Committee is the highest level. A tripartite mechanism, it consists of:
- Three representatives of the UN system (the resident coordinator, one resident organization and one non-resident agency);
  - Three representatives of the Government on the national level, and one representative of the Government on the local level; and
  - One representative of civil society, the president of the platform for NGOs of Cape Verde.

7. The UN country team is the coordinating and decision-making body of the UN system in Cape Verde, and is responsible for the internal supervision and direction of Delivering as One implementation, based on a collegial cabinet model, and managed using consensus and inclusiveness. The team is supported by the resident coordinator office, in particular the coherence unit. The resident coordinator leads the elaboration and management of the One Programme.

8. The third level of Delivering as One in Cape Verde is the programmatic level, consisting of nine sub-programmes headed by programme leaders. Coordination takes place through working groups that are articulated around the four thematic areas and nine sub-programmes. Each lead organization ensures the strategic coordination of their sub-programme or of their cross-cutting thematic area, in coordination with participating organizations and in accordance with technical ministries involved. Each of the lead organizations is responsible for ensuring that cross-cutting issues are integrated into the sub-programme.







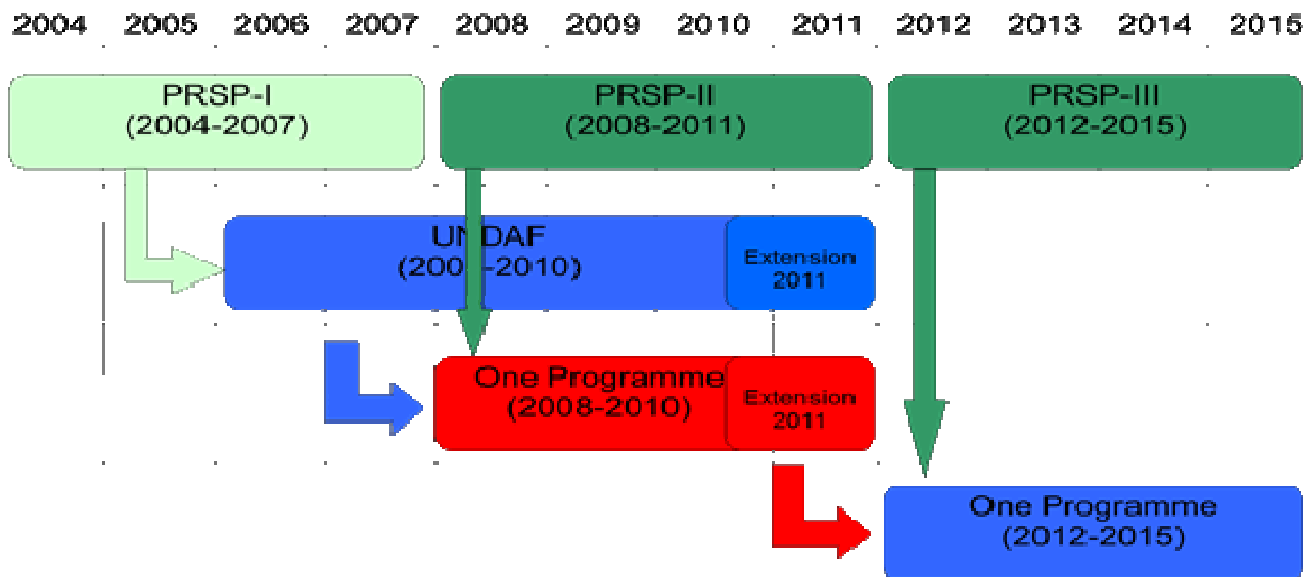
9. Delivering as One increased the number of local officers for non-resident agencies in Cape Verde. In May 2008, the UN House included the Joint Office, WHO, UNODC and UNIFEM. During 2009, UNIDO, IOM, UNESCO and UN-Habitat hired local programme officers who also have their offices in the UN House. In 2010, the FAO offices moved from the Ministry of Agriculture to the UN House. In total, this means an increase of staff in the UN House from 52 in 2006 to an estimated 65 in 2010.

### 3. Funding modalities within the framework of Delivering as One

#### *Common Budgetary Framework*

10. All UN interventions in Cape Verde are under the One Programme, without exception. All organizations present their interventions under the One Programme's defined outcomes and outputs, and all interventions are reflected in the One UN annual work plans.

11. The current One Programme in Cape Verde (2008-2011) was based on the UNDAF (2006-2010), which was developed by nine UN organizations in 2004. The One Programme was signed in 2008, and included, rearranged and expanded the UNDAF outputs and outcomes in new One Programme outputs and outcomes, as the result of the participation of a higher number of UN organizations, from 9 to 21, in its design.



12. The end result has been a diversified, updated and enhanced programmatic reference document in better alignment with national priorities stated in the Growth and Poverty Reduction Strategy Paper (GPRSP) II (2008-2011). To align with the national planning framework, the One Programme was extended until 2011. With better programmatic and budgetary synergies in place, significant advances in UN reform were possible through the implementation of the One Programme, which was elaborated through coordinated annual work plans.

13. This means that the UNDAF (2006-2012) was completely set aside; the much larger One Programme absorbed it.

14. The new UNDAF (2012-2016) and the new One Programme (2012-2016) are identical. Both are multi-year and at outcome level. In addition, a multi-year UNDAF action plan at the output level together with One UN annual work plans at the activity level are being used.

15. The One Budgetary Framework is used at all levels: At outcome level (One Programme and UNDAF), at output level (UNDAF action plan) and activity level (annual work plans).

### *One Fund*

The total value of the One Programme from 2008-2011 was US\$73 million, of which US\$41 million was funded. Against the US\$32 million funding gap, US\$14.5 million has been mobilized (based on commitments of US\$18 million).

16. By the end of 2011, six donors<sup>32</sup> supported the Cape Verde One UN Transition Fund; three covered 60 per cent of the fund, and also supported the Expanded Funding Window, comprising 24 percent of the One UN Transition Fund. Three donors contributed 16-17 percent of the fund. The Expanded Funding Window is treated as a donor to the One UN Transition Fund, and therefore does not have its own projects/programmes. Its contributions are co-mingled with other donor funds.

17. Of the total resources<sup>33</sup> of US\$14 million available from 2006-2011 to the One UN Transition Fund, about 38 percent went to funds and programmes, with UNDP, UNICEF and UNFPA absorbing 30 percent. The five specialized agencies used 38 percent; 28 percent went to smaller organizations (IOM, ITC, UNCTAD, UN-Habitat and UNODC).

18. The overall administration of the Cape Verde One UN Coherence Fund is with the Multi-Partner Trust Fund Office.

## **4. Programming and funding mechanisms – governance and resource allocation**

### *Governance of the One Fund mechanism*

19. The following mechanisms have been set up to govern Delivering as One:

- **The One UN Steering Committee** oversees and monitors implementation of all components of Delivering as One, particularly the One Programme. It conducts biannual reviews of the results of the One Programme. It is co-chaired by the Minister of Foreign Affairs and the UN resident coordinator., with membership limited to nine representatives: three from the Government, four from the UN system, one from the National Association of Cape Verdean Municipalities and one from civil society. The committee's overarching role is to advance UN reform by providing

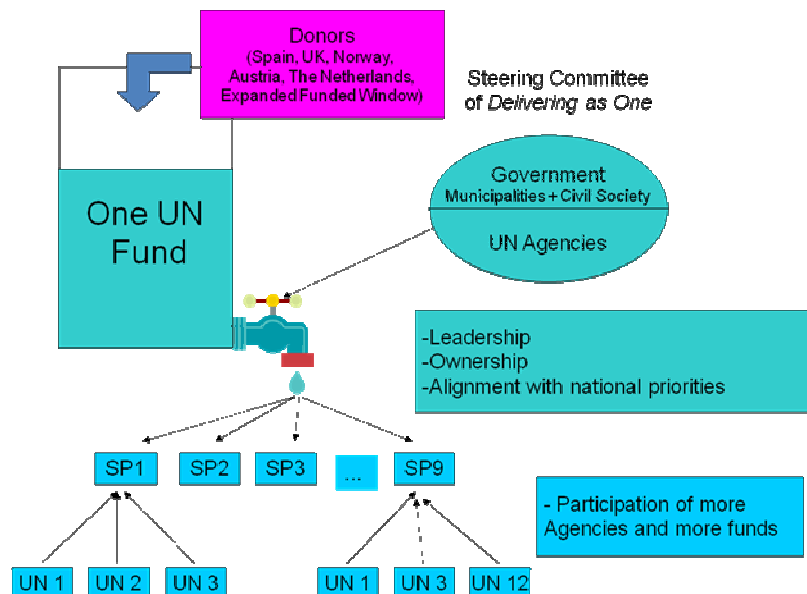
---

<sup>32</sup>For details, see Table 1 at the end of the country information sheet.

<sup>33</sup>For details, please see Table 2 at the end of the country information sheet.

strategic leadership and guidance to Delivering as One, to perform an advisory function and to ratify strategic decisions.

- **The resident coordinator** has a leadership function in mobilizing resources for the One UN Transition Fund, and is responsible for leading and coordinating its overall management, including in collaboration and consultation with participating UN organizations. The resident coordinator is supported by the **resident coordinator office**.



### *Resource allocation criteria and fund performance*

20. The resources of the One UN Coherence Fund were allocated to programmes on the basis of eight allocation criteria:

- Alignment with the MDGs or other internationally agreed development goals;
- Alignment with the GPRSP-II;
- Alignment with the One Programme 2008-2011;
- Readiness;
- Promotion of synergies (increased programmatic cohesion, coordination, better communication flow, and operational efficiencies and effectiveness within the UN system);
- Inclusion of cross-cutting issues;
- Sustainability; and
- Performance.

21. Most of the time, consensus was reached among organizations on how to allocate funds. Only once was consensus not reached. The resident coordinator decided the final allocation.

22. The One UN Transition Fund had a number of impacts:

- It fostered **higher alignment with, and leadership and ownership by the Government**. The Government is in the driver's seat through its leadership of the One Programme steering

committee, where it allocates available funds across the different sub-programmes according to the highest national priorities. The role of the UN system is to follow up and propose measures to tackle these priorities.

- The fund is seen as an important resource in supporting the Government in Cape Verde's transition from a least-developed to middle-income country. The involvement of the central ministries in the steering committee guarantees better management of the funding gap, thus increasing the probabilities of achieving quick-wins.
- The One UN Transition Fund **expanded the access** of Cape Verde **to a wider range of UN mandates and expertise**. It attracted a high number of non-resident agencies responding to new development challenges associated with Cape Verde's graduation from least-developed country status. These agencies benefitted from the One UN **Transition** Fund, and in return brought their own core and non-core funds to the One Programme, integrating them into the One Budgetary Framework along with the agencies' own resource mobilization capacities.
- The One UN Transition Fund **brought organizations closer together**, as it was accessible to all participating organizations without regard to resident or non-resident status, and offered an incentive for them to coordinate and plan towards common outputs and outcomes.

23. Donor financial and political support to the reform process increased within the framework of the One Programme. Donors at the country level (Austria, Luxembourg and Spain) and at regional or international level (the Netherlands, Norway and the United Kingdom) strongly support UN reform in Cape Verde.

24. None of the donors at the country level finance organization-specific activities; most contribute un-earmarked funds to the One UN Transition Fund. The exception is Luxembourg, which partially earmarks contributions to areas where there are synergies with its bilateral cooperation, leaving the rest unearmarked, for the UN to choose applications based on national priorities defined by the Government.

25. Standard donor agreements, the convenience and efficiency of common reporting, and the user-friendly transparency of the Multi-Partner Trust Fund Gateway motivate donors to channel funds through the gateway and the One UN Transition Fund.

26. The criteria of the Expanded Funding Window are seen as being biased against middle-income countries, due to its 80 percent/20 percent policy for least-developed/middle-income countries. Cape Verde is thus treated at the same level as Albania or Uruguay, even though Cape Verde ranks 118 on the Human Development Index, Uruguay ranks 52 and Albania 64.

27. The fund design resulted in some unforeseen dynamics, mainly due to its role in reducing the funding gap:

- As allocations were granted proportional to the funding gap, there has been a tendency to formulate unrealistic annual work plans to maximize allocations, through overestimating the funding gaps.
- Since many substantial criteria were qualitative, and there was no way of measuring them, the quantitative performance criterion (% of funds spent) was the only one used. The One UN Transition Fund therefore did not help in increasing synergies or joint programmes.

- Most of the time, organizations reached consensus on how to allocate the One UN funds. The one time consensus was not reached, the resident coordinator decided the final allocation.

28. Fund management both of the One UN Transition Fund and the Expanded Funding Window encountered a number of operational issues:

- While programmes were approved as planned, there were delays in the actual allocation of funds to the operational level. The time from the allocation's approval by the steering committee to the time when funds would be deposited with organizations and available for disbursement was reduced from months to weeks, but the process is still not seen as efficient. Funds went from the administrative agent in New York to Cape Verde, where UNDP Cape Verde was the administrative agent, then from Cape Verde to all headquarters, sometimes going back to New York, then from headquarters to regional offices and then back to Cape Verde.
- The delays and difficulties in transferring funds resulted in operational delays in the implementation of work plans.

29. The uploading of narrative and financial reports was timely, which allowed the creation of a One UN annual report.

30. The UNDAF (2006-2010) was completely absorbed into the new One Programme (2008-2010).

## **5. Highlights**

### *Related to the One Programme, including joint programming*

31. The focus in Cape Verde is on four One Programme thematic areas (good governance, economic growth, environment, and human capital and social protection). These are broken into several sub-programmes, which are the key management units.

32. The One Programme gives special attention to the following cross-cutting issues: capacity development, the fight against HIV/AIDS, gender equality, communication for development and human rights. In addition, communication has been identified as a cross-cutting priority for development by the country team for Delivering as One.

33. The process leading to the One Programme was difficult and involved a necessary learning curve, especially for relations between resident organizations and non-resident agencies, but resulted in better understanding mandates and activities. The generally shared opinion is that inter-agency cooperation and an increased range of mandates and areas of expertise have considerable benefits for Cape Verde:

- Inter-agency cooperation has increased, allowing for more streamlined management of UN partnerships by the Government. Duplication in activities has been eliminated, and opportunities for synergies have been identified. Government stakeholders consider that the UN operates in a more unified manner.
- The streamlining and coordination resulted in an increased workload for the UN country team, but this has been attributed to the learning curve.

- The One Programme is aligned with government development priorities.
- Delivering as One by the UN has to be accompanied by requesting as one from the national side – government agencies continue to request UN support in areas that are not part of the Government’s strategy.
- The involvement of non-resident agencies brought more expertise to Cape Verde, which is timely given Cape Verde’s promotion to middle-income country status. Questions of basic needs are being replaced with those related to, for example, foreign trade and telecommunication regulations. Access to more and different mandates and expertise plays a significant role in the increased relevance of the UN system in Cape Verde.
- The differences in planning cycles between the UN system and the Government remain an issue. As a result, the UN system is often presented with requests that were not funded by other donors because it is planning after the Government has already finished its cycle for the next year.

34. Other issues observed in the monitoring and evaluation of the One UN programme are:<sup>34</sup>

- Indicators and a clear monitoring and evaluation framework for each sub-programme are lacking. Due to loose joint programmes or lack of joint programming, the definition of common output indicators has proved difficult.
- Recurring changes in staff make it difficult to maintain institutional memory.
- There are incompatibilities in monitoring and evaluation systems among UN organizations, and between them and the Government; this leads to problems in consolidating data.
- Implementation partners perceive UN reporting as complex. National partners indicated that accountability and reporting requirements vary per organization; for example, on financial reporting, some ask for cost codes, but not all. These codes do not match those used by the partners, which complicates their reporting and creates an obstacle to providing inputs to the UN organization.
- Reporting requirements for each organization at regional and headquarters levels have not changed, which results in a double reporting requirement. This is an extra burden on UN country team staff. Where outcomes are generated by the combined efforts of organizations, headquarters or regional requirements force an untangling of joint efforts to describe each organization’s specific input.

35. The Cape Verde One Programme is unique in enlisting the support of 14 non-resident agencies. Seven of these hired local programme officers, hosted in the UN House.

- The local programme officers depend on support from their regional officers, however; they are not necessarily a prerequisite for successful implementation of sub-programmes.

---

<sup>34</sup> Country-led evaluation, 2010.



- Communication of these local officers with their technical officers posed challenges, mainly because technical officers reach capacity limitations when the number of countries covered increases; queries were not always attended to in a timely manner. There were problems at times with contacting local counterparts. This was addressed by appointing a non-resident agency focal point in the resident coordinator office.

36. Activities supported by the One UN Coherence Fund have close linkages with those of other donors (Australia, Luxembourg, the Netherlands, Spain, the United States); the Global Fund to Fight AIDS, Tuberculosis and Malaria; and South-South cooperation supported by Brazil, the Global Environment Facility and the Economic Community of West African States.

*Related to the funding situation*<sup>3536</sup>

37. Some funding highlights are:

- The One Programme covers all UN expenditure from 2008 and thus covers the entire UNDAF.
- The share of non-core funding in overall expenditure for development (2008-2011) has been in the range of 60-72 percent in 2010 and 2011.<sup>37</sup>

## 6. Business process harmonization

38. The UN country team introduced the following new common business processes, but did not succeed in abolishing those specific to organizations.

<b>New business processes</b>	<b>Product</b>	<b>Old business process</b>	<b>Current situation</b>
Joint programming and budgeting (all resident and non-resident organizations). Start date: 2009.	One UN annual work plan.	Single organization annual work plan.	Not abolished, but now organizational work plans are harmonized with the One UN annual work plan.
Joint reporting: narrative and financial (all resident and non-resident organizations). Start date: 2009.	One UN annual report.	Single organization reporting.	Not abolished, but now organizational reports contribute to the One UN annual work plan in a synchronized way.
Joint monitoring/follow-up of the implementation of the One Programme to the UN country team.	One UN mid-term progress report.	Single organization implementation follow-up processes.	Both co-exist.

39. Organization-specific programming and reporting are seen as redundant, and could be abolished in order to free resources and time for planning, programming, monitoring and reporting under the One UN annual work plans, and in the One UN mid-term progress reports and final One UN annual reports.

<sup>35</sup>The data upon which this analysis relies have been provided by the resident coordinator office.

<sup>36</sup>For details, see Table 3 at the end of the country information sheet.

<sup>37</sup>Information for prior years was not provided.

40. The One UN Transition Fund had the catalytic effect of bringing organizations together and making them stick to the new One UN joint processes. But these mechanisms would have been created regardless of the funding mechanism. The common funding mechanism increased the workload, but only because organizations' headquarters did not abolish their own planning and reporting mechanisms.

41. The One UN Transition Fund provided 17 percent of annual UN expenditure. It was a sufficient incentive for UN organizations to work together.

#### ***7. Use of national systems by UN organizations within the framework of Delivering as One***

42. UNDP, UNICEF, UNFPA and WFP are fully compliant with HACT. FAO has started to explore its introduction with national partners. There are no deviations from the prescribed model.

43. There is no specific definition of the alignment with national systems, but clear progress every year is apparent in the UN country team annual work plans. These report that UN activities reflected in the National Information System for Budget and Financial Management nearly doubled in 2011, increasing from approximately US\$4.5 million of activities to more than US\$7 million. Organizations with activities listed include UNAIDS, UN Women, WHO, UNIDO.

44. The following organizations have their systems aligned with national systems or are pursuing this goal: UNDP, UNFPA, UNICEF, WHO, UN Women and UNIDO.

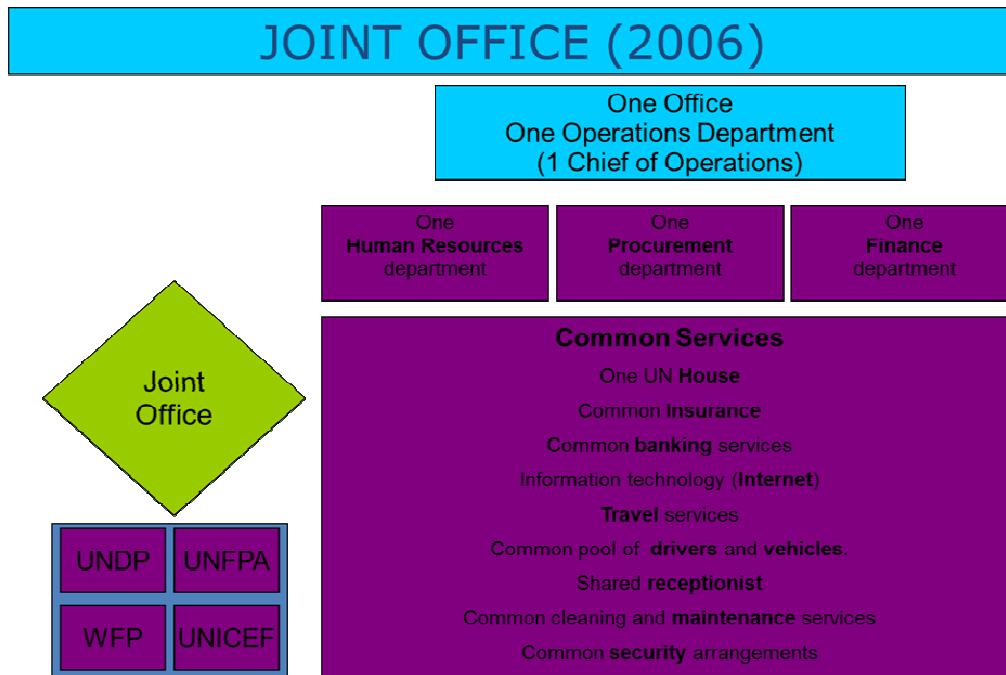
#### ***8. Transaction costs for national partners, donors and the UN country team***

45. The combination of the various components of Delivering as One, namely the One Leader and One Voice, the steering committee, and One UN joint products and processes (annual work plans, and mid-term and final reports) have simplified the process for national partners in dealing with the UN system. There is more predictability around when to programme, and what and how much to expect from all organizations. Transparency has increased, and there is a more holistic view of the whole UN system. These factors are seen as having decreased the transaction costs for all parties concerned. Internal transaction costs for the UN system have increased, however.

46. During the country-led evaluation, the independent evaluation and the 2009 One UN Programme annual review, the UN country team discussed with national partners and donors potential approaches to reduce their transaction costs. However, none of the methodologies identified by UNDP for conducting transaction cost analysis have been applied in practice for the following reasons:

- Delivering as One did not pay special attention to the One Office and the harmonization of business processes because Cape Verde is the only “double pilot country” in the world. Before Delivering as One, UNDP, UNICEF, UNFPA and WFP merged into a joint office with one set of business processes.
- The joint office, by itself, represented approximately 60 percent of financial contribution to One UN. By the time Delivering as One began, 60 percent of UN interventions had harmonized business processes. In addition, 30 percent of the financial contribution to the One Programme comes from non-resident agencies. Their business processes cannot be harmonized because they are not based in Cape Verde.
- It was not worth the effort to harmonize the 20 percent of financial contributions from FAO and WGO, the other two organizations resident in the country.

47. The business processes that were harmonized within the framework of the joint office model are presented in the following graphic:



48. In addition, the joint office manages the UN House, where two resident and seven non-resident agencies with national liaison officers are hosted.

49. Operational savings from the joint office were approximately 36 percent. But savings cannot be accurately measured because a baseline was not defined before the joint office was implemented.

**9. Cost of coordination<sup>38</sup>**

*Staffing and cost of country offices*

50. The UN country team increased from 7 to 17 organizations between 2006 and 2011. While the number of resident offices of funds and programmes fell from 4 to 3, as of 2011, the two offices of specialized agencies remained unchanged. The participation of non-resident agencies expanded dramatically from 3 in 2006 to 14 in 2011. Six are now operating through a national officer, while the other 8 operate through remote support.

51. The operational strength of the office of the resident coordinator increased substantially between 2006 and 2011. From two positions – one international professional officer and one General Service staff member – in 2006, by 2011 it had five international professional officers, two national professional officers and one General Service staff member.

---

<sup>38</sup>For details, see Table 4 at the end of the country information sheet.

52. Information on staffing and human resource costs in the offices of funds and programmes as well as specialized agencies was never collected.

*Statistical tables relating to the funding situation*

*Table 1: Deposits by donors to the One Fund in US\$ (millions), 2006-2011<sup>39</sup>*

<b>Contributor/partner</b>	<b>Deposits</b>	<b>Share, %</b>
Austria	0.7	5
Expanded Funding Window	3.5	24
Luxembourg	1.8	12
<b>Netherlands</b>	<b>1.1</b>	<b>8</b>
<b>Norway</b>	<b>1.4</b>	<b>10</b>
<b>Spain</b>	<b>6.0</b>	<b>42</b>
<b>Total deposits</b>	<b>14.5</b>	<b>100</b>

*Table 2: Transfer of funds from the One Fund to UN organizations in US\$ (millions), end 2011<sup>40</sup>*

<i>Organization</i>	<i>Total One Plan funds</i>	<i>Share of total transfers at end 2011, %</i>
UNDP	1.692	<b>12</b>
UNDP/UNV	180	<b>1</b>
UNFPA	1.222	<b>9</b>
UNICEF	1.026	<b>8</b>
UN WOMEN	298	<b>2</b>
WFP	726	<b>5</b>
<b>Funds and programmes</b>	<b>5.144</b>	<b>38</b>
FAO	1.971	<b>14</b>
ILO	309	<b>2</b>
UNESCO	435	<b>3</b>
UNIDO	1.218	<b>9</b>
WHO	784	<b>6</b>
<b>Specialized agencies</b>	<b>4.717</b>	<b>34</b>
IOM	545	<b>4</b>
ITC	113	<b>1</b>
UNCTAD	422	<b>3</b>
UNEP	178	<b>1</b>
UN-Habitat	500	<b>4</b>
UNODC	2.060	<b>15</b>
<b>Total other organizations</b>	<b>3.818</b>	<b>28</b>
<b>Total funding One Fund</b>	<b>13.679</b>	<b>100</b>

<sup>39</sup>Source: Multi-Partner Trust Fund Office Gateway. Countries in bold also supported the Expanded Funding Window.

<sup>40</sup>Source: Multi-Partner Trust Fund Office Gateway. Figures on transfers reflect the situation at the end of 2011. Transfers do not reflect the actual expenditure situation. This information became available in May 2012; it can be accessed at the Multi-Partner Trust Fund Office Gateway.

*Table 3: Source of funding of UN development expenditure<sup>41</sup>*

	<i>Values in US\$, millions</i>					
	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011<sup>42</sup></i>
<b><i>Total annual UN programme expenditure in Cape Verde (annual reports)</i></b>	<b><i>8.470</i></b>	<b><i>11.300</i></b>	<b><i>10.560</i></b>	<b><i>13.840</i></b>	<b><i>16.070</i></b>	<b><i>14.000</i></b>
<b><i>Total estimated annual UN expenditure for development in Cape Verde by programme and funding source</i></b>	<b><i>8.470</i></b>	<b><i>11.300</i></b>	<b><i>10.560</i></b>	<b><i>13.840</i></b>	<b><i>16.070</i></b>	<b><i>14.000</i></b>
<b><i>Non-One Programme</i></b>	<i>All activities are under the One Programme</i>					
○ <i>Core funding</i>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
○ <i>Non-core funding of non-One Programme activities</i>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b><i>One Programme<sup>43</sup></i></b>	n.a.	n.a.	n.a.	n.a.	16.070	14.000
○ <i>Core funding</i>	n.a.	n.a.	n.a.	n.a.	4.271	5.620
○ <i>Non-core funding</i>	n.a.	n.a.	n.a.	n.a.	11.799	8.380
<b><i>Share of non-core funding in annual expenditure for development, %</i></b>	-	-	-	-	<b><i>73</i></b>	<b><i>60</i></b>
<b><i>Share of non-core funding in One Programme</i></b>						
<b><i>Types of non-core funding in One Programme</i></b>						
○ <i>One UN Transition Fund mobilized</i>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
○ <i>One Fund mobilized through resident</i>	n.a.	n.a.	5.830	1.750	4.470	0.640
○ <i>One Fund supported by Expanded</i>	n.a.	n.a.	0	1.010	1.800	0.640
○ <i>Other (non-core) resources (MDG-F</i>	n.a.	n.a.	5.830	1.750	4.470	0.640
<b><i>Share of One UN Transition Fund in non-core funding</i></b>						

<sup>41</sup> Information provided by the resident coordinator office with the following comments: 2006, 2007 and 2008 data were taken from UN-DESA, 2009 and 2010 figures are available from the resident coordinator office; 2011 is an estimate made by the resident coordinator office based on data provided by organizations.

<sup>42</sup> Amounts are still estimates since final 2011 end-of-year figures were not available at the time of preparing the country information sheet.

<sup>43</sup> The One Programme started in 2008. Data are available since 2009. All UN interventions are included in the One Programme.

## Mozambique<sup>44</sup>

### 1. Implementation of the Ones

1. Mozambique's ODA<sup>45</sup> ranged from US\$1.6 billion in 2006 to US\$2 billion in 2011. Total UN assistance increased from US\$49.2 million in 2006 to US\$87.2 million in 2011, representing about 3-4 percent of total assistance. UN humanitarian and emergency assistance to Mozambique during 2006-2010 was in the range of US\$1-1.8 million, with the exception of 2007, when it peaked at US\$6.9 million, and 2008 at US\$4.6 million.

2. The UN system in Mozambique comprises 21 bodies, including some secretariats. Ten are fully represented resident organizations (FAO, UNDP, UNESCO, UNFPA, UNHCR, UNICEF, UN Women, WFP, WHO, and UNAIDS) and 11 are non-resident agencies. Among the latter, six (IOM, IFAD, ILO, UNV, UNIDO and UN-Habitat) have a physical presence in the country; five others operate from their regional offices or headquarters (ITC, UNEP, OHCHR, UNCDF and OCHA).

3. Delivering as One in Mozambique was established through Five Ones: One Programme, One Budgetary Framework/One Fund, One Leader, One Voice and One Office/Common Services.

4. It was initiated after the approval of the 2007-2009 UNDAF. The first One Programme – composed of 13 joint programmes – focused on a sub-set of selected, strategic UNDAF outputs, and was open to contributions from all UN organizations, specialized and non-specialized, resident and non-resident. The result was an increased number of organizations participating in the One Programme, from 11 to 16. Specialized and non-resident agencies whose technical areas were not fully addressed in the initial UNDAF were able to expand their areas of work in the revised UNDAF.

5. The UNDAF 2007-2009 was extended to cover the period 2010-2011 because the national poverty reduction strategy paper was also extended. In 2012, a new UNDAF was approved. It fully adheres to the One Programme and One Budgetary Framework model. The new One Programme – the UNDAF Action Plan (2012-2015) – was developed based on the current National Development Plan and the UNDAF (2012-2015), and benefitted from the experience of the first One Programme (2007-2011). While the first One Programme covered only about 25 percent of UN delivery, the new One Programme is all-inclusive.

6. The first One Budgetary Framework and One Fund were introduced together with the first One Programme to consolidate all contributions, and to support coherent and joint resource mobilization, allocation and disbursement to the UNDAF and the Delivering as One UN Operational Plan. The Mozambique One UN Fund was expected to be the primary mechanism for donors to channel funding for the 13 joint programmes. The criteria of the One UN Fund were designed to enhance accountability of joint programme implementation.

---

<sup>44</sup>The analysis is based on statistical data provided by the UN country team.

<sup>45</sup>Source: Government of Mozambique.

7. The focus of the One Budgetary Framework for the new One Programme (2012-2015) will be more on identifying resource gaps, mobilizing and managing contributions, and monitoring and reporting on progress. The UN system has laid out a common resource mobilization strategy to seek, first and foremost, multi-year and unearmarked funding, and secondly, resources for particular results. The ambition is also to better align with principles of aid effectiveness by increasing the transparency of funding and utilizing the Government's financial systems for channelling financial resources.

8. The management of the *One UN Fund* is led and coordinated by the resident coordinator in consultation with the UN country team. The resident coordinator leads the process for mobilizing resources for the One UN Fund in collaboration with participating UN organizations. Fund allocations are based on agreed criteria.

9. The 24 UN organizations work together under the One Leader. An accountability framework is the basis for the institutionalization of Delivering as One and the empowerment of the resident coordinator. A structured horizontal dimension to inter-agency collaboration and institutional arrangements to operate the Five Ones are in place, including terms of reference, agreements, plans, memoranda of understanding, letters of understanding, etc. An institutional framework and management structures are in place for the UN country team to manage the operations of Delivering as One. Change management strategies and plans were developed and executed.

10. Several common services have been introduced, including common HACT audits, harmonization of business processes, long-term agreements, and a common ICT platform. These have resulted in some cost-savings and quality improvements.

11. The One Office was not implemented, despite efforts by the UN country team and the Government, due mainly to cost implications and some security concerns.

12. The One Voice had a slow start. However, a joint communications strategy was developed and implemented, and the One Voice programme did produce basic information and newsletters for a broad audience with varying levels of interest in Delivering as One. The One Voice is being heard on key advocacy, development and programmatic issues (e.g., chronic malnutrition, disaster risk reduction and social protection). It is an important additional dimension to the One Leader concept.

## **2. Overall management of Delivering as One**

13. The One UN Steering Committee<sup>46</sup> oversees and monitors implementation of all components of Delivering as One in Mozambique. It provides the strategic and policy orientation for the implementation of the UNDAF, and considers substantial adjustments recommended by the UN country team to respond to changing needs and developments. It endorses annual One UN Fund allocations; reviews progress on achieving the UNDAF results; and provides guidance on matters pertaining to UNDAF implementation, its alignment with national development priorities, and its coordination with donor support. The steering committee is composed of three permanent government members, namely the Ministry of Foreign Affairs and Cooperation, the Ministry of Planning and Development and the Ministry of Finance, with line ministries participating on a rotational basis. The

---

<sup>46</sup> In the new UNDAF, the steering committee is anticipated to take a much more active role than previously.

UN system is represented by two permanent members, namely the resident coordinator and the administrative agent, with other heads of organizations participating on a rotational basis.

14. The resident coordinator is recognized by all heads of agencies as the team leader. For all UN system related issues, activities or events, or even for activities of individual organizations with broader UN relevance, the UN system speaks with one voice through the resident coordinator or through an organizational head, on behalf of the whole team. The resident coordinator takes the lead for common issues that require the UN family to speak with one voice, and present a common position and views.

15. UN representatives continue to lead individual organizations and work with their corresponding line ministries. The UN system strives to identify opportunities where clustering of representation might increase efficiency and effectiveness in achievement of results.

16. The UN country team is the inter-agency coordination and decision-making body at the country level. Its main purpose is to plan and work together, through the resident coordinator system, to ensure the delivery of results in support of the development agenda of the Government of Mozambique. It supports the resident coordinator system based on the accountability framework developed by the UNDG. Key functions are to:

- Oversee development and implementation of the UNDAF and Delivering as One in Mozambique;
- Oversee the new development results groups and annual work plans harmonized with, and in support of, the national development agenda;
- Oversee the development of the annual work plan of the UN Operations Management Team, and review progress in the delivery of common services and systems, and progress in the implementation of Delivering as One;
- Advise on key issues related to country management strategies and change management processes as part of the UN coherence agenda and Delivering as One;
- Review the overall performance of the UN system, and propose and take actions to enhance its performance;
- Review programme and operations issues that have policy implications for the presence or operation of the UN system, and recommend decisions; and
- Review proposals regarding the formation and/or abolishment of committees and task forces, and make recommendations.

17. The resident coordinator is supported by a resident coordinator office composed of several staff, including a communications officer, a non-resident agency support officer, a coordination specialist, a monitoring and evaluation specialist, a humanitarian affairs officer, and, until 2010, a change management manager and an aid coordination officer.

18. The UN country team was for a time supported by the Programme Management Team, composed of deputy representatives and senior programme officers from all agencies. This was established to support the development, implementation, monitoring and evaluation of the One



Programme. However, the team was subsequently abolished, and instead a structure for the three focus areas of the new UNDAF was set up. The new programme coordination structure is made up of three development results groups corresponding to focus areas, and two joint teams, on HIV and AIDS and gender, with each led by a head of organization. They take on the responsibilities of the Programme Management Team, but give stronger leadership to the programme.

19. The UN country team is also supported by the Operation Management Team, composed of senior operational managers from all organizations. It was established before Delivering as One to identify options for more cost-effective operations.

### **3. Funding modalities within the framework of Delivering as One**

#### *Common Budgetary Framework*

20. The One Budgetary Framework<sup>47</sup> provides an overview of total programme resource availability and requirements for a cycle. It is designed to support the coherent mobilization, allocation and disbursement of new donor resources to unfunded elements of the One Programme, and to support new initiatives responding to emerging needs within the context of the One Programme.

#### *One Fund*

21. The One UN Fund is based on the UNDG model for the One Budgetary Framework. Overall administration is with the Multi-Partner Trust Fund Office.

22. The funding target under the UNDAF was US\$390 million; the One Programme added US\$115 million. Overall, the UNDAF was funded up to 92 percent, while the One Programme was funded up to 32 percent. Funding for the One Programme came from the One UN Fund under local resource mobilization and the Expanded Funding Window, which is treated as one of the donors to the One UN Fund.

23. The One UN Fund was used to finance 10 joint programmes. In addition, there were three joint programmes funded by the MDG-F that will complete operations in 2012. One of the programmes covered by the One Fund was a change management project, which cost US\$1.2 million. At the end of 2011, 54 percent of this project was implemented.

The One UN Fund has been supported directly by six donors with US\$33 million (2008-2011). Total commitments between 2012-2015 are in the order of US\$20 million by one donor. The Expanded Funding Window contributed US\$35 million, of which US\$28 million was provided up to 2010.

24. At the end of 2011, 17 agencies received US US\$59 million from the One UN Fund. This broke down as 59 percent for six funds and programmes, 33 percent for five specialized agencies and 8 percent for six other agencies.

---

<sup>47</sup> Showing total programme resource availability and requirements for the cycle, with particular focus on: core and regular resources of participating partner UN organizations; available and committed/firmly pledged extra-budgetary or non-core resources from all sources – bilateral, multilateral and private; and funding gaps of the UNDAF 2007-2009.

#### 4. **Programming and funding mechanisms – governance and resource allocation**

##### *Governance of the One Fund mechanism*

25. The following mechanisms have been set up in Mozambique to govern the One UN Fund and One Plan:

- **The UN country team** provides strategic leadership of the One UN Fund on the basis of the joint programmes in the One Programme chapter of the UN Operational Plan. It makes recommendations to the Steering Committee on fund allocations based on agreed criteria and a documented process that outlines the rationale for each decision.
- **The UN resident coordinator** is responsible for the overall management and coordination of the Mozambique One UN Fund, in consultation with the country team. This includes providing strategic leadership in the use of One UN Fund resources; deciding, in consultation with the UN country team, on the allocation of funds from the One UN Fund, based on the criteria outlined above; and leading resource mobilization for the One UN Fund in collaboration with participating UN organizations.
- **Representatives of UN organizations** are responsible for implementing joint programmes and are held accountable by the resident coordinator for the use of One UN Fund resources allocated to their organizations, implementation of components of the joint work plan that their organizations support, and achievement of results under these components.
- The Multi-Partner Trust Fund Office acts as the administrative agent of the One UN Fund.

26. Under the first One Programme a Programme Management Team acted as advisory body on programming. Composed of deputy representatives, it was not accountable as a group for implementation. All joint programmes, except four, completed operations in 2011.

27. The new One Programme has development results groups as a coordination mechanism (as of January 2011). They are coordinated by organizational heads, who are responsible and accountable for the work of the UN system in areas covered by each group. The groups comprise staff from participating organizations who are accountable for results to the group convener. The groups are accountable to the UN country team, and report back to it on a regular basis, and annually through the UNDAF annual review for the UN country team and the Government. The groups are responsible for monitoring the new One Programme, supported by the Monitoring and Evaluation Technical Coordination Group, which provides consultative and technical support via monitoring and evaluation experts assigned to each group.

##### *Resource allocation criteria and fund performance*

28. UN resident and non-resident agencies with similar financial regulations and rules are eligible to submit project proposals to the One UN Fund if they have signed a memorandum of understanding with the Multi-Partner Trust Fund Office as the administrative agent. The allocation of resources from the One UN Fund is based on the following two overarching elements: an initial allocation for a joint

programme follows a “readiness criterion.” Any subsequent allocation is performance-based, requiring reporting on progress against annual performance benchmarks. In practice, tools and methodologies to assess joint programme performance have not existed. Joint programme reviews and reports have been produced, but critical assessments beyond self-assessments have not always been done for fund allocations, which ended up based on financial delivery after an initial use of performance allocation criteria.

29. A two-step approach is used for resource allocation:

- For receiving an initial allocation, a joint programme must meet a "readiness criterion," after which all available funds are disbursed on a pro-rata basis to the unfunded budget in the annual work plan of the joint programme.
- Any additional funds are allocated on a semi-annual basis following a review of implementation performance in relation to annual performance benchmarks defined in the joint programme documentation. In case of “unsatisfactory” progress, the joint programme will not receive additional resources, but may again apply after an additional six months following the same review process.

30. Within each joint programme, allocations to participating organizations are based on the annual work plan of the programme. The lead organization decides, in consultation with all participating organizations, on allocations. The resident coordinator endorses the decision.

## **5. Highlights**

*Related to the One Programme, including joint programming*

31. The UNDAF (2007-2009) was organized around four thematic pillars. Based on the UNDAF, the One Programme was developed using the joint programme modality.

### **Governance pillar**

Decentralization and Integrated Local Development

Building Capacity of Civil Society Organizations

Women’s Empowerment and Gender Equality

### **Human capital pillar**

Ensure the Most Vulnerable Populations Have Access to a Social Safety Net

Disaster Risk Reduction and Emergency Preparedness

Child and Maternal Health and Nutrition

Child Food Security and Nutrition

### **HIV and AIDS pillar**

Strengthening HIV/AIDS Response in Mozambique

### **Economic development pillar**

Building Commodity Value Chains and Market Linkages for Farmers’ Associations

## Promotion of Youth Employment

## Effective Trade Policy Formulation and Management

In addition, three MDG-F-funded joint programmes were set up:

- Children, Food Security and Nutrition in Mozambique
- Environment Mainstreaming and Adaptation to Climate Change
- Strengthening Cultural and Creative Industries and Inclusive Policies in Mozambique

32. These joint programmes complemented broader joint programming efforts undertaken as part of the 2007-2009 UNDAF.

33. The first One Programme was funded by individual agencies and the One UN Fund, which included resources from the Expanded Funding Window and six donors. In addition, three joint programmes were funded directly by the MDG-F, not through the One UN Fund.

34. The new UNDAF (2012-2015) is substantially different, as there are no longer activities or organizations outside the new One Programme (the UNDAF Action Plan 2012-2015), including humanitarian actions. The UNDAF Action Plan represents the exclusive joint action plan for all UN organizations, replacing country programme action plans, for example. Annual work plans will largely be joint, and organized around the UNDAF Action Plan, while monitoring and evaluation will be fully harmonized internally among organizations and aligned with national systems.

35. Several programmes under the One Plan have substantive linkages with activities of other sources of external aid to Mozambique. UN support played a catalytic role or enhanced overall coordination and partnerships between the UN system and different bilateral and multilateral donors in several thematic areas, especially those that are sensitive or innovative.

36. The new UNDAF (2012-2015) is organized around three economic, social and governance focus areas.

### *Related to the funding situation*<sup>48</sup>

37. Expenditure for development in Mozambique was US\$126 million in 2009 and US\$128 million in 2010, substantially above the US\$56 million in 2006:

- After a steep increase to US\$147 million in 2008, expenditures leveled off to US\$122-128 million from 2009-2010, declining to US\$114 million in 2011. The increase was mainly related to rapid growth of non-core funding in support of the non-One Programme between 2006-2008.

---

<sup>48</sup> Source: resident coordinator office response to survey questionnaire. For details, see Table 3 at the end of the information sheet.

- The share of non-core funding in overall expenditure remained relatively stable at 65-72 percent, while the One Programme gained an increasing share in overall expenditure for development, from 6 percent in 2008 to 24 percent in 2010. In 2011, its share declined to 12 percent.

38. The share of core funding remained relatively stable over time, at 35 percent in 2006 and 33 percent in 2011. During 2007-2009, the core funding share was only 24-28 percent, which is explained by the rapid increase in non-core funded expenditure during 2007-2009.

- Core funding was used to support non-One Programme as well as One Programme activities; the share of core funding for One Programme activities increased from 9 percent in 2008 to 20-21 percent from 2010-2011.
- The importance of non-core funding for One Programme activities declined to 47 percent in 2011, after being in the range of 63-73 percent from 2008-2010.
- The share of the One Fund in non-core funding increased between 2008-2010 from 5 percent in 2008 to 26 percent in 2010, but fell back in 2011 to 9 percent, mainly due to the drop in resources mobilized for the One Fund in 2011 compared to prior years.
- Joint programmes were implemented within and outside the One Programme from 2008; 90 percent from 2008-2011 were funded from within the One Programme. Funding outside the One Programme came from the MDG-F.

39. The implementation of joint programmes within the framework of the One Programme encountered some difficulties due to delays in the transfer of resources from the One Fund/Expanded Funding Window between organizational headquarters and country offices. This was due to several factors:

- The allocation mechanism is sometimes inappropriate to deal with urgent funding requests. The One UN Steering Committee reviews all fund allocation requests as submitted by the UN country team, but sometimes due to the urgency for disbursing funds, decisions had to be made without a meeting.<sup>49</sup>
- The approval of joint programmes met with delays when they were extended and expanded within the context of the UNDAF extension, as government approval took more time than expected. In order not to compromise programmatic results, funds were allocated and spent without the formal prior approval process.
- Once Steering Committee approval was obtained, the disbursement of funds from the One UN Fund to organizational headquarters was swift. But the transfer of funds from some headquarters to the country level took some time.
- The unpredictability of timely replenishment of funding impacted the timely implementation of annual work plans. This was not an issue in MDG-F joint programmes as they were fully financed; the One UN Fund programmes were not.

---

<sup>49</sup> Based on a written approval by the Minister of Foreign Affairs and Cooperation as chair of the Steering Committee.

- While some delays in submission of progress and expenditure reports were encountered, peer pressure and commitment from joint programme lead organizations contributed to the timely finalization of reports. All reports went through a peer review by the Programme Management Team before finalization.

40. Delivery performance of joint programmes differed according to the type of funding available to the participating organizations. Those with access to their own resources had better delivery performance than those highly dependent on the One UN Fund,<sup>50</sup> such as some specialized agencies. The combination of different funding sources in joint programmes, i.e., typically the resources of the funds and programmes, and One UN Fund resources available to all agencies, resulted in an unforeseen situation. While some organizations were not limited in their operations, as they had their own funding, other agencies were entirely dependent on the transfer of funds through the One UN Fund mechanism. The delays encountered in the transfer of funds created a situation of “One UN Fund dependency;” organizations with a high dependency had a weaker delivery performance than those with a higher share of their “own” resources.<sup>51</sup>

41. The availability of funding brought different organizations together. Those that might not have otherwise been actively participating made positive contributions; this should be considered a sign of progress. However, competition for resources was present, with some organizations seeing a resource mobilization and fund-raising opportunity. This did not necessarily encourage coherence.

## **6. Business process harmonization**

42. One of the key actions regarding business process harmonization was the UN country team’s approval in December 2008 of the Change Management Plan, funded by the One UN Fund. The plan included a set of activities organized into five areas: building common ICT infrastructure and services; establishing common premises; harmonizing business practices; increasing capacity; and ensuring staff inclusion, training and welfare. In addition, the UN country team in 2010 officially launched a common data network and services system, with 13 organizations using the service.

43. For common premises, out of nine options identified in 2007, three were recommended by a UN Common Premises Task Team. But a subsequent feasibility study indicated that the proposed plot was not suitable due to soil and geotechnical conditions, and security issues, apart from not meeting space requirements. Following these findings, the search for a space for common premises has been suspended for the time being.

44. The UN country team reports the following achievements and constraints:

---

<sup>50</sup> One UN Fund dependency in the different joint programmes was established by the UN country team as follows, looking at the share of One UN Fund resources in different joint programmes: HIV, 82 percent; civil society, 26 percent; gender equality, 29 percent; decentralization, 36 percent; social safety net, 61 percent; disaster risk reduction, 49 percent; health, 62 percent; youth employment, 43 percent; value chain, 22 percent; and trade, 5 percent.

<sup>51</sup> Organizations with One UN Fund dependency above 90 percent, by programme: civil society (ILO, 190 percent); gender equality (UNIDO, 214 percent, FAO 96 percent and UNESCO, 92 percent); decentralization (FAO, 99 percent, UNCDF, 90 percent, ILO, 91 percent and WHO, 91 percent); social safety net (ILO, 126 percent); disaster risk reduction (WHO, 119 percent); youth employment (UNCDF, 90 percent and FAO, 93 percent); value chains (IFAD, 100 percent and FAO, 97 percent); trade (UNDP, 91 percent, FAO, 92 percent and UNCTAD, 100 percent).

- The process of joint programming, budgeting, funding and reporting followed headquarters guidance notes. This helped the UN system to streamline and harmonize different programming and reporting processes. The implementation of HACT contributed to this process.
- While Delivering as One brought organizations together, their specific programming, funding, resource mobilization and reporting requirements continued. As such, they often had to produce two separate reports, one for the UN system itself and another for their headquarters. Similarly, with HACT, annual work plans for individual organizations continued, while efforts were made to produce joint inter-agency annual work plans, as the former are connected to the funding authorization and certificate of expenditure disbursement modalities of the harmonized approach.

## **7. Use of national systems by UN organizations within the framework of Delivering as One**

45. The UN country team is pursuing alignment with national systems in various ways:

- Alignment with national planning processes: The team has aligned its annual planning process with the timing of the Government, which plans in April/May for the subsequent year. UN organizations meet jointly with relevant ministries and inform them of the support and budget to be allocated to the sector. This allows the Government to be aware of available resources for its own planning.
- Alignment with national priorities: The UNDAF is based on national priorities outlined in the national poverty reduction strategy paper.
- Alignment with national budgeting processes: From 2012 onwards, the UN country team has decided to register in the national budget the contribution directly transferred to ministries. Using this system will allow them to more accurately plan their annual budgets, since they will know how much support they can expect from the UN system.
- So far, two agencies have registered their contributions in the budget. However, the UN country team has decided that all agencies will register these amounts and under a One UN heading.

46. A HACT database was activated in 2010 to provide a list of all implementing partners using the approach; monitor risk ratings of partners to determine the scope of assurance activities; guide micro-assessments and annual audits; monitor onsite reviews; and monitor training on the approach. Since 2007, 156 partners have undergone micro-assessments. Overall, eight UN organizations are applying HACT (UNICEF, UNFPA, UNDP, WHO, WFP, UNESCO, UNIDO and UN Women), but there is some deviation from the undg prescribed model, such as:

- Some organizations use the approach for all disbursements, while others apply it for selected disbursements;
- Some organizations are not applying the HACT audit; and
- Other more specific limitations are often imposed by organizational requirements in terms of reports and disbursements.

## **8. Transaction costs for national partners, donors and the UN country team**

47. There were no systematic discussions by the UN country team with national partners and donors regarding transaction costs; the team is not specifically tracking them. Nonetheless, it conducted a qualitative perception survey of national agencies and donors in 2010, and mapped various business processes in several areas (procurement, payment processes, HACT, human resources processes, ICT and common premises) to assess the potential for reducing transaction costs. The expectation is that changes in these areas will result in a reduction of transaction costs for the UN country team, and partially also for the Government, as well as improved quality and relevance of work. This is to be achieved as well with the development results groups.

48. At the time of the survey in 2012, change processes in the following areas had been implemented: common long-term agreements, training, databases, a data network, VSAT, back-up connectivity, and directory and webpage hosting services.

49. The major constraints in the reduction of transaction costs are seen in different corporate enterprise resource planning systems, but also in poor responses from agencies on questionnaires and surveys to try and establish long-term agreements, etc.

## **9. Cost of coordination<sup>52</sup>**

50. The UN country team increased from 12 to 15 agencies between 2009 and 2011, of which 6 are funds or programmes (UNDP/UNCDF, UNFPA, UNAIDS, UNICEF, UNIFEM/UN Women and WFP) and 3 are specialized agencies (FAO, UNESCO and WHO). In 2011, there were 13 non-resident agencies operating, but only six of them are members of the UN country team (UN-Habitat, ILO, IOM, UNEP, UNIDO and the United Nations Interregional Crime and Justice Research Institute or UNICRI). The World Bank and the IMF joined the team in 2012.

51. The professional staffing of the resident coordinator office has grown and shrunk from five in 2006 to 13 in 2009 to 6 as of 2012. It currently includes one international and five national professional officers. Funding for the office comes from the UNDG, SIDA and UN system cost sharing.

52. The staffing of the UN country team shows the following trends from 2006-2011:<sup>53</sup>

- Funds and programmes: While the number of positions for General Service staff and international professional staff remained essentially constant at around 90 and 52, respectively, the number of national professional staff members increased from 30 in 2006 to 47 in 2011, or by nearly 57 percent.
- Specialized agencies: The positions of international and national professional staff remained essentially unchanged at 24 in total, of which 20 percent were for international professional staff and 80 percent for national professional staff. In contrast, the number of General Service positions increased by 17 percent, from 36 in 2006 to 42 in 2011.

---

<sup>52</sup> For details, see Table 4 at the end of the information sheet.

<sup>53</sup> Information on the resident coordinator office staffing positions prior to 2009 has not been provided.



53. The cost of operational support, i.e., for the resident coordinator and country offices of the funds and programmes and specialized agencies from 2008-2011 (including all staff positions and non-staff allocations), witnessed the following trends:

- c) The cost of the resident coordinator office decreased from an estimated US\$1.36 million in 2009<sup>54</sup> to US\$860,000 in 2011.
- d) The cost of the offices of the funds and programmes nearly doubled, from US\$3.9 million in 2006 to US\$7.6 million in 2011.
- e) The cost of the offices of specialized agencies increased by 46 percent, from US\$3 million in 2006 to US\$4.3 million in 2011, mainly because the cost for national professionals doubled and for General Service staff increased by a third. The cost for international professional staff increased by only 5 percent.

#### Statistical tables relating to the funding situation

**Table 1: Deposits by donors to the One UN Fund in US\$ (millions), 2006-2011<sup>55</sup>**

<b>Contributor/partner</b>	<b>Deposits</b>	<b>Share, %</b>
<b>Canada</b>	<b>9.2</b>	<b>13</b>
Expanded Funding	35.0	51
<b>Netherlands</b>	<b>6.6</b>	<b>10</b>
<b>Norway</b>	<b>4.6</b>	<b>7</b>
<b>Spain</b>	<b>12.0</b>	<b>18</b>
Sweden	0.6	1
<b>United Kingdom</b>	<b>0.1</b>	<b>0</b>
<b>Total deposits</b>	<b>68.1</b>	<b>100</b>

**Table 2: Transfer of funds from the One UN Fund to UN organizations in US\$ (millions), end 2011<sup>56</sup>**

<b>Organization</b>	<b>Transfers to organizations by end 2011</b>	<b>Share of transfers in total, %</b>
UNAIDS	0.5	<b>1</b>
UNCDF	1.3	<b>2</b>
UNDP	7.7	<b>13</b>
UNFPA	3.9	<b>7</b>
UNICEF	9.3	<b>16</b>

<sup>54</sup> Information on prior years was not provided.

<sup>55</sup> Source: Multi-Partner Trust Fund Office Gateway. Countries in bold also supported the Expanded Funding Window.

<sup>56</sup> Source: Multi-Partner Trust Fund Office Gateway. Figures on transfers reflect the situation at the end of 2011. Transfers do not reflect the actual expenditure situation, which was available in May 2012 and can be accessed at the Multi-Partner Trust Fund Office Gateway.

UN Women	2.4	4
<b>Funds and programmes</b>	<b>34.7</b>	<b>59</b>
FAO	5.1	9
ILO	4.5	8
UNESCO	4.4	7
UNIDO	2.4	4
WHO	3.3	6
<b>Specialized agencies</b>	<b>19.7</b>	<b>33</b>
IFAD	0.0	0
IOM	1.7	3
ITC	0.3	0
UNCTAD	0.2	0
UN-Habitat	1.5	3
UNHCR	0.9	2
<b>Total other organizations</b>	<b>4.6</b>	<b>8</b>
<b>Total funding One UN Fund</b>	<b>59.0</b>	<b>100</b>

Table 3: Source of funding of UN development expenditure<sup>57</sup>

Source of funding of UN development expenditure	Values in US\$ (millions)					
	2006	2007	2008	2009	2010	2011
<b>Total estimated annual UN expenditures for development by programme and funding source</b>	<b>55.5</b>	<b>94.2</b>	<b>147.2</b>	<b>128.2</b>	<b>122.6</b>	<b>113.5</b>
<b>Non-One Programme</b>	<b>55.5</b>	<b>94.2</b>	<b>138.7</b>	<b>112.1</b>	<b>92.9</b>	<b>99.3</b>
<i>Core funding</i>	19.4	25.5	31.8	30.2	29.8	29.5
<i>Non-core funding of non-One Programme activities</i>	36.2	68.7	106.9	81.9	63.1	69.8
<b>One Programme</b>	<b>0.0</b>	<b>0.0</b>	<b>8.6</b>	<b>16.2</b>	<b>29.7</b>	<b>14.2</b>
<i>Core funding</i>	0.0	0.0	3.1	5.3	8.1	7.5
<i>Non-core funding (One UN Fund), of which</i>	0.0	0.0	5.4	10.9	21.6	6.7
- <i>One Fund (without Expanded Funding)</i>	0.0	0.0	5.4	3.4	0.8	0.0
- <i>Expanded Funding Window</i>	0.0	0.0	0.0	7.5	20.8	6.7
<b>Share of One Programme in total annual UN expenditure for development, %</b>	-	-	<b>6</b>	<b>13</b>	<b>24</b>	<b>12</b>
<b>Share of non-core funding in total annual UN expenditure for development, %</b>	<b>65</b>	<b>73</b>	<b>76</b>	<b>72</b>	<b>69</b>	<b>67</b>
<b>Share of One UN Fund in One Programme, %</b>	-	-	<b>63</b>	<b>67</b>	<b>72</b>	<b>47</b>
<b>Share of core funding in One Programme, %</b>	-	-	<b>9</b>	<b>15</b>	<b>21</b>	<b>20</b>
<b>Types of non-core funding</b>	<b>36.2</b>	<b>68.7</b>	<b>112.0</b>	<b>92.8</b>	<b>84.7</b>	<b>76.5</b>
<i>One UN Fund mobilized through resident coordinator</i>	0.0	0.0	5.4	3.4	0.8	0.0
<i>One UN Fund supported by Expanded Funding Window</i>	0.0	0.0	0.0	7.5	20.8	6.7
<b>One Programme</b>	<b>0.0</b>	<b>0.0</b>	<b>5.4</b>	<b>10.9</b>	<b>21.6</b>	<b>6.7</b>
<i>Non-One Programme</i>	36.2	68.7	106.9	81.9	63.1	69.8
<b>Share of One UN Fund in non-core funding, %</b>	-	-	<b>5</b>	<b>12</b>	<b>26</b>	<b>9</b>
<b>Execution through joint programmes</b>	<b>0.0</b>	<b>0.0</b>	<b>9.4</b>	<b>19.8</b>	<b>33.9</b>	<b>14.2</b>
<i>Execution through joint programmes outside the One UN Fund (MDG-F)</i>	0.0	0.0	0.6	3.6	4.2	0.0
<i>Execution through joint programmes within the One UN Fund</i>	0.0	0.0	8.6	16.2	29.7	14.2
<b>Share of joint programmes funded by the One UN Fund, %</b>	-	-	<b>9</b>	<b>82</b>	<b>88</b>	<b>100</b>

<sup>57</sup>The consolidated data reflect data submitted by all UN organizations. In certain cases, organizations were not in a position to complete all information through the resident coordinator office. Note that the total expenditure figure for 2011 is indicative due to unavailability of detailed data. The breakdown by funding source is considered by the resident coordinator office more reliable than the breakdown by execution modality and by earmarking. Data do not include WFP for 2006

**Table 4: Source of funding of UN development expenditure and staffing, and cost of supporting the One Programme<sup>58</sup>**

Source of funding of UN development expenditure in Mozambique	In US\$ (millions)			
	2006	2008	2009	2010
<b>Total estimated annual UN expenditure for development in Mozambique by programme and funding source</b>	<b>55.5</b>	<b>147.2</b>	<b>128.2</b>	<b>122.6</b>
<b>Non-One Programme</b>	<b>55.5</b>	<b>138.7</b>	<b>112.1</b>	<b>92.9</b>
<b>One Programme</b>	<b>0.0</b>	<b>8.4</b>	<b>n.a.</b>	<b>n.a.</b>
○ Core funding	19.4	31.8	30.2	29.8
○ Non-core funding	36.2	106.9	81.9	63.1
<b>Of which</b>				
○ One UN Fund mobilized through resident coordinator/headquarters	0.0	5.4	3.4	0.8
○ One UN Fund supported by Expanded Funding Window	0.0	0.6	3.6	4.2
○ Other (non-core) resources (MDG-F and other sources)	<b>55.5</b>	<b>147.2</b>	<b>128.2</b>	<b>122.6</b>
<b>Support to One Programme (cost of resident offices)</b>				
Human resources of resident coordinator office	n.a.	n.a.	10	11
Human resources of country offices of funds and programmes	170	180	178	189
Human resources of country offices of specialized agencies	60	63	65	68
			<b>US\$ (thousands)</b>	
Estimated cost of resident coordinator office	n.a.	n.a.	1.4	1.4
Estimated cost of country offices of funds and programmes	3.9	4.8	6.7	7.3
Estimated cost of country offices of specialized agencies	3.0	3.4	3.7	3.9

<sup>58</sup>The consolidated data reflect the data submitted by all UN organizations. Organization-specific data were available to the independent evaluation. In certain cases, organizations were not in a position to complete all the information due to unavailability of detailed data. In some cases, more detailed information is inconsistent due to different interpretations of data.

## Pakistan<sup>59</sup>

### 1. Implementation of the Ones

1. Pakistan's former Prime Minister co-chaired the UN Secretary-General's High-Level Panel on United Nations System-wide Coherence, and also joined the Secretary-General to launch the panel's report at the UN General Assembly. In late 2006, the Government of Pakistan requested that UN assistance to the country should be based on the Delivering as One principles. The pilot process was launched in March 2007.<sup>60</sup>

2. The major stakeholders were, within the Government, the Economic Affairs Division,<sup>61</sup> federal line ministries and provincial governments. The UN country team organizational heads were at the core of the process. After initial strong engagement, donors were not proactive, and civil society played a minor role.

3. From 2007-2010, major changes took place in Pakistan, impacting the performance of the pilot:

- The leadership that volunteered Pakistan as a pilot changed soon after the inception of Delivering as One, and there have been two governments since then.
- As part of Pakistan's current far-reaching devolution process,<sup>62</sup> most federal line ministries were abolished in 2011 and their powers/functions transferred to the provinces. The central ministries<sup>63</sup> with whom the UN system traditionally worked no longer exist.
- A spate of emergencies shifted the focus of the UN system, donors and the Government away from development activities, including those relating to Delivering as One, and towards humanitarian action (the Afghan refugee crisis, the worst floods in the history of the country in 2010 and localized monsoon-related displacement in 2011, terrorism, the "war on terror" and extremism resulting in waves of internally displaced people or IDPs).
- Access to programme sites has been severely restricted because of the deteriorating security situation. The UN system itself has been the target of terrorist attacks, resulting in the loss of UN staff lives. Consequently, the UN Policy Committee advised the UN country team to undertake a programme criticality assessment, and reduce international staff and its footprint.

4. The major components of Delivering as One in Pakistan are the One Programme, One Leader, One Budget and One Office, with national ownership remaining the integral pillar of the reforms. The main efforts have focused on the One Programme. It was anticipated that increased funding would result from donor support to the One Fund located in the One Budgetary Framework. The One Office concept included both a "UN village," and efforts to increase operational efficiency and reduce transaction costs. The One UN Village still remains incomplete—the land provided by the Government

---

<sup>59</sup>Source of information: Delivering as One survey, field interviews, document research and the Multi-Partner Trust Fund Office Gateway.

<sup>60</sup> This was followed by the planning process for Delivering as One implementation (around a two-year period), while actual implementation started in February 2009 after the signing of the One Programme document.

<sup>61</sup> The Economic Affairs Division is the core aid coordination entity of the Government of Pakistan and the Government focal point for UN reform in Pakistan.

<sup>62</sup> As a result of the 18<sup>th</sup> constitutional amendment, for the first time in the history of Pakistan, all major line ministerial functions have been devolved to the provinces. The transition has been time intensive, and the consolidation of the devolved structures is still in process.

<sup>63</sup>Health, education, social welfare, environment, labour, food and agriculture, population welfare, women's development, etc.. These include the corresponding counterpart line ministries for each joint programme/thematic area.

is not regarded as affordable for the UN system—but seven UN agencies are currently co-located – largely for security reasons.

5. At the start of the pilot in 2007, the UNDAF 2004-2008 was still ongoing. It was therefore decided to: extend the ongoing UNDAF to the end of 2010, facilitating alignment with the National Medium-Term Development Framework, and review it towards better focus and response to the rapidly evolving development needs of the country. The One Programme would become the UN system’s primary channel of delivery of its support to Pakistan’s development, while the existing UN programmes and projects would run their previously agreed course to completion. Subsequently, the Government and the UN system jointly decided to replace the extended UNDAF with the One Programme (2009-2010). The One Programme was extended to 2011-12 at the request of the Government.

- The new UNDAF/One Programme II (2013-2017) remains at the heart of Delivering as One in Pakistan. It takes into account the shortcomings of the first One Programme (large canvas, small funds, etc.). Stronger, more explicit linkages were made between humanitarian and development work. There is strengthened results-based management and accountability. The programme will cover all UN system work in Pakistan, as agreed by the Government and the UN country team.
- The One Fund did not achieve its original goals, but nonetheless, its existence created synergies and produced positive effects in those areas where it was made available.
- There has been no continuity in the resident coordinator position, and thus the One Leader approach was not effective. There have been four resident coordinators in five years, posing challenges for continuity that influenced programme performance and staff motivation. Also, there is the perception that the firewall between the resident coordinator and UNDP is not effective.
- In the face of multiple demands from the humanitarian and security crises, the UN country team did not prioritize One Voice in the early years of Delivering as One. Further, the UN country team did not view joint advocacy, external relations and a communications strategy as fundamental to the pilot. Compared to organizational brands, One UN is largely unknown.
- The value of the One House is questioned on security and financial grounds.

6. Delivering as One has given the UN country team some cohesion to function as a system in a very volatile national environment. Implementation has been challenging, and transaction costs for every organization have doubled or tripled in terms of volume of work. Delivering as One processes are perceived by the UN country team, the Government and donors as too heavy and in need of streamlining. For UN staff, they are said to take too much time away from their organizational work. Internal systems in some organizations do not place inter-agency coordination in staff requirements or results frameworks.

7. From 2006-2010, Pakistan’s development assistance<sup>64</sup> fluctuated from a low of US\$2.8 billion in 2007 to a high of US\$7.5 billion in 2009. Total UN assistance increased from US\$225 million in 2006 to US\$1.8 billion in 2010, an average of 7 percent of overall development assistance. While UN support ranged during 2006 and 2008 between US\$231 million and US\$238 million, it increased in 2009 to US\$691 million, and reached US\$1.8 billion in 2010. Humanitarian assistance to Pakistan was

---

<sup>64</sup>Information provided by the national Economic Affairs Divisions. It includes loans by the World Bank and Asian Development Bank.

always substantial, but particularly so in 2009 and in 2010; it constituted the bulk (70-84 percent) of UN assistance.

## **2. Overall management of Delivering as One**

8. The Delivering as One initiative is a joint undertaking between the Government and the UN country team under the leadership of the resident coordinator. To implement the pilot, the following structures were established:

- High-Level Committee on UN Reforms in Pakistan;<sup>65</sup>
- Executive Committee of the One Programme;
- Joint programme steering committees;
- Joint programme component task forces;
- Thematic working groups, each co-chaired by two or more heads of organizations;
- Convening agent for each joint programme component; and
- One UN Monitoring and Evaluation Network, UN Communications Group, UN Team on HIV/AIDS, cross-cutting issues working groups (including the inter-agency group on gender equality), and Operations and Management Group (comprising six working groups).

9. Despite the difficulties in implementing Delivering as One, the UN country team was effective in playing its convening role, as well as remaining an impartial interlocutor. This resulted in many partnerships with key sources of external funding, such as the international financial institutions and bilateral donors, both in the humanitarian and development areas. The Post-Crisis Needs Assessment, for example, involved the World Bank, European Union, Asian Development Bank, provincial and federal governments, and the UN system.

10. In addition, the One UN has been involved in damage and needs assessments after the 2010 and 2011 floods on the basis of the established One UN thematic format. These were led by the Asian Development Bank, and included the World Bank, Government and key international stakeholders. Under the leadership of the UN Secretary-General's Special Envoy for Pakistan, the UN system participated in the Friends of Democratic Pakistan meetings and activities,<sup>66</sup> contributing both resources and technical inputs. The UN system convenes a number of specialized groups, including the Inter-Agency Group on Gender and Development, which includes donors and other partners, and the Ending Violence Against Girls and Women Group.

---

<sup>65</sup>The Government is a co-chair in the steering mechanism of Delivering as One.

<sup>66</sup>Up to the arrival of the UN Secretary-General's Special Envoy, the resident coordinator led the UN system's work in this respect, as well as after his departure in September 2011. The Friends of Democratic Pakistan is a political platform launched by the Government with bilateral support; it aims to consolidate democracy, and promote social and economic development in Pakistan.

### 3. Funding modalities within the framework of Delivering as One

#### *Common Budgetary Framework*

11. The One UN Programme 2009-2012 was supported by a common budgetary framework that established mobilization target estimates by core and non-core resources, and funding gaps for five priorities (joint programmes). It targeted resources of US\$890 million, composed of indicative funding of US\$318 million from core and non-core resources, comprising US\$69.42 million and US\$249.49 million, respectively. This left a budgetary gap of US\$572 million.<sup>67</sup>

12. During the lifecycle of the One Programme (2009-2012), the UN country team periodically reviewed progress on the budgetary resources for the One Programme, annually and semi-annually. Since parallel resources had a larger share in the resource framework than that of the One Fund provisions, the funding gap changed due to the increase of non-core funding mobilized by organizations to achieve One Programme outcomes.

#### *One Fund*

13. A key component required to support the One UN and the One UN Programme is the Pakistan One Fund. It was designed to become the major vehicle for resource mobilization to support the unfunded portions of the One UN Programme as well as new initiatives responding to emerging needs within the programme's context. The concept of unearmarked funding was, however, only partially successful, as there have been cases where some resident donors showed interest in supporting the One Programme, but were not willing to channel funds via the One Fund (e.g., the European Commission, the Canadian International Development Agency, etc.).

14. 2009 was the first year of implementation of the One Programme, following a two-year planning period (2007-2008), and consequently expenditure using One Fund resources was low that year. The major portion of funding was received towards the second half of 2009. Expenditure accelerated in subsequent years.

15. Overall resource mobilization for the Pakistan One Fund was disappointing, which may be due to the lack of interest of major donors or their preference for the status quo, whereby they would maintain relationships with individual organizations.<sup>68</sup>

16. There is no code of conduct applied to regulate the ways in which individual organizations mobilize resources, and there is no One UN communications approach. Overall, donor coordination in the development field is not strong in Pakistan, and there has been greater coherence in the humanitarian response. Delivering as One has not yet become a major focus for coordination. Some donors have continued to make independent programmatic, geographic and partnership choices, and

---

<sup>67</sup>The total resource envelope of the One Programme was US\$890 million for an initial period of two years (2009-2010), as reflected in the One Programme document signed by the UN system and the Government. In response to the request of the Government, the One Programme was extended to 2012 within two months after starting. It had the same results framework and joint programme thematic working groups (including the concerned line ministries), and increased the indicative budget to US\$1.284 billion, which was also the object of the request for funding to the Expanded Funding Window. Towards the end of 2011, the Government and UN country team decided to stick to the US\$890 million target of the signed One Programme document.

<sup>68</sup> The One Fund provided less incentive to donors (in terms of decision-making power, monitoring, branding, etc.) than direct earmarked bilateral funding to organizations. This issue is not confined to Pakistan.



there is persistent uncertainty around funding for the second One Programme, whether through unearmarked or earmarked funding arrangements.

#### 4. Programming and funding mechanisms – governance and resource allocation

##### *Governance of the One Fund mechanism*

17. The following mechanisms have been set up in Pakistan to govern Delivering as One and the One Fund:

- The **High-Level Committee and its Finance Sub-Committee** oversee the UN reform process. Chaired by the Minister of State for Economic Affairs, the committee consists of key line ministries of the Government, major donors, the resident coordinator and the 10 UN country team members who chair thematic working groups. The sub-committee is chaired by the Secretary of the Economic Affairs Division; it includes the resident coordinator and one donor representing the donor community.
- The **United Nations country team** discusses and makes decisions on all aspects of piloting UN reform. It is chaired by the resident coordinator. Overall management of the One Fund is led and coordinated by the resident coordinator, who provides the strategic orientation for the One Fund, mobilizes resources for it, and promotes synergies between joint programmes and joint programme components.
- **The joint programme steering committees** are accountable to the High-Level Committee and decide on the management of each of the five thematic areas of the One UN Programme. They oversee and provide strategic guidance for programme implementation in their respective areas, and approve prioritization of outcomes and outputs. Through their subsidiary component allocation sub-committees, the joint programme steering committees make recommendations to the High-Level Committee's Finance Sub-Committee on the allocation of funds to each joint programme component.
- The **task forces** of the joint programme steering committees are chaired by UN organizations and national implementation partners, and involve all concerned UN organizations. They make recommendations on resource allocations to organizations participating in the joint programme components, monitor the implementation of joint programmes, and promote synergies and collective accountability at the joint programme component level.
- The Multi-Partner Trust Fund Office is **the administrative agent** of the One Fund.
- Any **participating UN organization** that has signed a memorandum of understanding is eligible to submit project proposals for funding from the One Fund. Other non-UN participating organizations with similar financial regulations and rules may also submit proposals to the fund if they have signed a separate memorandum of understanding with the Multi-Partner Trust Fund Office. Implementing partners such as NGOs have access through participating UN organizations.

18. Since the Delivering as One apex body, led by the federal Government and including donors and provincial representation, is responsible for allocating unearmarked funding, and since it approves earmarked funding requests, it ensures national ownership and stakeholder decision-making.

## *Resource allocation criteria and fund performance*

19. The High-Level Committee's Finance Sub-Committee and the Executive Committee of the One Programme decide on the allocation of unearmarked contributions at the One Programme level to one or more joint programmes, based on recommendations and inputs from the UN country team and in dialogue with technical ministries, national partners and donors. They also endorse allocations to the different joint programme components, based on recommendations and inputs of the respective joint programme steering committee and component allocation sub-committees.

20. The joint programme steering committees approve prioritization of outcomes and outputs at the joint programme level. Furthermore, through their subsidiary component allocation sub-committees, they recommend to the High-Level Committee Finance Sub-Committee the allocation of funds to each joint programme component. These decisions are then communicated to the sub-committee for endorsement.

21. The task forces at the joint programme component level are co-chaired by a UN organization and national implementation partners, and involve all participating UN organizations. Task forces make recommendations on resource allocation within the joint programme component for approval by the joint programme steering committees in the form of an allocation plan to participating UN organizations. Task forces also monitor the implementation of joint programmes, and promote synergies and collective accountability at the joint programme component level.

22. The criteria for fund allocation performed as expected, despite the constraints and limitations imposed by external factors (delays, global financial crisis, humanitarian disasters, donor fatigue in Pakistan, etc.). However, some of the criteria of the Expanded Funding Window<sup>69</sup> allocation to Delivering as One pilots seemed to work against countries where chronic poverty and inequality remain a reality, despite the national middle-income status.

- **Earmarked funding from the One Fund:** Allocation decisions were made within the space provided by the donor. The steering mechanism decided on inter-agency allocations, based on project work plans and the One Fund governance structure. In case of multi-tranche funding for a project, progress on earlier allocations (programmatic and financial delivery) was considered in decision-making. Indicators of satisfactory performance of the allocation criteria include the fact that consensus was maintained throughout, and that the end result was a more balanced and equitable distribution of resources within the earmarked joint programmes and joint programme components.
- **Unearmarked funding from the One Fund:** The allocation criteria for unearmarked resources were a critical dimension of the One Fund. The Expanded Funding Window country allocation (by the Steering Committee in New York) is based on agreed criteria<sup>70</sup> between UN DOCO and donors. These factor in the annual budgetary gap (large in the case of Pakistan) and the 80 percent/20 percent allocation between the least developed and middle-income countries. Even though Pakistan is a low-middle-income country, poverty and disparities have been increasing dramatically over the past couple of years. The near-annual humanitarian crises, most notably the 2010 floods, have further slowed Pakistan's progress towards achieving the MDGs.

---

<sup>69</sup> The requirement that 80 percent of the Expanded Funding Window's global resources be allocated to least developed countries, and 20 percent to middle-income countries.

<sup>70</sup> Stipulated in the Expanded Funding Window operational document.

Therefore, the 80/20 rule has not been sensitive to the wide range of urgent development needs of Pakistan.

23. The following basic criteria were adopted in the internal country allocation of unearmarked funds from the Pakistan One Fund:

- Critical areas in the joint annual work plans not funded by conventional earmarked funding/bilateral assistance;
- Current national priorities and joint programme priorities agreed by UN organizations and their respective line ministries;
- Emphasis on enhanced inter-agency engagement;
- Past performance on programmatic results and financial delivery (of organizations, joint programmes and joint programme components) on earlier unearmarked provisions of the One Fund;
- Extent of mainstreaming of cross-cutting issues; and
- Sustainability.

24. The application of this set of criteria resulted in the consensual selection of the most important interventions for funding under the Expanded Funding Window; in short, the internal criteria performed well. However, the UN country team felt that a fresh approach was needed to improve prioritization. With the next tranche of unearmarked funding, the team has agreed to try a new process of competitive proposal selection on the basis of results-based criteria, with proposals made on the basis of results-based management principles. Proposals will be graded by an inter-agency panel for final selection.

## 5. Highlights

### *Related to the One Programme, including joint programming*

25. In Pakistan, with the launch of Delivering as One, it was decided to replace the (extended) 2004-2008 UNDAF with the pilot One UN Programme approved in early 2009, initially for a two-year period. Beyond 2010, it was envisaged that the One Programme would continue the remaining activities of the joint programmes, while also seeking new opportunities to increase the impact of joint programmes already delivered, and striving to address emerging priorities. The One Programme was designed to establish a direct link with overall UNDAF implementation, which would continue through the collaboration and individual work of participating organizations. Many agencies aligned their country programmes to the One Programme. The vision was that the One Programme would ultimately replace the UNDAF concept and directly respond to the priorities of the national development agenda. Upon the request of the Government of Pakistan, the One Programme was extended until end-2012.<sup>71</sup>

26. The intention was to make the One Programme the UN's primary channel for delivering socio-economic support to Pakistan's development, while ongoing UN programmes and projects would run

---

<sup>71</sup>Three months after the signing of the One Programme document in February 2009, the One Programme (2009-2010) was extended until the end of 2012.

their previously agreed course to completion. The One Programme was grouped around five themes,<sup>72</sup> including four cross-cutting issues.

*Related to the funding situation*<sup>73 74</sup>

44. The current commitment (up to 2014) of donors contributing to the One Fund is US\$100.6 million,<sup>75</sup> out of which US\$73.1 million has been provided. The balance is expected in accordance with the timelines of agreed tranches.<sup>76</sup> Of the sum received, US\$36.7 million has been provided as unearmarked funding. As of December 2010, expenditures from the One Fund were US\$25 million. Unearmarked funding comprises US\$20.9 million of Expanded Funding Window funds, US\$12 million of MDG-F<sup>77</sup> funds and US\$3.8 million of bilateral funds.

45. Overall, the One Fund provisions (earmarked and unearmarked) encouraged UN country coherence, though this was more apparent for unearmarked funds. Inter-agency engagement was mandatory for all One Fund provisions. Although the One Fund is a small portion of the One Programme, nevertheless, its disbursement enabled inter-agency synergies in planning and programming, especially in the case of technical cooperation.<sup>78</sup> In some cases, there were examples of “in kind” technical contributions, data sharing and joint baselines as well.

46. The most significant feature of the funding situation for Delivering as One is the growth of humanitarian assistance. By 2010, it was nearly six times that of development assistance. With Delivering as One only really operational as of 2009, this constrained the time that the UN country team could dedicate to the pilot. Within this broad context, the funding situation related to development evolved as follows:

- During 2007-2009, expenditure for development remained essentially stagnant (US\$169-188 million), after increasing by 29 percent from US\$144 million in 2006. In 2010, the expenditure levels for development increased by 51 percent to US\$285 million, mainly due to increases in non-core funding for activities within and outside the One Programme.
- As of 2009, 70-79 percent of all development expenditures were under the One Programme, mainly because most of the core funding (93 percent) was allocated as of 2009 under the One Programme.
- The share of non-core funding in overall expenditure for development increased from 59 percent in 2006 to 77 percent in 2010, and the share of unearmarked funding within the One Programme was only 16 percent in 2010.

---

<sup>72</sup>The themes referred to the five joint programmes of: Education; Environment; Disaster Risk Management; Health and Population; and Agriculture, Rural Development and Poverty Alleviation. The joint programmes comprise 21 joint programme components. Four cross-cutting issues are gender equality, human rights, civil society engagement and refugees.

<sup>73</sup>For details, see Table 3 at the end of the information sheet.

<sup>74</sup>The data upon which this analysis relies have been provided by the resident coordinator office, which collected and consolidated the information from country offices in Pakistan.

<sup>75</sup>Details are provided on the Multi-Partner Trust Fund website: <http://mdtf.undp.org/factsheet/fund/PK100>.

<sup>76</sup>Source: Multi-Partner Trust Fund Office Gateway.

<sup>77</sup>Pakistan received the MDG-F funding in the One Fund on the basis of the donor's (Spain) provisions for UN reforms and Delivering as One pilot countries, and not via bilateral assistance (provided to a list of 53 countries), which would have been outside the One Fund.

<sup>78</sup>For instance, the Paris Declaration Survey 2011, undertaken by the Government of Pakistan for 2010, highlights the overall joint technical cooperation of the UN system in Pakistan.

- The One Fund, including the Expanded Funding Window, covered 11 percent of non-core expenditures in 2010, with the remainder being mobilized by organizations directly. All resources under the One Fund were implemented through joint programmes.

47. As per the agreed mechanism with the Government, the One Fund is composed of unearmarked and earmarked funding. Despite its relatively small size, it was useful in filling the budgetary gap (especially via unearmarked provisions, which were allocated to strategic priority areas defined in the work plans). It also has been a key source of UN coherence.

48. Programmes under the One Fund and Expanded Funding Window were approved as planned, but the approval process of the multi-tiered Joint Programme Steering Committee was time-consuming. Typically, the period between submission and approval required six months. The new One Programme envisages substantially reducing this timeframe. There were also significant delays in the receipt of funding and its allocation:

- The delay in funds released by funding sources and major changes in payment schedules caused delays in programme implementation and fulfilment of commitments with counterparts (as envisaged in the joint annual work plans):
  - The concept behind the Expanded Funding Window was to provide predictable and unearmarked funding on a multi-year basis, in the beginning of the year; however, the funds were released much later in the year.
  - In one instance, where the donor was unable to provide agreed remaining tranches due to the global financial crisis, there were adverse consequences for ongoing work.
- Time-consuming endorsement process of the Joint Programme Steering Committee, where the UN system, government counterparts and a donor representative have to agree on the allocation.
- Competing priorities of the line ministries (present in the Steering Committee) for the unearmarked funds led to protracted discussions and delayed decisions.

49. Other events that resulted in delays or difficulties in implementing agreed work plans of programmes under the One Fund and Expanded Funding Window, were:

- The large-scale national humanitarian crises in Pakistan (the widespread floods of 2010 that affected 20 million people, the monsoon flooding in 2011 that affected over 5 million people and the IDP crisis due to the militant conflict of 2009-2010);
- The Government's decision to postpone key overarching national programmes such as the National Census (not held yet, though planned in 2010) and the Nutrition Survey (only completed in 2011) affected implementation of related support activities funded by the earmarked One Fund provisions.

50. There have also been delays and difficulties in submitting progress and expenditure reports. Participating organizations faced a double burden of reporting to their own organizations and to the One Fund/One Programme. Different reporting formats, protocols and processes among agencies further complicated this situation.

51. The Multi-Partner Trust Fund publishes the One Fund annual reports in May of the subsequent year, but expenditure/delivery figures are required much earlier to determine the overall One Fund/One

Programme<sup>79</sup> delivery status, especially for government reporting and the joint government-UN system oversight mechanism. Some contributing donors also want earlier expenditure reports. One Fund delivery has to be factored into the resident coordinator annual reports, due on 30 January. Expanded Funding Window donors have been requesting provisional expenditure on the One Fund before the release of the next tranche. Figures collected manually from organizations as part of informal reporting are the only source of information—and create yet another layer of reporting—until the receipt of the One Fund financial report in May. On occasion, these figures do not tally with the Multi-Partner Trust Fund numbers, as there is the need to harmonize the treatment of expenditures.

52. The One Fund financial report, prepared by the Multi-Partner Trust Fund on the basis of organizations' country office reporting, does not show financial expenditure against the source of funding as the funds are co-mingled. Some donors are requesting reports on the use of their contribution, at least financially. Some donors who have provided earmarked funding to the One Fund have insisted on separate reports on their donor programmes/projects on a yearly basis, in addition to the One Fund/One Programme annual report prepared by the resident coordinator and UNDP, as administrative agent of the One Fund.

## **6. Business process harmonization**

53. Sizeable earmarked funding (for example, Norway's ongoing contribution of NOK 245 million, spread over five years) in the One Fund enabled participating agencies to plan and budget accordingly for the multi-year programme. The shared, detailed budgeting enabled synergies in planning, which reduced duplication, and in monitoring the progress and establishing budgets. Agencies engaged with donors and national counterparts in a collective manner. When it comes times for reporting, the UN system sends one single donor report annually for programmes funded via the One Fund, but this is in addition to the regular annual One Programme/One Fund report, a duplication that is against the harmonized reporting envisaged as part of UN reforms. In the case of Norway, the donor insists on separate reporting for its funded programme, primarily because of the large amount, and secondly because it is required to do so by its Parliament.

54. In the context of the One Fund, the signing of one single agreement by the resident coordinator, donor and UNDP as the administrative agent<sup>80</sup> saves cost and effort, and reduces financing agreements for individual organizations.

55. On the other hand, the endorsement process of the Joint Country Steering Committee on the earmarked and unearmarked allocations has been time-consuming. While the steering mechanism of the One Fund is in accordance with the principles of the Paris Declaration on Aid Effectiveness and enhances national ownership of UN assistance, the process is perceived by organizations as time-consuming compared to direct bilateral funding. The inter-agency and sectoral (joint programme/joint programme component) allocation of unearmarked funds has also led to delays.

## **7. Use of national systems by UN organizations within the framework of Delivering as One**

---

<sup>79</sup>The UN country team has been preparing the One Programme report, which includes the One Fund. This report shows the financials for the One Fund and parallel funding separately as well as together. The narrative is combined for both funding types.

<sup>80</sup> This is done on the basis of the One Fund memorandum of understanding signed by the resident coordinator, UNDP as administrative agent and each of the participating organizations of the One Programme.

56. In the first One Programme, only three organizations—WHO, UNHCR and IFAD—are engaged in direct use of national systems, in accordance with the OECD definition of development expenditure using national systems. According to the Paris Declaration Survey for Pakistan 2011, in 2010 development expenditures of US\$52.3 million were disbursed by the three UN agencies using national systems.

57. UNDP, UNFPA and UNICEF are working together to implement HACT and are in the process of becoming compliant with it. The macro-assessment was completed in 2010, and micro-assessments are ongoing. The three agencies have also begun assurance visits, assuming “high” to “medium” risks for implementation partners until the micro-assessments are completed in mid-2012. The process is in line with the UNDG guidelines on HACT, with significant involvement of government counterparts, including the Economic Affairs Division as the government coordinating authority, the Accountant General of Pakistan, the Controller General of Accounts, the Auditor General of Pakistan and the Public Procurement Regulatory Authority, as well as federal and provincial finance, planning and development ministries and departments.

58. WHO, UNHCR and IFAD also use national systems in the areas of budget execution, financial reporting, procurement and auditing.

National systems used	Organizational disbursement in US\$ (millions),		
	WHO	2010 UNHCR	IFAD
Budget execution			
Financial reporting	21.37		20.15
Auditing		10.82	
Procurement		2.32	

## 8. Transaction costs for national partners, donors and the UN country team

42. The UN country team cooperates in an Office Management Team covering six areas: human resources, procurement, ICT, administration, common premises, and budget and finance. Groups in each of these areas devised annual work plans aimed at supporting the One Program.

43. Reduction of transaction costs has been one of the overall key objectives of Delivering as One. The focus of the UN country team was on human resources management, namely, the local recruitment process, where it identified potential savings of US\$1,700 per recruitment case. This was achieved after the Human Resource Working Group<sup>81</sup> created a common UN Job portal as a single platform for recruitment for all UN vacancies in Pakistan. The group is also developing common induction procedures and competency-based interviewing guidelines for all organizations. As a part of the One UN learning plan, Delivering as One training is planned to develop staff professionally and foster higher retention rates. Other attempts to harmonize practices and procedures include common rates for contractors.

---

<sup>81</sup>Human resources representatives from all UN agencies in Pakistan.

44. The Procurement Working Group developed detailed procurement guidelines to facilitate common procurement. The results are a common UN security services contract; one banking contract with the same institution for all UN agencies; inter-agency sharing of all long-term agreements and purchase orders on a One UN Gateway; and common procurement advertisements on the One UN portal. The benefits of this work are reported to include: reduction of parallel processes and transaction costs; increased value for money through improved planning, requirements gathering, bulk discounts and better negotiation power; efficiency and effectiveness gains through information sharing; faster programme implementation and better procurement risk management.

- The Common Premises Group is negotiating with government authorities regarding land inside the diplomatic enclave. Currently, 20 UN organizations operate from different locations and pay annual rent of US\$28 million. It is the general assumption that common premises will reduce the rental costs, even though it is not clear that the alternative options available through the Government would represent a cost saving in the absence of detailed calculations of overall costs. Furthermore, the current rental costs of UN organizations have been made artificially high because of the need for extensive security precautions.
- The ICT Working Group works on a business continuity plan, a disaster risk recovery plan and common ICT support services. It has established a common VSAT as a backup when all services go down. The group has also developed a common web-based telephone directory allowing UN organizations to have updated contact information for all UN staff in Pakistan.
- The General Administration Group has developed an online vehicle maintenance database for the entire UN country team as well as a tracking system to support processing of visas, diplomatic cards, exemption certificates, non-objection certificates, vehicle registrations, etc..
- The Budget and Finance Group has standardized the daily service allowance rates for non-UN staff, which has significantly reduced the costs of official visits by non-UN staff, with budgetary savings at project and programme levels.

45. The UN country team identified some proxy indicators to monitor transaction costs related to the recruitment portal.

<b>Name of indicator</b>	<b>Designed to track what type of transaction cost</b>	<b>Date of implementation</b>
Number of positions advertised on the portal	Tracked every six months, as this is a major input indicator	2009
Unit cost of recruitment advertisement prior to the portal	Baseline cost	2008
Unit cost of recruitment advertisement after the portal	Every six months, cost	2009
Number of candidates applying for UN positions	Qualitative, aiming to assess the outreach	2008

46. The UN country team performed stakeholder surveys of national agencies and donors in 2008, conducted a UN country team-wide survey on Expanded Funding Window indicators and programme modalities in 2011, and mapped specific business processes. Proxy performance indicators on



transaction costs will be developed in 2012 as part of a revised Delivering as One results/monitoring and evaluation matrix. However, the absence of an agreed UN-system-wide methodology, including definitions, is a constraint to tracking transaction costs.

## **9. Cost of coordination<sup>82</sup>**

47. The UN country team was composed of 17<sup>83</sup> agencies between 2006 and 2011, of which nine are funds, programmes and entities (UNDP, UNFPA, UNAIDS, UNICEF, UNODC, UN-Habitat, UN Women, UNHCR and WFP), and six are specialized agencies (FAO, UNIDO, WHO, IFAD, ILO and UNESCO). The IOM is a member as well. UNEP is operational in Pakistan and is contributing towards the existing UNDAF/first One Programme. UNCTAD and IAEA will be contributing to the second One Programme as non-resident agencies, starting from 2013.

48. The resident coordinator office staffing has gone through many changes since 2006. From 1 professional staff member in 2006, the office currently has 10 professional staff members. Out of this, 5 staff members, although recruited by the office, are assigned to co-chair thematic working groups on the five joint programmes. They report to the head of the organization, which is the joint programme/sectoral lead of the UN country team.<sup>84</sup> Therefore, core resident coordinator office staff comprise five professional staff members, including two international staff members.

49. The funding of one international staff member comes from UNDP, while the other position is funded by the resident coordinator capacity gap effort for transition/crisis countries (managed by DOCO).<sup>85</sup> Funding for national staff is provided by UN system contributions to the Common Services Budget. Earlier, a Transformation Fund (2007 to 2011) was mobilized via a few resident donors for change management for Delivering as One. A portion of the fund went towards national staff positions, but it has been totally consumed by now.

50. The funding mechanism for the resident coordinator office is not fixed or adequate to meet requirements identified by the UN country team, given the office's focus on the implementation of the current One Programme, the rollout of the second One Programme/UNDAF, post-devolution UN coordination, etc..

51. The staffing of the UN agencies is strongly influenced by the large-scale humanitarian assistance provided by the UN country team. Staffing patterns and costs therefore do not allow conclusions on the change of staffing in response to Delivering as One, beyond the fact that staffing of the resident coordinator office increased as of 2009, when the pilot was operationalized.

52. In view of the importance of humanitarian assistance, and the difficulty of separating staffing for humanitarian and development assistance, it is not possible to make any assessment with regard to

---

<sup>82</sup>For details, see Table 4 at the end of the information sheet.

<sup>83</sup>UNOPS joined the UN country team in 2011. However, official accreditation is in process. It has made no contribution towards the UNDAF/first One Programme, but will be part of the second One Programme. Other UN entities such as OCHA, UNIC and UNDSS are observers on the UN country team.

<sup>84</sup>This UN country team arrangement is a manifestation of the One Leader concept (an empowered team led by an empowered resident coordinator).

<sup>85</sup>Funding provided by a few donors supporting enhanced UN coordination in crisis countries.

the relationship between cost of coordination for development within the context of Delivering as One and the overall programme volume in support of development.<sup>86</sup>

### Statistical tables relating to the funding situation

**Table 1: Deposits by donors to the One Fund in US\$ (millions), 2009-2011<sup>87</sup>**

<b>Contributor/partner</b>	<b>Commitments</b>	<b>Deposits</b>	<b>Share, %</b>
Australia	12.4	12.4	17
<b>UK Department for International Development</b>	<b>3.7</b>	<b>3.2</b>	<b>5</b>
Expanded Funding Window	20.9	20.9	29
<b>Netherlands</b>	<b>7.8</b>	<b>6.1</b>	<b>8</b>
<b>Norway</b>	<b>42.8</b>	<b>17.6</b>	<b>24</b>
<b>Spain</b>	<b>12.0</b>	<b>12.0</b>	<b>16</b>
Switzerland	1.0	1.0	1
<b>Total Deposits</b>	<b>100.6</b>	<b>73.2</b>	<b>100</b>

**Table 2: Transfer of funds from the One Fund to UN organizations in US\$ (millions), (March 2012 status) (millions, end 2010)<sup>88</sup>**

<b>Organization</b>	<b>Total One Fund transfers</b>	<b>Share of transfers in total, %</b>
UNAIDS	0	<b>0</b>
UNDP	10	<b>14</b>
UNEP	0	<b>0</b>
UNFPA	9	<b>13</b>
UNICEF	18	<b>26</b>
UN Women	2	<b>3</b>
WFP	1	<b>1</b>
<b>Funds and programmes</b>	<b>40</b>	<b>57</b>
FAO	2	<b>3</b>
ILO	2	<b>3</b>
UNESCO	5	<b>7</b>
UNIDO	3	<b>4</b>
WHO	13	<b>18</b>
<b>Specialized agencies</b>	<b>25</b>	<b>36</b>

<sup>86</sup>Although adequate efforts were made to strictly distinguish between the operational costs of development and humanitarian assistance for the evaluation questionnaire, particularly for staffing, there have been certain instances where this was not possible, as explained below. In many agencies, the same programme staff performed development and humanitarian actions.

<sup>87</sup>Source: Multi-Partner Trust Fund Office Gateway. Countries in bold also supported the Expanded Funding Window.

<sup>88</sup>Source: Multi-Partner Trust Fund Office Gateway.

IOM	1	1
UNEP	0	0
UN-Habitat	3	4
UNHCR	1	1
UNODC	0	0
<b>Total other organizations</b>	<b>5</b>	<b>7</b>
<b>Total Funding One Fund</b>	<b>70</b>	<b>100</b>

Table 3: Source of funding of UN development expenditure<sup>89</sup>

	Values in US\$ (millions)				
	2006	2007	2008	2009	2010
<b>Total annual UN programme expenditure</b>	<b>225</b>	<b>239</b>	<b>231</b>	<b>691</b>	<b>1.813</b>
<b>Total estimated annual UN expenditure for development by programme and funding source<sup>90</sup></b>	<b>144</b>	<b>186</b>	<b>169</b>	<b>188</b>	<b>285</b>
<b>Non-One Programme</b>	<b>144</b>	<b>186</b>	<b>169</b>	<b>40</b>	<b>84</b>
○ Core funding	59	60	65	4	4
○ Non-core funding of non-One Programme activities, of which:	85	126	104	36	79
○ Other funding sources, e.g. international financial institutions, international NGOs, foundations, private sector, other donors	84	125	102	34	77
○ Self-supporting contributions (funded by Government)	1	1	2	2	3
<b>One Programme</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>148</b>	<b>201</b>
○ Core funding	0	0	0	58	61
○ Non-core funding	0	0	0	91	140
<b>Share non-core funding in annual expenditure for development, %</b>	<b>59</b>	<b>67</b>	<b>62</b>	<b>67</b>	<b>77</b>
<b>Share non-core funding in One Programme, %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61</b>	<b>70</b>
<b>Types of non-core funding in One Programme</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>91</b>	<b>140</b>
○ One Fund mobilized through headquarters, resident coordinator, Expanded Funding Window	0	0	0	2	23
○ One Fund mobilized through organizations	0	0	0	89	117
<b>Share of One Fund in non-core funding, %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>11</b>
<b>Total annual UN expenditure for development by execution modality, of which</b>	<b>144</b>	<b>186</b>	<b>169</b>	<b>188</b>	<b>285</b>
<b>Non-One Programme</b>	<b>144</b>	<b>186</b>	<b>169</b>	<b>40</b>	<b>84</b>
○ Execution not through joint programmes	5.9	6.8	4.8	7.0	7.0
○ Execution through joint programmes outside One Fund (MDG-F)	0.0	0.0	0.0	0.0	0.0
<b>One Programme</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>148</b>	<b>201</b>
○ Execution through joint programmes within One Fund <sup>91</sup>	0	0	0	2	23
○ Joint programmes under parallel funding (core and non-core from organizations)	0	0	0	146	178
<b>Share of joint programmes in One Fund, %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>100</b>
<b>Core funding</b>	<b>59</b>	<b>60</b>	<b>65</b>	<b>62</b>	<b>65</b>
○ Non-One Programme (unearmarked)	59	60	65	4	4
○ One Programme (unearmarked)	0	0	0	58	61
<b>Earmarked and unearmarked funding under One Programme</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>91</b>	<b>140</b>
○ Earmarked by donor (mobilized by organizations)	0	0	0	87	113

<sup>89</sup>The consolidated data reflect data submitted by all UN organizations.

<sup>90</sup>Source: reports from UN country offices.

<sup>91</sup>All resources under the One Fund are executed through joint programmes.

○ <i>Unearmarked (mobilized by organizations)</i>	0	0	0	2	4
○ <i>One Fund</i>	0	0	0	2	23
<b><i>Share of unearmarked funding within One Programme, %</i></b>	-	-	-	2	16

**Table 4: Source of funding of UN development expenditure and staffing, and cost of supporting the One Programme<sup>92</sup>**

	In US\$ (millions)			Change in % 2008-2010
	2006	2008	2010 <sup>93</sup>	
<b>Total annual UN programme expenditure</b>	225	231	1.813 <sup>94</sup>	-
<b>Total estimated annual UN expenditures for development by programme and funding source<sup>95</sup></b>				
<b>Non-One Programme</b>	144	169	285	+169
<b>One Programme</b>	0	0	201	-
<b><i>Support to programme (cost of resident offices)</i></b>			<b>Number of staff</b>	
<i>Human resources of resident coordinator office</i>	1	6	11	-
<i>Human resources of country offices of funds and programmes</i>	159	224	429	-
<i>Human resources of country offices of specialized agencies</i>	101	169	255	-
			<b>In US\$ (thousands)</b>	
<i>Estimated cost of resident coordinator office</i>	99	576	857	-
<i>Estimated cost of country offices of funds and programmes<sup>96</sup></i>	19.137	33.183	64.931	-
<i>Estimated cost of country offices of specialized agencies</i>	2.258	6.215	17.268	-

<sup>92</sup>The consolidated data reflect data submitted by all UN organizations.

<sup>93</sup>Amounts are still estimates since 2011 final end-of-year figures were not available when this information sheet was prepared.

<sup>94</sup>The high level of annual expenditure is due to the large-scale humanitarian assistance programmes.

<sup>95</sup>Source: reports from UN country offices. Note that for an indicative total expenditure figure for 2011, the total amount is to be considered an estimate. Information for WHO and IFAD was not provided.

<sup>96</sup>Staffing is very high due to various large-scale humanitarian assistance programmes involving, in particular, IOM, WFP and UNHCR.

## Rwanda<sup>97</sup>

### 1. Implementation of the Ones

1. Rwanda is classified as a least developed country. Its ODA<sup>98</sup> increased steadily from US\$536 million in 2006 to US\$1.091 billion in 2010,<sup>99</sup> but fell to only US\$562 million in 2011. According to the resident coordinator office, total UN assistance is in the range of US\$70-82 million. Information on UN humanitarian assistance is not available.

2. Delivering as One in Rwanda is built on four pillars, namely One Programme, One Budgetary Framework, One Leader and One Voice, and One Office.

3. The UNDAF 2008-2012 together with the common operational document constitute the One Programme, encompassing all active UN organizations in Rwanda. It provides the strategic framework for One UN support to national priorities in the areas of governance; health, HIV, nutrition and population; education; environment; and sustainable growth and social protection. Implementation of the UNDAF began in January 2008.

4. The common operational document, signed on 20 November 2007, is a programmatic document specifying how the UN system will operationalize the UNDAF. It provides full details on the implementation of UNDAF results, covering the code of conduct, management mechanisms as well as the monitoring and evaluation system.

5. The One Budgetary Framework is the financial framework for core, vertical and One Fund resources. It shows the total estimated amount of resources needed to implement the common operational document. A One UN Fund has been established to mobilize and allocate additional resources at the country level in a simplified, coherent manner consistent with the overall purpose of the One UN initiative. The One UN Fund is administered by the Multi-Partner Trust Fund Office in accordance with its financial regulations and rules.

6. The One Leader – the UN resident coordinator – chairs the UN country team and is responsible for ensuring that the One UN pilot is implemented in accordance with the principles laid out in the common operational document. Among other things, the resident coordinator is responsible for joint fundraising.

7. A joint communication strategy for both internal and external communication was approved by the UN country team in October 2007. Its aim is to help the UN speak with One Voice on the UN reform process as well as on key policy and advocacy issues. The strategy is supported by the UN Communication Group.

8. The One Office has two components: common services and One House. A number of common services have been established, such as a database for local vendors, and long-term agreements for stationary, travel services, translation and interpretation, cleaning, garages, printing and freight forwarding. Memorandums of understanding for common recruitment and common services have been signed. The One House is less advanced due to slow headquarters responses, although it is supported by the UN country team and the Government of Rwanda has allocated land for it.

---

<sup>97</sup> The analysis is based on statistical data provided by the resident coordinator office.

<sup>98</sup> Source: amounts per official government sources on ODA, 2006-2011.

<sup>99</sup> Source: resident coordinator office and Government.

## **2. Overall Management of Delivering as One**

9. The One Programme is implemented within a governance and coordination structure with the highest body being the One UN Steering Committee, chaired by the Minister of Finance and Economic Planning. In addition, three other government ministers, the resident coordinator, four UN organizations and three development partners are members of the committee. Since 2011, all One Fund donors are members in addition to the European Union as representative of multilateral development partners.

10. The UN country team is composed of heads of participating organizations under the leadership of the resident coordinator. It is the key decision-making body, and is taking necessary steps to further improve One Programme delivery, and increase the efficiency and coherence of the One UN.

11. All UN country team members in Rwanda subscribe to this arrangement. The team has adopted a code of conduct, where members commit themselves to key principles for the success of Delivering as One. The code describes how UN organizations interact with each other to operationalize the common operational document, and provides their respective roles and responsibilities.

12. The Programme Planning and Oversight Committee, established by the country team in 2009, provides strategic policy advice to the team as well as technical oversight to the UNDAF thematic groups for more coherent planning and implementation of activities. The committee brings together deputies/heads of programmes, thematic group policy advisers, task force coordinators and the resident coordinator office. It has been an important element in Delivering as One. With the mandate to provide upstream advisory services to the country team as well as technical oversight to the UNDAF thematic groups, it plays a critical role in the planning, implementation and reporting processes for the One Programme, including its further harmonization and coherence.

13. Annual planning usually takes place during the last quarter of the previous year and the first quarter of the year, and is organized by thematic groups rather than organizations. Activities to be implemented are summarized in the consolidated action plan. All organizations, including non-resident agencies, participate in this process either in person or virtually. There are five groups: governance; health, HIV, nutrition and population (split into two sub-groups); education; environment; and sustainable growth and social protection (split into two sub-groups).

14. Four task forces on gender; human rights; planning, monitoring and evaluation; and disaster management provide operational support for the planning and implementation of the One Programme, and ensure the mainstreaming of cross-cutting issues. The Disaster Management Task Force ensures a prompt, effective and concerted country-level response by the UN system in the event of a disaster.

15. The Operations Management Team has the mandate to identify and implement appropriate common services, and measures to harmonize business practices and reduce transaction costs, where appropriate, and provide regular updates to the UN country team. The operations team is composed of operations officers/managers or unit heads of finance, administration and human resources from all resident organizations. Progress has been made with regard to common services, and memorandums of understanding for the implementation of common services and a common recruitment process have been signed.

16. The resident coordinator office serves as secretariat for the UN country team and supports the UN resident coordinator in the overall coordination of the One UN. The office includes the UN resident coordinator, a senior policy adviser, a communications officer, a human rights adviser, a coordination and executive officer, a non-resident agency coordination analyst, and a personal assistant. In 2011, the UN country team decided to financially contribute to a UN House project manager position and a UNV for common services.

17. An innovative tool is the One UN Programme Monitor. This web-based inter-agency monitoring and reporting system is funded and hosted by the resident coordinator office, and technically supported by the Programme Planning and Oversight Committee and Monitoring and Evaluation Task Force. It allows monitoring of all One UN Programme activities through quantitative and qualitative data collection.

### 3. Funding modalities within the framework of Delivering as One

#### *Common Budgetary Framework*

18. The One UN Fund ensures that financial gaps can be filled, to the extent possible, for continued and effective implementation of the One Programme. Work plans are developed in line with the common operational document; outline core, non-core and One Fund resources; and are approved on an annual basis. This is based on the concept of the One Budgetary Framework.

19. The One Budgetary Framework is a total estimated amount of resources (core, non-core and One Fund) needed to implement the common operational document. The One UN Fund has been established as a vehicle to pool new resources provided by donors to support the document's unfunded portions.

The estimated funding requirement in the original One Budgetary Framework was US\$488 million, with US\$332 million confirmed (32 percent core and 37 percent non-core funding). The remaining funding gap was US\$155 million. Core and non-core funding requirements and funding gaps were calculated for each of the six strategic results.

	Total	Core Resources	Vertical Funds	To be mobilized (=One Fund)
Governance	96,37	29,21	20,71	46,46
HIV	49,93	10,31	20,39	19,23
Health	70,51	23,48	25,10	21,93
Education	72,31	12,23	39,47	20,61
Environment	40,89	18,91	9,42	12,56
Sustainable Growth and Social Protection	157,60	60,60	62,31	34,68
<b>TOTAL (in millions USD)</b>	<b>487,60</b>	<b>154,74</b>	<b>177,40</b>	<b>155,46</b>
<b>Percentage of total (%)</b>	<b>100</b>	<b>31,74</b>	<b>36,38</b>	<b>31,88</b>

#### *One Fund*

20. In Rwanda, Delivering as One coincided with the preparation of the UNDAF 2008-2010, which is identical with the One Programme. It encompasses all active UN organizations in Rwanda, provides the strategic framework for One UN support to national priorities in seven areas, and consists of four elements: One Programme, One Budgetary Framework and Fund, One Leader and One Voice, and One

Office. The common operational document specifies how the UN system in Rwanda will operationalize the UNDAF and covers all activities of signatory UN organizations; it served as a model for the UNDAF Action Plan developed by the UNDG and adopted in some other pilots.

21. The One UN Fund has been supported by five donors plus the Expanded Funding Window with US\$65.8 million; US\$47 million has been transferred to participating organizations, with the balance at the administrative agent. The approved budget was US\$58 million for six thematic areas.<sup>100</sup>

22. Nineteen organizations are cooperating in Rwanda with the funding of the One Fund. Funds and programmes received 66 percent of resources, specialized agencies 23 percent and other agencies 12 percent.<sup>101</sup>

#### 4. Programming and funding mechanisms – governance and resource allocation

##### *Governance of the One Fund mechanism*

23. The following mechanisms have been set up to govern the One Programme and One Fund:

- The **One UN Steering Committee** guides and decides on the overall strategic orientation of Delivering as One. It is chaired by the Minister of Finance and Economic Planning, and is composed of four members of the Government, the UN resident coordinator, four members of the UN country team and three donors. Since 2011, all One Fund donors are members of the committee in addition to the European Union as the representative of multilateral development partners.
- The **UN resident coordinator** leads and coordinates the overall management of the One UN Fund in consultation with participating UN organizations; provides strategic leadership of the One UN Fund on the basis of the common operational document; mobilizes resources in collaboration with participating UN organizations; signs agreements with donors and participating UN organizations; approves allocation of funds based on principles and priorities identified within the common operational document as endorsed by the steering committee; and makes ultimate decisions on fund allocations.
- Each UNDAF outcome area is supported and overseen by an **UNDAF theme group** consisting of the UN organizations involved in it. They are responsible for preparing theme group work plans that are the basis for One Fund allocations and monitoring of progress, and are prepared

---

<sup>100</sup> It is expected that a large amount of this balance will be transferred in due course to participating organizations for use in 2012. The reasons for the high year-end balance with the administrative agent are:

- **Predictability:** The Delivering as One reform aimed at increasing the predictability of funding. In order to make this happen, the UN country team decided to always retain a small portion of the One Fund as a strategic reserve to allow immediate responses to emerging national needs.
- **Annual planning:** After the first couple of years into the reform process, it was noted that spending all One Fund resources by 31 December and starting each year with nothing in the account made annual planning very difficult. True partnerships with stakeholders and implementing partners can only be built if the UN system can commit a concrete amount of resources when developing annual work plans. To that end, funds received during the year are kept for annual planning for the next fiscal year. This allows for continued implementation at the beginning of the next fiscal year, prior to the release of further One Fund contributions.

For details refer to Table 1 in the statistical tables

<sup>101</sup> For details refer to Table 2 in the statistical tables



on the basis of the criteria and process listed in the common operational document. Each theme group is co-chaired by two organizations. Organizations extract their work plans from the joint work plans. Policy advisers recruited by UN organizations support the theme groups.

- The **UN country team Allocation Committee** consists of the heads of participating UN organizations and focal points of non-resident agencies. It is responsible for formulating a joint resource mobilization strategy, approving prioritization of the allocation of funds from the One UN Fund, and providing oversight of the management and operations of the fund and its allocation decisions under the leadership of the resident coordinator. Decisions of the UN country team are made by consensus. In the event that no consensus is reached, the resident coordinator can make ultimate decisions on fund allocation, with a documented process and rationale for these decisions.
- The **resident coordinator office** supports the resident coordinator and the UN country team in the coordination and management of the One Budgetary Framework and One Fund, and the meetings of the One UN Steering Committee. It is expected specifically to provide strategic focus, including analysis of progress and lessons learned for future programme implementation. The senior policy adviser is fully dedicated to supporting the consolidation of narrative reports to support UN policy advisers and the UNDAF theme groups, and prepares and reports on consultations with stakeholders regarding the One Programme and One UN Fund.
- The Multi-Partner Trust Fund Office has authorized UNDP Rwanda to act as the **administrative agent** of the One UN Fund.
- In 2009, the **Programme Planning and Oversight Committee** replaced the previous Programme Advisory Team to provide advisory services on Delivering as One programming under the UN country team. It is composed of deputy representatives (or those in charge of programme functions), the senior policy adviser of the resident coordinator office, the policy advisers of the theme groups, and the task force coordinators. It coordinates and oversees the implementation of the One Programme, and helps ensure more harmonized and qualitative planning and use of resources across the thematic areas. Its creation resulted in marked improvements in the quality and timely preparation of the consolidated action plans as well as the quality of reporting. It is viewed as a significant milestone in Delivering as One in Rwanda.

#### *Resource allocation criteria and fund performance*

24. Like Delivering as One in general, the One Fund allocation process entailed learning by doing. Several adjustments were made. Initial criteria for allocations worked satisfactorily, particularly the guideline that 75 percent of funds should go to joint interventions and 25 percent to the activities of individual organizations. In 2010, this shifted to 80 percent and 20 percent.

25. The online One UN Programme Monitor was established to monitor programme implementation and fund delivery, and ensure increased transparency, better monitoring and higher performance.

26. The One Fund clearly was an incentive for effective joint programming. It also fostered peer pressure among organizations as an incentive for better performance. But bringing 20 organizations together in joint planning and agreeing on the allocation of One Fund resources was a new experience. Common reporting guidelines and deadlines resulted in some delays, but improvements have been

made. Organizations increasingly come together for joint interventions with their own resources – even without the One Fund incentive.

27. Delays and difficulties were mainly caused by non-alignment with the government fiscal cycle, the late transfer of One Fund resources due to late reporting by organizations, late finalization of the consolidated action plans and parallel funding in joint programmes. Pooled funding is currently under discussion by the UN country team.

## **5. Highlights**

### *Related to the One Programme, including joint programming*

28. The One Programme/UNDAF (2008-2012) and common operation document are the basis for joint programming. They are organized around five strategic results:

- Good governance enhanced and sustained;
- Under health, population, HIV and nutrition, maternal morbidity and mortality, the incidence and impact of HIV and AIDS and other major epidemics, and the population growth rate are reduced;
- All children in Rwanda acquire a quality basic education and skills for a knowledge-based economy;
- Management of the environment, natural resources and land is improved in a sustainable way; and
- Through sustainable growth and social protection, all citizens benefit from economic growth and are less vulnerable to social and economic shocks.

29. The centrepiece of Delivering as One programming has been joint interventions supported by the One UN fund that are intended to show greater effectiveness when two or more organizations work collectively towards a similar outcome within a geographic region or with a focus on a specific population. A joint intervention includes a joint situational analysis, as well as joint planning, implementation, monitoring and evaluation. Joint Interventions build on synergies based on each organization's comparative advantages for greater impact and coherence. Clear management arrangements define the lead organization, which acts as the interlocutor with the Government in order to reduce duplication. Participating organizations contribute their own financial and human resources towards the joint intervention. The One Fund helps fill funding gaps, if need be. Joint interventions are approved at the country level, contrary to joint programmes, which have to be formally approved by headquarters. Joint interventions allowed the UN country team to respond to the challenges of fund unpredictability, avoid additional levels of bureaucracy and do joint programming in a flexible manner. [The consolidated annual plans for 2011-2012 include 44 joint interventions.](#)

30. Consultations for the next One Programme have started.

### *Related to the funding situation*

31. The funding information provided by the UN country team in response to the evaluation survey was limited to the expenditure related to the One Fund,<sup>102</sup> as additional reporting layers are being reduced, and the consolidated information is available at headquarters level.

## 6. Business process harmonization

32. Individual reports are still required by individual donors (not One Fund donors) and organizational headquarters. A One UN annual report has been suggested to replace individual reports, but has not yet been accepted by headquarters. This situation causes a double workload, distracts from the focus of organizations and may also detract from report quality.

33. The following steps were taken to harmonize business processes:

- Memorandum of understanding to implement common services;
- Memorandum of understanding for common recruitment;
- Several long-term agreements;
- Database for local vendors and existing long-term agreements, allowing UN organizations to piggyback on the procurement processes of each other;
- Calculated potential savings in a number of areas, such as hotel and conference management, car purchase vs. car leasing, car maintenance, interpretation and translation, and fuel services;
- Regarding common premises, entrusted UNDP with the duty to contract for and administer the premises;
- Established performance indicators that will help to assess efficiency gains in time and/or money of common services in procurement; and
- Expansion of common services.

**Table 2: Existing and planned common services**

Existing common services	Planned common services
Travel services	Banking services
Cleaning	Event management (conferences, hotels, catering)
Freight forwarding	Telephone services
Interpretation and translation	Insurance services (assets, facilities, vehicles)
Stationary	Fuel services
Printing (in progress)	Courier services
Security	Transportation services (car/bus rentals)
TV spots (in progress)	Newspaper advertisement
Car maintenance (in progress)	IT maintenance service

## 7. Use of national systems by UN organizations within the framework of Delivering as One

<sup>102</sup> The information available through the Multi-Partner Trust Fund Office Gateway is limited to the One Fund only, and therefore is not sufficient for assessing the performance of the One Programme in relation to other funding sources (core and non-core funding).

34. The UN system has shifted the UNDAF programming cycle to begin aligning with the national programming cycle, and initiated annual planning with two-year planning cycles (one year is firm with an additional one year of indicative planning).<sup>103</sup> The new UNDAF 2013-2018 will be fully aligned with the national programming cycle.

35. Four organizations are using HACT: UNDP, UNFPA, UNICEF and UN Women.

## 8. Transaction costs for national partners, donors and the UN country team

36. The resident coordinator reports that detailed consultations have been held with the Government and development partners within the One UN Steering Committee on the reduction and quantification of transaction costs. Subsequent to the country led evaluation, the Government requested the UN system to emphasize the reduction and quantification of transaction costs. A DOCO support mission (January/February 2011) supported the UN country team through the Operations Management Team and the Programme Planning and Oversight Committee in identifying some areas to reduce transaction costs in programme and operations. The Operations Management Team was also trained in the quantification of transaction costs and their reduction. The support mission was used for individual meetings with government and development partners to update them on the progress made by the One UN approach, and inform them of potential cost saving areas and the way forward.

37. The resident coordinator office reports that the code of conduct introduced as part of Delivering as One has reduced transaction costs for both UN organizations and partners. The former cooperate and communicate as One UN, and the code prohibits individual organizations from raising funds at the country level – funds are centrally raised in a harmonized way by the resident coordinator and UN country team.

38. The resident coordinator prepares requests for funding from the Expanded Funding Window on behalf of the One UN; these flow into the common One UN basket fund. This practice has greatly reduced transaction costs for both partners and the One UN regarding fund mobilization efforts and reporting, and has strengthened the spirit of Delivering as One.

39. The UN country team surveyed the cost of various suppliers to establish baselines, and also mapped business processes to implement common services and long-term agreements to help reduce transaction costs.

- A UN country team roster with the best three candidates from recruitment processes in individual organizations is accessible to any organization hiring staff with the same profile.<sup>104</sup>
- Business process mapping indicates potential savings of US\$434,000 per year from UN country team using long-term agreements, as follows:
  - Car leasing option versus car purchase for all organizations over five years: US\$142,000;
  - Hotel and conference services: US\$211,000;
  - Fuel services: US\$12,000;
  - Interpretation services: US\$35,000; and
  - Translation services: US\$35,000.

---

<sup>103</sup> Alignment with national systems is defined by the resident coordinator office as alignment of the UN programming cycle with the national programming cycle; the UN annual planning cycle with the national planning and budgeting cycle; reflection of UN support in the national budget; provision of UN support through national budget execution procedures, financial management systems and audit procedures; and use of national procurement procedures.

<sup>104</sup> The resident coordinator office reported the expectation of 95 percent savings on local recruitment costs.

40. Two proxy performance indicators developed to monitor the evolution of transaction costs in relation to processes covered by long-term agreements since June 2011 are:

- The amount charged per service; and
- Staff time on transactions.

41. The main constraints experienced in defining and tracking transaction costs are:

- The absence of a standardized concept available to quantify transaction costs in programmes, where significant efficiency gains are thought to be made through Delivering as One;
- Insufficient individual staff commitment;
- Difficulties in data generation due to organization-specific financial and procurement systems; and
- Fear that the drive for reduction of transaction costs is used for reducing staff positions.

## 9. Cost of coordination

42. The UN country team increased from 13 to 20 organizations between 2006 and 2010. Of these 20 organizations, 10 are resident, of which 8 are funds or programmes, and 2 are specialized agencies. A total of 10 non-resident agencies operate in Rwanda, including 3 without resident officers or staff.

43. The professional staffing of the resident coordinator office has grown from one in 2006 to two in 2011. The additional position is funded from DOCO and a project called “Strengthening UNCT Capacity for One Programme,” which draws on voluntary contributions from UN organizations in Rwanda.

### Statistical tables relating to the funding situation

**Table 1: Deposits by donors to the One Fund in US\$ (millions), 2006-2011**<sup>105</sup>

Contributor/partner	Deposits	Share, %
Expanded Funding		
Window	35.3	54
<b>Netherlands</b>	<b>6.1</b>	<b>9</b>
<b>Norway</b>	<b>3.7</b>	<b>6</b>
<b>Spain</b>	<b>6.0</b>	<b>9</b>
Sweden	4.2	6
<b>United Kingdom</b>	<b>10.5</b>	<b>16</b>
<b>Total deposits</b>	<b>65.8</b>	<b>100</b>

<sup>105</sup>Source: Multi-Partner Trust Fund Office Gateway. Countries in bold also supported the Expanded Funding Window.

**Table 2: Transfer of funds from the One Fund to UN organizations in US\$ (millions), end 2011<sup>106</sup>**

Organization	Transfers at end 2011		Share of total transfers at end 2011, %
	Approved budget 2011	Transfers 2011	
UNAIDS	1.0	0.4	1
UNCDF	0.2	0.2	0
UNDP	8.8	6.9	15
UNDP (UNV)	0.2	0.1	0
UNFPA	9.5	8.3	18
UNICEF	9.6	8.9	19
UN Women	2.8	2.6	6
<b>Funds and programmes</b>	<b>32.1</b>	<b>27.4</b>	<b>63</b>
FAO	4.0	3.0	6
ILO	1.3	0.9	2
UNESCO	1.9	1.5	3
UNIDO	3.3	2.4	5
WHO	4.3	3.0	7
<b>Specialized agencies</b>	<b>14.8</b>	<b>10.8</b>	<b>25</b>
ECA	1.1	1.1	2
ITC	0.1	0.0	0
UNCDF	0.2	0.2	0
UNCTAD	0.7	0.5	1
UNEP	0.2	0.2	0
UNHABITAT	2.2	1.4	3
UNHCR	2.7	2.1	5
<b>Total other organizations</b>	<b>7.2</b>	<b>5.5</b>	<b>12</b>
<b>Total funding One Fund</b>	<b>54.1</b>	<b>43.7</b>	<b>100</b>

**Table 3: Source of funding of UN development expenditure<sup>107</sup>**

Source of funding of UN development expenditure	Values in US\$ (millions)					
	2006	2007	2008	2009	2010	2011
<b>Non-One Programme</b>	<b>No UN activities outside the One Programme (common operational document)</b>					
<b>One Programme</b>	<b>n.a.</b>					
○ <i>Non-core funding – One Fund</i>	<b>n.a.</b>	<b>3.7</b>	<b>12.8</b>	<b>24.9</b>	<b>14.2</b>	<b>10.3</b>
<b>Share non-core funding in One Programme</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>
<b>Types of non-core funding</b>						
<b>One Fund</b>	<b>n.a.</b>	<b>3.7</b>	<b>12.8</b>	<b>24.9</b>	<b>14.2</b>	<b>10.3</b>
○ <i>One Fund mobilized through headquarters</i>	<b>n.a.</b>	3.7	0.0	0.0	2.6	2.1
○ <i>One Fund mobilized through resident coordinator</i>	<b>n.a.</b>	0.0	12.8	7.6	1.7	0.0

<sup>106</sup>Source: Multi-Partner Trust Fund Office Gateway. Figures on transfers reflect the situation at the end of 2011. Transfers do not reflect the actual expenditure situation, which was available in May 2012 and can be accessed at the Multi-Partner Trust Fund Office Gateway.

<sup>107</sup>No data on the One Programme were provided by the resident coordinator office in response to the evaluation survey.

○ One Fund supported by Expanded Funding Window	n.a.	0.0	0.0	17.2	9.8	8.2
○ Other (non-core) resources (MDG-F and other sources)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Share of non-core resources mobilized through resident coordinator in One Programme</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>
<b>Share of other (non-core) resources in One Programme</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>

**Table 4: Staffing and cost of supporting the One Programme<sup>108</sup>**

<i>Support to programme (cost of resident offices)</i>	Number of staff		
	2006	2010	Change, % 2007-2010
<i>Total UN country team</i>			
<i>Human resources of resident coordinator office</i>	2	4	100
<i>Human resources of country offices of funds and programmes</i>	118	144	22
<i>Human resources of country offices of specialized agencies</i>	51	48	-6
<i>Human resources of non-resident agencies operational at country level</i>	6	10	60
	US\$ (thousands)		
<i>Total UN country team</i>			
<i>Estimated cost of resident coordinator office</i>	192	624	225
<i>Estimated cost of country offices of funds and programmes</i>	3.700	6.497	76
<i>Estimated cost of country offices of specialized agencies</i>	2.133	2.685	26
<i>Estimated cost of non-resident agency staff at country level</i>	140	392	180

<sup>108</sup>No data on the One Programme were provided by the resident coordinator office in response to the evaluation survey.

## **1. Implementation of the Ones**

1. Many development partners see the United Republic of Tanzania as a very important country. It is member of several regional political and economic organizations. UN assistance needs to be seen in the context of overall official development assistance, excluding debts, which ranged from US\$1 billion in 2006 to US\$1.7 billion in 2010. Total UN assistance increased from US\$73 million in 2005 to US\$122 million in 2010, about 5.5 percent of total official development assistance.

2. Delivering as One evolved in two phases. The first phase focused on the design and implementation of 11 joint programmes under the UNDAF 2007-2011. The second phase took a joint programming approach under the UNDAP 2011-2015. This information note focuses on 2007-2011, but where appropriate refers to the subsequent period covering the UNDAP.

3. Delivering as One began in 2006 shortly after the Government agreed on the Joint Assistance Strategy for Tanzania with 18 development partners. The strategy is a government-led, medium-term framework for managing development cooperation. It recognizes national ownership of the development process, the need for more demand-driven and innovative approaches to capacity development, the move towards greater domestic accountability, and the requirement for reduced transaction costs and a rationalized dialogue architecture given the high donor presence in the country.

4. One UN initially focused on four pillars of UN reform: One Programme, One Leader, One Fund and One Office. The One Voice component was subsequently added.

5. Delivering as One was launched after approval of the UNDAF (2007-2010), which was extended to June 2011 to permit realignment with the Government's fiscal cycle. The approach adopted was to design, through a joint programming approach, joint programmes that would draw upon areas of joint interest related to but without modifying the approved UNDAF. They were thus derived from the UNDAF, but retrofitted from activities originally designed for implementation by individual organizations. Seven joint programmes covering six programmatic areas began in 2008. This One Programme intended to reflect the move "upstream" towards policy advisory services building on experience gained through community-based work. It was established as a subsection of the UNDAF under which participating UN organizations were to define joint work plans, joint budgets and common results frameworks, and to agree on a clear division of labour and shared accountability.

6. In a subsequent step, these joint programmes were supplemented by two further components in 2008: One Office, entailing the harmonization of business practices, and One Voice for communications. In 2009, 2 joint programmes on education and environment were added; the number eventually grew to 11. The link between the One Programme and overall UNDAF implementation was established through organization-specific and collaborative work.

7. The One Fund as a joint funding mechanism was set up in late 2007 with a memorandum of understanding by UN organizations. It is the mechanism through which donors support the One Programme, One Office and One Voice.

---

<sup>109</sup>The analysis is based on statistical data provided by the UNCT Tanzania.



8. The UN country team operates in two locations: the mainland of the United Republic of Tanzania and the island of Zanzibar. The One Office was given high priority, with a focus on pooling support services, and harmonizing procedures and business practices in procurement, finance, ICT and human resources. While for the mainland the team found it difficult to identify one building, due to difficulties in securing appropriate land and premises from the Government, on the island of Zanzibar, all organizations were brought together in one location. This enabled a system under which a management agent supervises common services, which include security, cleaning, utilities, communications and stationery.

9. The role of the resident coordinator was strengthened through the One Leader strategy. The resident coordinator is responsible for providing strategic leadership and guidance to the One Programme, as well as holding the UN country team accountable for reaching agreed joint outputs and co-managing the One Fund with the Government. The UN country team agreed on a code of conduct in 2007; it was revised in 2011. It defines the resident coordinator as the main interlocutor for all common matters with the Government, while representatives of UN organizations have continued collaborating with the Government in line with their mandates through sector ministries and other stakeholders. With the appointment of a UNDP country director, a firewall was set up between the functions of the resident coordinator and the UNDP resident representative.

10. The UN country team agreed to harmonize and standardize communication processes under One Voice in order to maintain continuous and systematic information sharing on Delivering as One. One Voice was designed to promote internal understanding and support for Delivering as One, and to provide external audiences with coordinated, comprehensive and timely information about the reform, the joint programmes and their results.

## **2. Overall management of Delivering as One**

11. The Joint Government and UN Steering Committee was set up in 2007. It consisted of participating UN organizations and a member of the Development Partners Group. After launching Delivering as One, its task was to provide overall guidance to the pilot process in terms of policy, programme design, resource mobilization, monitoring and evaluation, strategic partnership and communication

12. The UN country team is composed of 21 organizations: FAO, IFAD, ILO, UNAIDS, UNCDF, UNDP, UNEP, UNESCO, UNFPA, UN-HABITAT, UNHCR, UNIC, UNICEF, UNIDO, UN Women, ICTR, UNIDO, WFP and WHO, plus the World Bank and IMF. The IOM maintains an observer status. The resident coordinator office has six staff members. Three non-resident agencies (OHCHR and IAEA, ITC-UNCTAD) are currently engaged in Delivering as One. Other main stakeholders include central government planning ministries and donors, particularly members of the Friends of the UN Group.

13. The UN country team expected that Delivering as One would bring substantial benefits, notably it would:

- Encourage convergence of UN policy advice and programme priorities;
- Help UN organizations reform so that they see themselves as one institution, and deliver results more efficiently, which is particularly important now that external funds have become scarce;
- Enable the Government to understand the full range of technical capacity available in the UN system, so that it can access exactly what it needs; and

- Promote cost reductions through the One Office, which could make the UN system more attractive to donor partners.

### **3. Funding modalities within the framework of Delivering as One**

#### *Common Budgetary Framework*

14. A One Budgetary Framework has been developed for the joint programmes (2008-2011), defining organizational and One Fund funding needs and contributions on an annual basis. However, details of the entire expenditure of the UNDAF 2007-2011, incorporating all organizational funds, are not readily available.

#### *One Fund<sup>110</sup>*

15. The One Fund began in 2007 as a mechanism through which donors could support three elements of Delivering as One: One Programme, One Office and One Voice. The Joint Government and UN Steering Committee, with development partner representation, was established for its overall management.

16. By the end of 2011, nine donors plus the Expanded Funding Window had committed US\$172 million to the One Fund for disbursement up to 2015. By early 2012, US\$135 million had been deposited, of which US\$110 million was transferred to participating organizations.<sup>111</sup> The balance is with the administrative agent awaiting transfer. Donors supporting the Expanded Funding Window cover 72 percent of all deposits, including the Expanded Funding Window.

17. The funds and programmes (UNAIDS, UNCDF, UNDP, UNFPA, UNICEF, UN Women and WFP) received 66 percent of total transfers up to 2011, with UNDP absorbing two-thirds of the total. Specialized agencies (FAO, ILO, UNESCO, UNIDO and WHO) received 29 percent. Seven other agencies (IOM, ITC, OHCHR, UNCTAD, UNEP, UN-HABITAT and UNHCR) received 5 percent.<sup>112</sup>

18. For the 2011-2015 programming cycle, the UN country team prepared an UNDAP that is fully aligned with national priorities and the government fiscal cycle. With an overall budget of US\$777 million, it builds largely on the achievements and lessons learned from the UNDAF 2007-2011, in particular the experiences of the joint programmes. It is a single, coherent business plan for all UN organizations in the country, including development and humanitarian assistance, with each organization responsible for the delivery of a set of key actions that jointly contribute to shared results. The new approach is in line with the undg-approved guidelines on UNDAF simplified programming and action plans. The UNDAP was endorsed by the Government in December 2010, and began on 1 July 2011.

---

<sup>110</sup> With the alignment of the UN programming cycle to national budgeting cycles, the UNDAF was extended to mid-2011. The new UNDAP began in mid-2011. However, the data available from the Multi-Partner Trust Fund Office Gateway do not permit distinguishing mid-year periods. For this reason, this analysis focuses on the cumulative resource mobilization up to the end of 2011. This may be somewhat inaccurate if one wants to see the performance of resource mobilization in relation to the two different management concepts (UNDAF versus UNDAP). As the focus of the evaluation is on the performance of Delivering as One since its inception, presenting the cumulative results of resource mobilization is appropriate.

<sup>111</sup> For details see Table 1 in statistical tables

<sup>112</sup> For details see Table 2 in the statistical tables

19. The UNDAP is expected to enhance national ownership and UN accountability by articulating precise UN contributions to national priorities. It includes a One Budgetary Framework, incorporating organizational requirements sourced from core, non-core and One Fund resources. On an annual basis, expenditure is provided at the working group level.

#### 4. Programming and funding mechanisms – governance and resource allocation

##### *Governance of the One Fund mechanism*

20. The following mechanisms have been set up to govern the One Programme and One Fund:

- The **Joint Government and UN Steering Committee**, co-chaired by the Permanent Secretary of the Ministry of Finance and the resident coordinator, provides strategic guidance and leadership, makes fund allocation decisions, monitors overall programme implementation, and conducts an annual review of the One Programme and the One Fund. Members are representatives of the Government, the United Nations country management team and development partners.
- The **resident coordinator** co-chairs and facilitates the work of the steering committee, recommends fund allocations based on UN country management team suggestions, and provides strategic focus to consolidated reports, including analyses of progress and lessons learned for future programme implementation. S/he also holds country directors, representatives and other heads of participating UN organizations accountable for programme implementation, utilization of funds allocated from the One UN Fund and results achieved under organizational components of joint programmes. Participating UN organizations assume full programmatic and financial accountability in their respective roles.
- The **representatives, country directors and other heads of participating UN organizations** are responsible for programme implementation, utilization of funds allocated from the One UN Fund and results achieved by their organizations. They provide relevant reports and statements defined in the memorandum of understanding to respective managing and administrative agents.
- Under the UNDAF, there was one **managing agent** for each joint programme. Participating UN organizations appointed the agent, who was responsible for administering funds and supporting national partners in managing the programme. Under the UNDAP 2011-2015, this modality is no longer used.
- The Multi-Partner Trust Fund Office was appointed the **administrative agent** of the One UN Fund.

##### *Resource allocation criteria and fund performance*

21. Under the UNDAF 2007-2011, joint programmes had to comply with a set of eligibility and performance criteria to receive funds from the One Fund. Review of past delivery plus detailed annual work plans by the joint programme participating organizations in consultation with partners was undertaken by the Inter-agency Performance Assessment Team. This was followed by a UN Country Management Team review before submission to the steering committee for approval. The process enhanced inter-agency collaboration and reduced competition for funds.

22. During this period, several operational issues emerged, most of which were largely addressed locally. Consistent dilemmas that were not easily resolved and continue to challenge effective and timely implementation of programmes include:

- **Delays in funds transfer through the Exchequer:** Funds are transferred from UN participating organizations to implementing partners through the Government's Exchequer, which functions as a pass-through mechanism for all funds transfers to multilateral development agencies for implementation of development programmes. However, there was a minimum three-month lag between the transfer of funds by participating organizations and the funds reaching some implementing partner accounts. The issue has not been resolved, as this would mean modifying the business processes of the Exchequer.
- **Weak implementing partner capacity** resulted in slow programme implementation; efforts to address gaps through micro-assessments and action plans were only partially effective. Further capacity building efforts addressing shortfalls identified by micro-assessments are underway.
- Weak implementing partner capacity resulted in **delayed and inaccurate reporting of advances**. UN organizations worked with the implementing partners to address this weakness, but this meant a substantial increase in transaction costs for those using HACT. The UN country team requested a UN system-wide comprehensive approach to building implementing partners' financial capacity.
- Some joint programmes had overly **ambitious delivery targets** that could not be achieved in the given time frame, resulting in the impression of minimal or slow progress in their implementation.
- Some implementing and other partners have indicated **insufficient understanding of UN reform and Delivering as One**, especially in terms of the use of harmonized tools, new ways of engagement, business process requirements, etc.. This has proved to be a challenge.

23. In order to tighten the results focus of programming under the UNDP 2011-2015, the initial One Fund allocation criteria were revised:

- The original concept was that a UN organization would be acting as managing agent, and would be the single contact point for implementing partners with regard to transferring One Fund resources, and all related financial management issues, including reporting. In practice, tools and authorities were not sufficient. Channeling funds for national execution did not reduce transaction costs and delivery rates slowed. Under the UNDP, the managing agent function has been eliminated, but a programme "lead agency" function has been retained, with a coordinating/reporting responsibility for different working groups, including on operations.
- The new allocation criteria now require fulfillment of eligibility criteria for the first disbursement year, and fulfillment of both eligibility and performance criteria for subsequent years.<sup>113</sup> Annual allocations are released in two tranches: 60 percent of funds are immediately

---

<sup>113</sup> Full details, including differences in allocations based on 100 percent, 50-99 percent and less than 50 percent of funds required, can be found in the One Fund terms of reference.

released, with the remaining 40 percent released only on demonstration of 50 percent delivery of the first tranche.

- Conditions for the eligibility of working groups – 10 on programmes, 5 on operations and 3 on cross-cutting issues – for funding by the One UN Fund were revised,<sup>114</sup> and weighted performance criteria were introduced.

24. The value added of the One Fund was the system of centralized performance-based allocations. Since Joint Government and UN Steering Committee was led by the Government, it ensured UN responsiveness to national priorities, while financing key components of the reform. The One Fund did not replace organization-specific resource mobilization and required its own instruments (e.g., memoranda of understanding, terms of reference, monitoring and evaluation mechanisms, and reporting systems). It therefore did not completely reduce workloads, but it simplified reporting for UN organizations and development partners:

- Only one standard administrative agreement was required involving development partners, the administrative agent and the resident coordinator – through this, it was possible to fund a range of programmes rather than establishing individual funding agreements;
- There was only one report sent to all local development partners covering all UN country team activities – it is generated by the locally developed reporting system, with low staff time input; and
- Organizations could have separate development partner agreements, but reporting through the One Fund reduced reporting requirements.

25. Under the joint programmes, the funds from the One Fund were disbursed by the administrative agent directly to the managing agent and participating UN organizations, according to the instruction received from the Joint Government and UN Steering Committee via the resident coordinator. The funds disbursed to the managing agent covered both the national execution components and the funds for activities directly implemented by them. The share of funds channeled to the managing agent varied considerably from one joint programme to another. The disbursements to the participating UN organizations covered activities they implemented directly, or technical assistance they provided. The administrative agent tracked disbursements from the One Fund by joint programme and UN organization.

## **5. Highlights**

*Related to the One Programme, including joint programming*

26. The first phase of Delivering as One focused on joint programmes separate from the UNDAF. The second phase has taken an all-inclusive approach through the UNDAF.

---

<sup>114</sup> Including presentation of a detailed UNDAF working group annual work plans, budgets and procurement schedules; demonstrated capacity of the UN system to deliver the agreed annual work plans (i.e., indication of staff with primary responsibility for delivery of each activity); and measures to redress implementing partner deficiencies for successful UNDAF implementation, as identified through the HACT micro-assessment.

27. The One Fund was an additional source of funding for both the joint programmes and the UNDAP; it has not replaced organizational resources, although dependency on the latter is reduced. Apart from supporting the joint programmes, the One Fund was used to back other reforms, such as the One Office, where a number of innovative business practices have been possible. They include a common ICT platform; a part-time common procurement team that introduced long-term agreements with attendant cost-savings to service needs such as for stationery, security, etc.; and a One UN communication strategy.

28. The reasons for focusing initially on joint programmes were:

- Their architecture required joint work plans, joint budgets, common results, division of labour and shared accountability;
- Their fund management and resource delivery approach could be streamlined and used for delivery through national systems, thereby creating the potential for reducing transaction costs for UN organizations and national counterparts; and
- They allowed a clear management structure with a managing agent,<sup>115</sup> including the centralization of certain functions and procedures as a precursor of harmonization in various areas (e.g., procurement, financial management and reporting), while at the same time permitting participating organizations to focus on their areas of programme expertise rather than on operational management.

29. In total, 14 UN organizations were involved with the 11 joint programmes. Specialized agencies and non-resident agencies whose technical areas were not fully addressed in the initial UNDAF were able to incorporate their areas of work in the One Programme.

30. With the conclusion of the UNDAF (2007-2011), the new UNDAP (2011-2015) was designed from the start as a joint effort between UN organizations, the Government and development partners, as well as civil society. The new approach moved from the focus on a limited set of joint programmes as a subset of the UNDAF, to a joint programming approach covering the entire One Programme, leading to a more coherent, comprehensive and implementable approach. The UNDAP allowed the One Programme to be more focused, with results pitched at a lower level to enable greater transparency and accountability. Its approach was more needs-driven and enhanced awareness in ministries of what they could expect from each programme. Within each thematic working group, a participating UN organization is appointed as a lead agency by the UN country management team to ensure coordination and strengthening of partnerships both within the UN system and with other partners in the country. Each working group has a programme management committee co-chaired by a government lead counterpart nominated by the Government and UN co-chairs of the steering committee. The programme management committee is responsible for: agreeing on annual work plans, including budgetary requirements and key implementation modalities, for submission for One Fund allocations; finalizing biannual reports on annual work plans; and providing strategic and technical guidance for proposed revisions of relevant sections of the UNDAP programme matrix, based upon biannual reports.

31. Overall, UN country team staff felt that the planning process under the UNDAP was more inclusive than during the first phase of Delivering as One, and that the programmes are more results

---

<sup>115</sup> The managing agent was responsible for the overall management of the programme and had programmatic accountability for development results.

focused, building on organizations' comparative advantages and responding to national priorities. They are more coordinated, create space for more organizations and are transparent. Since there are no separate programmes outside the UNDAF, there is much more coherence. A detailed, web-based results monitoring system, with indicators, means of verification and annualized targets at the outcome and output levels has been developed and is operational. It provides biannual review and reporting processes, responds to organizations' periodic reporting requirements and meets the Government's planning needs.

*Related to the funding situation*<sup>116</sup>

32. The original UNDAF was funded from core and non-core organizational resources. The One Fund covered only the activities of the One Programme, which was composed of the original 11 joint programmes from 2007 to June 2011. The new UNDAF (2011-2015) incorporates all activities, for both development and humanitarian assistance, by resident and non-resident agencies, and is resourced through core and non-core resources and the One Fund.

33. The resident coordinator reported that the approach of the One Fund dramatically reduced competition for resources between UN organizations, and the burden on donors in terms of negotiating funding with a multitude of organizations. Nevertheless, despite agreed resource mobilization guiding principles, some organizations continue directly approaching donors, as the One Fund only covers 28 percent of the UNDAF.

34. Despite many improvements, the process of transferring the resources of the One Fund to organizations at country level still experiences delays, with an adverse impact on the implementation of the annual work plans of the UNDAF 2011-2015:

- One Fund allocations for the first year of the UNDAF included Expanded Funding Window funds, with planned release of two tranches in May and September 2011. Actual disbursement, however, slipped.<sup>117</sup>
- Up to three months of delays were observed in the transfer of funds from UN headquarters to the country level.
- The delay in funding impacted implementation – organizations with their own resources launched programming while others with a large dependency on the One Fund were forced to delay implementation, with negative implications for the concept of joint operation.

---

<sup>116</sup>For details, see Table 3 of the statistical tables. The data upon which this analysis relies have been provided by the resident coordinator office. The reporting at country level has been limited to resources channeled through the One Fund. The UN country team cannot provide consolidated statistics and reports on all of its activities (development and humanitarian) for the period 2007-2010. No UN country team-wide information system exists, and data concerning funding and delivery of activities outside the One Fund, namely those under core and non-core funding not covered by the One Programme, have to be retrieved manually from the organizations. In January 2012 floods destroyed many records in the resident coordinator office and organizational offices. It was not possible to provide comprehensive information on the overall assistance of the UN country team, including to give a perspective on the One Programme and One Fund in relationship to other UN country team activities. The following analysis therefore is limited to information available on the One Fund and the joint programmes funded by it.

<sup>117</sup> A first tranche from the Expanded Funding Window was only released in September and part of the second in October. By the end of 2011, the remainder of the second tranche was waiting for disbursement pending confirmation that half of the first tranche was spent.

## 6. Business process harmonization

35. Business process harmonization was supported by a joint programme funded from the One Fund. The approved budget of US\$3.4 million includes resident coordinator office personnel. Under the UNDAF, the work on harmonizing business processes has continued under five operations working groups on procurement, ICT, HACT/finance, human resources and One House. These have a combined budget of US\$1.86 million, across the four-year programme of cooperation. They are focused on increasing operational efficiency, reducing transaction costs for UN organizations and their partners, and improving overall cost-effectiveness. The One Fund also supports the Operational Management Team with a full-time post of resident coordinator office operations adviser. The move towards business harmonization has resulted ultimately in some cost-savings. The negotiation of 45 long-term agreements for local and small-scale products used across the UN country team created at least US\$500,000 in savings in terms of workload and costs.

36. The business harmonization process, supported by the Operational Management Team, has been work and time intensive, and required efforts by the UN country team leadership and communication to achieve staff engagement. Staff at middle to junior levels faced challenges in getting fully involved. The distribution of Operational Management Team tasks was perceived as unbalanced, with funds and programmes taking lead roles on key issues.

37. Achievements include:

- Forty-five long-term agreements are in place and are expected to result in financial savings of about US\$500,000, due to reduced transaction costs
- IT connectivity has improved, making inter-agency work more efficient;
- In Zanzibar, internet protocol telephony has been installed pending integration in all organizations' telephone systems;
- Initiation of UN-wide system orientation and induction courses, as of 2009;
- A common web-based human resource system is operational and expected to enhance strategic work force planning in line with the new country programme; and
- The One UN House and common services in Zanzibar are fully operational under a full-time facilities manager – all resident organizations there share these common services.

38. Under the UNDAF, the One Office strategy will be used to continue seeking ways to expand the use of national systems and the building of their capacities, relating to procurement, the harmonized approach to cash transfers and finance. Further harmonization of local recruitment, and benefits and appraisal processes will build upon the consultancy database as well as existing long-term agreements. There will be increased Government engagement regarding the One House.

39. Key areas that are still subject to agreement and require additional support from headquarters include:



- A possible assessment of inclusion of staff contributions to Delivering as One in staff performance appraisal processes across the UN country team;
- Need for a common definition of costs across UN organizations, as without it, the capacity to assess and report on increased efficiencies under Delivering as One is significantly diminished; this is particularly pertinent in today's aid environment; and
- The common country-level planning and monitoring and evaluation system runs in parallel to organization-specific corporate enterprise resource planning, which has implications for the use of the system beyond simply information sharing.

## **7. Use of national systems by UN organizations within the framework of Delivering as One**

40. The UN system in the United Republic of Tanzania defines alignment with national systems as the use of the government Exchequer to transfer programme funds and the use of the government procurement system. This facilitates effective input into government planning processes and fosters aid predictability. It allows the Government to include the UN system's contribution in its planning and budgeting framework.

- Organizations, such as UNDP, that apply the national implementation modality also use national procurement systems.
- All organizations have committed to using the government Exchequer system, including for goods in kind.

41. As part of the drive to reduce transaction costs and increase efficiency, HACT has been increasingly used to apprise, through micro-assessments, whether or not government national implementing partners have management, accounting and control capacities to effectively manage programmes. The main challenge with HACT is the number of national implementing partners. There were 150 partners for the first annual work plans, and there will be more under the UNDAP.

42. The following organizations are using HACT:

- Since 2007, UNDP, UNFPA, UNICEF and WFP; and
- Since 2011/2012, UNESCO, UNIDO, ILO and FAO.

## **8. Transaction costs for national partners, donors and the UN country team**

43. In 2008, the UN country team developed a framework for calculating programme costs over administration costs to determine whether or not the UN system is doing business in a cost-effective way. This was time consuming, taking several months to secure the requisite data, as each organization operates different financial management systems, with different cost definitions. The process and analysis were therefore carried out manually by each organization with coordination from the resident coordinator office.

44. Business process mapping was undertaken for procurement of local goods. New initiatives such as long-term agreements were implemented to reduce the time and costs of procurement processes. A common ICT platform is also expected to lower UN internal transaction costs. Following a 2010 DOCO mission, guidelines were issued for the definition and assessment of transaction costs. For the second half of the 2011-2012 annual work plan period, a mechanism is planned based on the UNDG methodology for measuring transaction costs.

45. Business processes were mapped for the UN country team in the following areas:
- For procurement of local goods, 45 long-term agreements resulted in an estimated savings of about US\$500,000 for three years;
  - Common ICT infrastructure for inter-agency information sharing is being implemented, with cost savings not yet calculated;
  - A human resources grade classification for national staff is in progress;
  - One UN banking is in progress; and
  - An organization/host country agreement is in progress.

## 9. Cost of coordination<sup>118</sup>

46. The composition of the UN country team remained essentially unchanged during Delivering as One, with six funds or programmes (UNAIDS, UNCDF, UNDP, UNFPA, UNICEF, UN Women and WFP), five specialized agencies (FAO, ILO, UNESCO, UNIDO and WHO) and six other organizations (IOM, ITC, OHCHR, UNCTAD, UNEP, UNHABITAT and UNHCR). UNEP and UNCDF are represented in the country through local officers. There are three non-resident agencies (OHCHR, UNCTAD and ITC).

47. The professional staffing of the resident coordinator office has grown from eight in 2006 to nine in 2011. There are two special assistants to the resident coordinator (funded by the Swedish and Spanish governments); three national officers, including a non-resident agency coordinator funded by UNDP; and five additional posts, four of which are for international staff, including the Zanzibar liaison officer. The office is funded through the One Fund at just over 1 million a year in the UNDP US\$777 million four-year budget.

48. Increases in staff and costs to manage Delivering as One, largely in the resident coordinator office, have been largely met from One Fund resources. This emphasizes the importance of having a large fund, which can be used to support the necessary costs of developing Delivering as One.

### Statistical tables relating to the funding situation

**Table 1: Deposits by donors to the One Fund in US\$ (millions), 2007-2011<sup>119</sup>**

Contributor/partner			Share, %
	Commitments	Deposits	
<b>Canada</b>	<b>45.0</b>	<b>20.2</b>	<b>15</b>
Expanded Funding Window	32.3	32.3	24
Finland	10.7	8.2	6
Ireland	7.0	7.0	5
<b>Netherlands</b>	<b>10.6</b>	<b>10.6</b>	<b>8</b>
<b>Norway</b>	<b>21.4</b>	<b>13.7</b>	<b>10</b>

<sup>118</sup> The resident coordinator office was not in a position to provide any information on the staffing or cost of the UN country team for the period 2007-2011: "10 Agencies affected by severe flooding of UN Compound; soft and hard copies of records have been lost. As yet no access to the shared drive (awaiting technical assistance from HQ), most agencies are therefore not currently in the position to provide requisite data. Remaining agencies did not respond in the given timeline."

<sup>119</sup> Source: Multi-Partner Trust Fund Office Gateway. Countries in bold also supported the Expanded Funding Window.

<b>Spain</b>	<b>6.0</b>	<b>6.0</b>	<b>4</b>
Sweden	6.2	6.2	5
Switzerland	5.3	3.2	2
<b>United Kingdom</b>	<b>27.9</b>	<b>27.9</b>	<b>21</b>
<b>Total</b>	<b>172.4</b>	<b>135.3</b>	<b>100</b>

**Table 2: Transfer of funds from the One Fund to UN organizations in US\$ (millions), end 2011<sup>120</sup>**

Organization <sup>121</sup>	Transfers at end 2011		Share of transfers in total, %
	Budget	Transfers	
UNAIDS	0.4	0.4	0
UNCDF	0.4	0.4	0
UNDP	50.0	47.5	44
UNFPA	7.6	7.6	7
UNICEF	10.6	9.2	9
UN Women	0.5	0.4	0
WFP	6.7	5.8	5
<b>Funds and programmes</b>	<b>76.2</b>	<b>71.3</b>	<b>66</b>
FAO	5.9	5.9	5
ILO	8.0	7.4	7
UNESCO	7.0	6.0	6
UNIDO	6.1	5.6	5
WHO	6.4	6.4	6
<b>Specialized agencies</b>	<b>33.4</b>	<b>31.3</b>	<b>29</b>
IOM	1.6	1.6	1
ITC	0.4	0.4	0
OHCHR	0.0	0.0	0
UNCTAD	0.1	0.1	0
UNEP	0.2	0.2	0
UNHABITAT	0.2	0.2	0
UNHCR	2.6	2.6	2
<b>Total other organizations</b>	<b>5.1</b>	<b>5.1</b>	<b>5</b>
<b>Total funding One Fund</b>	<b>114.7</b>	<b>107.7</b>	<b>100</b>

**Table 3: Source of funding of UN development expenditure**

	Values in US\$ (millions)					
	2006	2007	2008	2009	2010	2011 <sup>122</sup>
<b>Total annual UN programme expenditure</b>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Total estimated annual UN expenditure for development by programme and funding source</b>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Non-One Programme</b>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>One Programme</b>	n.a.	n.a.	24.1	29.7	55.8	n.a.

<sup>120</sup>Source: Multi-Partner Trust Fund Office Gateway.

<sup>121</sup> This includes US\$1.6 million allocated to support Delivering as One and common services, 88 percent of which was allocated to UNDP. The remainder was allocated to ILO, UNICEF, UNESCO, UNFPA and UN Women.

<sup>122</sup>Amounts are still estimates since final 2011 end-of-year figures were not yet available.

<b>Types of non-core funding in One Programme</b>						
○ One Fund mobilized through headquarters	-	13.6	22.1	15.1	22.7	17.7
○ One Fund mobilized through resident coordinator	-	-	-	11.8	6.7	13.8
<b>Total annual UN expenditures for development by execution modality, of which</b>						
<b>Non-One Programme</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>
<b>One Programme<sup>123</sup></b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>
○ Execution through joint programmes within One Fund <sup>124</sup>	-	-	9.9	17.5	30.3	<b>n.a.</b>
○ Other execution modalities if any <sup>125</sup>	<b>n.a.</b>	<b>n.a.</b>	14.2	11.9	<b>n.a.</b>	<b>n.a.</b>
<b>Share of joint programmes in One Fund, % <sup>126</sup></b>	<b>n.a.</b>	<b>n.a.</b>	<b>45</b>	<b>65</b>	<b>n.a.</b>	<b>n.a.</b>
○ Unearmarked			9.9	17.7	30.3	
<b>Share of unearmarked funding within One Programme</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>

<sup>123</sup> Under the joint programmes, reported data were not disaggregated according to core and non-core funding. They were defined as One Fund, parallel and pooled funding. It is therefore not possible to distinguish which resources were part of an organization's core funds and which were part of their non-core funds.

<sup>124</sup> Data provided in the 2008-2010 fields accounts for joint programmes only. The joint programmes are aligned with the Government's fiscal cycle, July to the following June of each year. Figures provided for 2011 are projected, extrapolated from 19 annual work plans running July 2011-June 2012, encompassing all UN system activities. Expenditure for the first six months were available until completion of the first mid-year review, at the end of February 2012, which was not in time for the preparation of this country information sheet.

<sup>125</sup> Figures defined as parallel or pooled funding. Data for 2010 cannot be verified. Data for 2011 are not yet available.

<sup>126</sup> The remainder of the One Plan Fund is managed and coordinated through UN organizations.

## Uruguay<sup>127</sup>

### 1. Implementation of the Ones

1. In 2006, Uruguay volunteered to be one of eight countries to implement Delivering as One; it is the only pilot in Latin America and the Caribbean. As the only upper-middle-income country at the start of Delivering as One, it has very small cooperation resources compared with GDP (0.1 percent in 2005) and the National Budget. However, Uruguay faces a number of extremely serious structural weaknesses and vulnerabilities that jeopardize the sustainability of its development. The Government opted to participate in the pilot process to test the effectiveness of high-impact, limited-resource interventions that use the support of the UN system to overcome these challenges.

2. Uruguay's ODA<sup>128</sup> ranged from US\$21 million in 2006 to US\$51 million in 2011. Including government resources, total assistance through the UN system is reported to be between US\$20 million in 2006 and US\$44 million in 2010. No humanitarian assistance is reported for Uruguay during this period. Since Uruguay is classified as a high-middle-income country, it has limited access to donor resources, as evidenced by the low level of ODA.

3. The Delivering as One pilot initiative is composed of five pillars: One UN Programme, One Budgetary Framework, One Leader, One Office and One Voice.

4. The One Programme 2007-2010 was supported by a One Budgetary Framework. It presented the outcomes and outputs of the One Programme as well as the resources and funding sources that participating UN organizations planned to mobilize.

5. By allocating resources in a pooled fund, the One UN Coherence Fund was designed to provide a funding framework, with utilization, implementation and disbursement defined at the country level according to the national priorities established in the UNDAF and the One Programme.

6. The resident coordinator plays a key role by articulating and coordinating the implementation of the UNDAF and the One Programme, and represents the UN country team as a whole, including the non-resident agencies. As leader of the UN country team, the resident coordinator makes the ultimate decision in the event that the UN country team cannot reach agreement on a given issue. The resident coordinator, jointly with the designated government representative, also oversees resource allocations under the One UN Coherence Fund.

7. An Operations Management Team composed of the operation officers or chief administrators of UN organizations was established to manage and supervise common services and address administrative-operational issues, including progress in the application of HACT.

8. The UN country team developed a common communication strategy to deliver a coherent message, dealing with the UN system as a whole.

### 2. Overall management of Delivering as One

---

<sup>127</sup> Source of information: Delivering as One survey, field interviews, document research and Multi-Partner Trust Fund Office Gateway. This note has been reviewed and verified by the resident coordinator office and UN country team.

<sup>128</sup> ODA amounts per official government sources, 2006-2011.

9. The implementation of the One Programme and the management of the One UN Coherence Fund are overseen by a steering committee that consists of the Government, the resident coordinator, participating UN organizations and donors as observers.

10. The resident coordinator represents the UN Secretary-General and the UN country team in front of the Government; however, UN organizations' autonomy and relevance with national counterparts are not affected. The resident coordinator and UN country team may delegate the discussion of a specific issue to the UN organization that can best represent and defend the UN system's position. In these cases, the UN organization reports to the resident coordinator and UN country team on results achieved. An effective firewall was instituted with the establishment of a UNDP country director.

## **2. Funding modalities within the framework of Delivering as One**

### *Common Budgetary Framework*

11. The original 2007-2010 UNDAF, signed in 2006 before Delivering as One began, did not include a One Budgetary Framework showing identified regular resources (core), extra-budgetary resources (non-core), or a funding gap (Uruguay was not required to have an UNDAF signed for the time period). Hence, mobilization targets and reported execution for the UNDAF did not include government resources or reimbursable contributions from the international financial institutions.

12. The 2007-2010 One Programme signed in October 2007 covered all activities of the signatory UN organizations. Its One Budgetary Framework included mobilization target estimates by regular resources (core), other UN resources (non-core resources from UN sources or bilateral cooperation), government resources (budget or reimbursable contributions from the international financial organizations) and a funding gap for the four agreed programmatic areas.

13. The funding gap was US\$15 million at the start of the One UN Programme. It was fully covered by the end of 2010 with contributions of US\$10.3 million to the One UN Coherence Fund, US\$2.2 million by the Expanded Funding Window and US\$3.3 million from the MDG-F. The overall achievement is 106 percent over the original goal for 2007-2010.

14. As PAHO/WHO did not sign the One UN Programme, its activities were not included in delivery figures; also, ad hoc activities by non-resident, non-signatory agencies were not included in the UNDAF or the One UN Programme.

15. Based on the experience with the One UN Programme and the One Budgetary Framework, the UN country team adopted the UNDAF Action Plan, or UNDAP, for the 2011-2015 UNDAF. The UNDG promoted this model, which consolidates the country programme action plans of UNDP, UNFPA and UNICEF into one document. The 2011-2015 UNDAF maintains a strategic focus on direct outcomes, which are disaggregated into outputs and key activities in the UNDAP. It is perfectly aligned with national priorities established by the Government for 2011-2015, as it was drafted jointly with government technical experts while the five-year National Budget was being drafted and debated. The One Budgetary Framework is the basis for the UNDAP, and it covers all activities of signatory UN organizations, including PAHO/WHO, which signed the new programme document.

### *One Fund*<sup>129</sup>

---

<sup>129</sup> For details, please see Tables 1 and 2 at the end of this country information sheet.

16. The One UN Coherence Fund was established to bridge the funding gap of US\$15 million shown in the One Budgetary Framework between existing resources and the total estimated cost of the One UN Programme. It covered nine outputs of the programme and less than 10 percent of mobilized resources.

17. Only UN organizations that signed the One UN Programme and its memorandum of understanding could access One UN Coherence Fund resources.

18. Based on experience during Delivering as One, the UN country team agreed to extend the One UN Coherence Fund into the new UNDAF and UNDAP through an amendment to the original memorandum of understanding. Again, only signatory organizations can access funds, but all organizations can participate in joint programming, collaborating with their expertise and core funds. So far, US\$1.3 million has been deposited for 2011-2015.

19. The Multi-Partner Trust Fund Office, as the assigned administrative agent, delegated significant functions to the UN Resident Coordinator's office. This enhanced local ownership and national leadership through transparent and rapid access to information.

#### **4. Programming and funding mechanisms – governance and resource allocation**

##### *Governance of the One Fund mechanism*

20. Governance mechanisms established for managing the 2007-2010 UNDAF remain active for the 2011-2015 UNDAF.

- The **Steering Committee of the UNDAF/UNDAP** is co-chaired by the director of the Budget and Planning Office of the Presidency<sup>130</sup> and the UN resident coordinator. It is composed of the Ministry of Foreign Affairs, participating UN organizations and donors as observers. It establishes allocation criteria for the One UN Coherence Fund, allocates resources, approves programmes, and consults with other stakeholders, especially civil society.
- The **UN resident coordinator** provides strategic leadership, makes the ultimate decisions on One UN Coherence Fund allocations, and is accountable and responsible for consolidated fund reports based on reports from participating UN organizations, with the support of the administrative agent.
- The **Consultative Committee** allows space for dialogue with stakeholders not part of the Steering Committee. It considers strategic and overall priorities, and progress of implementation of the UNDAF, UNDAP and One UN Coherence Fund. A very broad committee, it involves the Budget and Planning Office of the Presidency, the resident coordinator, non-Steering Committee members of the UN country team, donor representatives, and representatives from civil society, including the Uruguayan Federation of Cooperatives and the National Association of Micro and Small Businesses. Ministries may be associated as permanent members, and representatives from other sectors of society, such as academia, foundations, the private sector or trade unions may be invited to participate. The committee may

---

<sup>130</sup> The new Agency for International Cooperation is expected to take on the co-presidency role as the Government's leading organization for administering international cooperation.

make recommendations about activities funded under the One UN Coherence Fund and their harmonization with those funded bilaterally by donors.

- Each joint programme under the One UN Coherence Fund is governed by a **management committee** including government representatives and participating organizations. Whatever minor delays typical in inter-agency work were resolved in the corresponding management committee.
- The Multi-Partner Trust Fund Office acts as the **administrative agent of** the One UN Coherence Fund. It delegates certain functions to UNDP's country director.

21. The One UN Coherence Fund in Uruguay is unique in allowing non-UN organizations with similar financial regulations and rules to submit proposals for funding, provided they sign a separate memorandum of understanding with the Multi-Partner Trust Fund Office. This is the case with the IOM. NGOs can function as implementing partners through participating UN organizations.

#### *Resource allocation criteria and fund performance*

22. Joint programmes are eligible for funding under the One UN Coherence Fund if they contribute to the achievement of at least one of the MDGs, are linked to national priorities and outcomes of the UNDAF, ensure the adequate participation of key stakeholders among national counterparts and the UN system (at least two), and complement other initiatives financed by the Government and/or other UN organizations. Disbursements are subject to performance (70 percent of resources delivered) and significant achievement of the deliverables for each joint programme. In case of under-performance, up to two grace periods are granted (less than 11 months) to allow the participating organizations to assist national counterparts in reaching established national targets.

- The **fund allocation process** of the One UN Coherence Fund performed as expected.
- The criteria were supported by the UN country team allowing for an effective decision-making process. They are seen to have enhanced predictability and ensured transparency in the processes involved.
- The allocation criteria for the Expanded Funding Window also performed as expected and as designed, but are not seen as responding to the needs of middle-income countries.
- There were some adjustments to the locally developed **terms of reference of the One UN Coherence Fund** based on lessons learned throughout the process and other requirements from the national, regional and international levels.
- The joint programmes under the One UN Coherence Fund were approved as planned under the terms of reference endorsed at the national level, without any significant modification between the drafting and the approval.
- Expanded Funding Window funds were channeled to the One UN Coherence Fund and implemented according to the fund's terms of reference.

23. The new funding mechanisms enhanced synergy across UN organizations working jointly at the national level. Many of the results have gone beyond expectations, as the process ensured long-term



joint lines of action and concrete achievements that would not have been possible without combined UN system action.

24. The financial flow within the One UN Coherence Fund was effective. Financial resources were received and allocated to participating organizations in due time. The in-country management of the One UN Coherence Fund facilitated and expedited the flow of resources and the approval of joint programmes in accordance with the locally developed terms of reference. However, Expanded Funding Window contributions to the One UN Coherence Fund were often received only in the later part of the year for execution by that year's end. This resulted in delays in several programmes.

25. There have been no delays or difficulties submitting progress and expenditure reports. Financial reporting to the Multi-Partner Trust Fund by organizational headquarters is on an annual basis each April, and it is clear, transparent and efficient. Annual reporting is not sufficient, however, for regular monitoring of joint programme delivery; instead, local reporting continues to ensure proper follow-up and delivery as required by the locally developed terms of reference.

26. The One UN Coherence Fund allows participating organizations to charge seven percent for their administrative/management costs for implementing joint programmes, but only a few country offices receive any portion of these funds from their respective headquarters. This practice is seen to hinder execution capacity and commitment at the country level. For this reason, some UN country team members are reluctant to engage in joint programmes financed by the One UN Coherence Fund, as they consider that in-country administrative costs are not being offset.

## **5. Highlights**

### *Related to the One Programme, including joint programming*

27. Overall UN expenditure in Uruguay is entirely covered by the UNDAF or One UN Programme during 2006-2011, as UN organizations' cooperation programmes are covered by one or both programmatic documents.

28. The development of the One UN Programme was based on the previous 2005 common country assessment and the voluntary formulation of the 2007-2010 UNDAF. The UNDAF was based on the national priorities established by the Government and identified the advantages from the differential capacities of the UN system. The harmonization of the 2007-2010 UNDAF programmatic cycle and the current 2011-2015 common country assessment and UNDAF with the Government's budgetary cycle provided a basis for the UN system to work according to national priorities set by the new Government that took office.

29. The One UN Programme was developed with a human rights based approach and oriented towards strengthening the country's development policies. It focused on the four national priorities set forth in the 2007-2010 UNDAF, and established 63 outputs, of which 25 had an inter-agency dimension, 29 had strategic significance in terms of the UNDAF, and 9 were considered key for the country and were to be financed through the One UN Coherence Fund. The criteria for drafting the One UN Programme were:

- National priorities defined in the common country assessment;
- Strategic action areas identified by the Government;
- Areas of the UNDAF with more concentration of inter-agency work within the UN system thematic groups; and

- Issues where the joint action of the UN system would add value.

30. The One UN Coherence Fund supported 12 joint programmes that corresponded to the 9 outputs with funding gaps identified in the One UN Programme. One additional joint programme, “Strengthening the Cultural Industries and Improving Access to the Cultural Goods and Services of Uruguay” under the MDG-F is considered an integral part of Delivering as One, as it implemented the pilot’s principles and was part of the One UN Programme.

31. Each joint programme is managed by management committees coordinated by the joint programme coordinator. Government representatives and UN organizations participate in planning, managing, monitoring and ensuring the execution of established programme goals. One of the tasks is to ensure compliance with the terms of reference in meeting the joint programme’s financial delivery goal for subsequent disbursements from the One UN Coherence Fund.

32. Since 2008, the One UN Coherence Fund bases subsequent distribution of resources for each approved joint programme on results and performance criteria. Each joint programme has incorporated monitoring and evaluation systems to ensure that the established results and goals are attained. For a joint programme – and its national implementing partners as well as UN organizations – to become eligible for subsequent distributions or allocation of funds, the One UN Coherence Fund requires an overall expenditure of at least 70 percent of the last disbursement.

33. One of the joint programmes financed by the One UN Coherence Fund had catalytic and coordination functions in relation to the reform of the prison system, as it increased partnership with the European Union and Spanish Government.

*Related to the funding situation*<sup>131</sup>

34. All One UN Coherence Fund resources mobilized by the resident coordinator and Expanded Funding Window were implemented through joint programmes. With the exception of the One UN Coherence Fund resources, all other funding sources under non-core funding were earmarked.

35. The original funding target of the UNDAF 2007-2010 was US\$33 million. The One UN Programme established a funding target of US\$95 million as agreed in 2007; US\$80 million was reported as mobilized at the time of approval. The One UN Programme’s share within overall UN system expenditure for development is about 85 percent.

36. By the end of 2010, actual funding and expenditure by the UN system had reached US\$163 million, of which US\$140 million was for the One UN Programme. Non-core resources represent 78 percent of funds for the One UN Programme, and reached 86-92 percent in some years from 2007-2010.

37. However, US\$74 million of overall funding came from government cost-sharing and reimbursable contributions from international financial institutions, reported under non-core contributions. Other non-core resources reached US\$53 million.

---

<sup>131</sup> The data upon which this analysis relies have been provided by the resident coordinator office, which collected and consolidated the information from organizational offices. For details, see Table 3 at the end of the information sheet.

38. The biggest share of non-core funding comes from the Government and the international financial institutions, which are all part of the One UN Programme (58 percent in 2007 and 55 percent in 2010). The bulk of funding for the One UN Programme comes from the Government, international financial institutions and other extra-budgetary funding.

39. The resources mobilized by the resident coordinator and the Expanded Funding Window are the only funds in the One UN Coherence Fund, which covers only 3-4 percent of annual requirements, with the exception of 2009, when it covered 18 percent. During 2008-2009, the One UN Coherence Fund relied exclusively on locally mobilized resources, but in 2010, it was supported by the Expanded Funding Window with US\$2.3 million.

40. Considering their share in the overall funding of the One UN Programme, it is significant that Government and reimbursable contributions from the international financial institutions are included in the One UN Programme, thus ensuring overall coherence of the UN system's contribution to Uruguay's development.

## **6. Business process harmonization**

41. The UN country team and resident coordinator office report that the main efforts towards business process/practice harmonization related to setting up a memorandum of understanding on common services, mainly to establish long-term agreements to take advantage of consolidated procurement power:

- A long-term agreement on **travel agency services** was signed, resulting in reductions on airfares. Several airlines have agreed to provide preferential rates to all UN organizations and their staff. No commitment to a specific purchase volume is required; the potential volume of services was sufficient to leverage better prices.
- **Joint purchasing of paper and office supplies.**
- **Reduced telecommunications rates** as the UN system is considered to be a large client.
- **Reduced courier costs.**
- Common procedure on **human resources selection and the procurement of goods and services** for joint programmes; staff selection panels now include national counterparts, the Government, participating UN organizations and the resident coordinator office.
- Agreement on **common conditions for locally contracting human resources**, covering salary scales and benefits; this allows the specific rules and procedures of the contracting organization to remain in place.

42. According to the UN country team and resident coordinator office, the absence of harmonized rules and regulations at headquarters levels for all UN organizations obliges the country team to apply different standards, processes and policies according to the organization that leads procurement.

43. The UN country team and resident coordinator office maintain that the new funding mechanisms have reduced transaction costs, as reporting to cooperation partners and UN headquarters is easier. There continues to be duplication of efforts and increased workload and cost, however, as organizations are still required to comply with their own policies and procedures.

## **7. Use of national systems by UN organizations within the framework of Delivering as One**

44. Since 2007, UNDP, UNFPA and UNICEF have implemented HACT (macro-assessment, micro-assessment, use of the funding authorization and certificate of expenditure ). As of 2008, FAO, ONUDI and UNESCO have attempted to implement HACT, but not completely.

45. The UN country team is using national systems in a few instances, but there are no formal discussions with the Government on using national systems for UN activities. National counterparts often consider the UN system more effective and view it as the preferred administrator of funds.

## **8. Transaction costs for national partners, donors and the UN country team**

46. Stakeholders perceive transaction costs as a challenge, and not just in terms of time and procedures, but also in terms of the additional investments that they have to make to work with the UN system. They indicate that transaction costs have increased under Delivering as One, while recognizing that there has been greater delivery, cooperation and coordination by the UN system vis-à-vis country priorities and needs for development. Transaction costs changed due to a greater level of participation and involvement by UN organizations with a greater number of national counterparts.

47. Reduction of transaction costs has been one of the overall key objectives of Delivering as One. The UN country team has discussed transaction costs with national partners and donors. The Government in particular has indicated the need for UN organizations to harmonize their practices, rules and regulations to reduce the burden of the many rules applied. Especially for joint programmes, several national counterparts have had to follow different rules for each participating UN organization. Reducing costs has been a strong message from the Government through every step of Delivering as One, and the implementation of joint programmes financed by the One UN Coherence Fund and the MDG-F.

48. Perception surveys indicate that some transaction costs have increased, while others have declined:

- Government: Delivering as One has implied additional coordination efforts; however, the UN system is more effective and better aligned with national priorities.
- Donors at the country level: Coordination efforts with the UN system increased, but with great gains in developing joint efforts and enhancing coherence in collective actions.
- Common services and collective bargaining efforts have resulted in substantial savings for UN organizations.

49. Business processes in the areas of individual procurement, common services procurement and joint programming have been mapped, but with limited results, as most procedural changes cannot be implemented at the country level. Substantial reductions in transaction costs are expected through lower prices due to increased purchasing power from collective bargaining, resulting in annual savings of approximately US\$165,000 for the entire UN country team. Savings will accrue to the UN country team and the Government. Joint programming, on the other hand, increased transaction costs for all partners. Reduced transactions costs are expected from better-aligned programmes, reduced duplication, enhanced coherence and higher national ownership.

50. The UN country team monitors, as of 2010, the evolution of administrative costs in relation to overall delivery in the country as a proxy indicator for transaction costs. According to the resident coordinator office, some UN organizations have reported improvements in costs related to their delivery.

## **9. Cost of coordination<sup>132</sup>**

51. The UN country team increased from 11 to 22 organizations between 2006 and 2010, of which 3 are funds or programmes, 7 are specialized agencies, and 6 are non-resident agencies. An additional four non-resident agencies operated in Uruguay without resident officers or staff.

52. The professional staffing of the resident coordinator office has grown from 2<sup>133</sup> in 2006 to 11 in 2011, mainly through the use of consultants. These additional positions are funded by donors (the Transformation Fund from the Netherlands and Spain), DOCO (Delivering as One specific funds) and the office provides secretariat functions for the Steering Committee and to some extent UN organizations.

53. The staffing of the UN country team shows diverging trends:

- Funds and programmes (2006-2011): While most positions remained relatively stable, the number of consultants increased from 23 in 2007 to 52 in 2011.
- Specialized agencies (2006-2011): The number of international professional positions increased by 27 percent, from 15 in 2006 to 19 in 2011. Those of national professionals increased by 43 percent from 7 in 2006 to 10 in 2011, and those of General Service staff rose by 46 percent from 28 in 2005 to 41 in 2011. The number of consultants peaked in 2008; it declined from 31 in 2006 to 28 in 2011.
- The capacity of non-resident agencies doubled in the two professional categories (international and national) from 5 positions in 2006 to 12 in 2011. The number of consultants went from 0 to 4 in 2011.

54. The cost of operational support to programme work, from the resident coordinator and country offices of funds and programmes, doubled during 2006-2010. Including international, national and General Service staff positions, along with non-staff allocations, it rose from US\$2.6 million in 2006 to US\$5.2 million in 2010.

55. In 2011, the cost of the resident coordinator office was 9 percent of the total cost of the UN country team offices, from 4 percent in 2006. Funds and programmes contributed 63 percent of the cost, from 61 percent in 2006. Specialized agencies contributed 19 percent, from 20 percent in 2006, while non-resident agencies provided 10 percent, from 14 percent in 2006.

56. Taking into account the programme delivery figures and using 2007-2010 as reference framework, the following emerges:

---

<sup>132</sup> Source: response to survey. For details, see Table 4 at the end of the information sheet.

<sup>133</sup> Of which one is an international officer.

- Overall UN programme expenditure increased by 91 percent; One UN Programme expenditures rose by 67 percent.
- While core-funding hardly increased, non-core funding doubled.
- The increase in staff and cost of UN offices corresponds with the overall increase of activities.

### Statistical tables relating to the funding situation

**Table 1: Deposits by donors to the One Fund in US\$ (millions), 2006-2011<sup>134</sup>**

Contributor/partner	Deposits	Share, %
Expanded Funding Window	3.56	26
<b>Netherlands</b>	<b>0.69</b>	<b>5</b>
<b>Norway</b>	<b>1.83</b>	<b>13</b>
<b>Spain</b>	<b>7.80</b>	<b>56</b>
<b>Total deposits</b>	<b>13.88</b>	<b>100</b>

**Table 2: Transfer of funds from the One Fund to UN organizations in US\$ (millions), end 2011<sup>135</sup>**

Organization	Transfers at end 2011	Share of transfers in total, %
UNDP	3.9	32
UNEP	0.3	2
UNFPA	1.3	11
UNICEF	0.5	4
UNOPS	0.5	4
UN Women	0.5	4
<b>Funds and programmes</b>	<b>7.0</b>	<b>57</b>
FAO	0.7	6
ILO	0.9	7
UNESCO	1.2	10
UNIDO	1.3	11
<b>Specialized agencies</b>	<b>4.1</b>	<b>34</b>
IOM	1.0	8
UNODC	0.1	1
<b>Total other organizations</b>	<b>1.1</b>	<b>9</b>
<b>Total funding One Fund</b>	<b>12.2</b>	<b>100</b>

**Table 3: Source of funding of UN development expenditure<sup>136</sup>**

	Values in US\$ (millions)				
	2006	2007	2008	2009	2010

<sup>134</sup> Source: Multi-Partner Trust Fund Office Gateway. Countries in bold also supported the Expanded Funding Window.

<sup>135</sup> Source: Multi-Partner Trust Fund Office Gateway.

<sup>136</sup> The consolidated data reflect data submitted by all UN organizations.

<b>Total annual UN programme expenditures (annual reports)<sup>137</sup></b>	<b>19.7</b>	<b>23.3</b>	<b>46.8</b>	<b>48.8</b>	<b>44.4</b>
<b>Total estimated annual UN expenditures for development by programme and funding source<sup>138</sup></b>	<b>19.7</b>	<b>23.3</b>	<b>46.8</b>	<b>48.8</b>	<b>44.4</b>
<b>Non-One Programme</b>	<b>19.7</b>	<b>1.2</b>	<b>6.5</b>	<b>7.5</b>	<b>7.9</b>
o Core funding	0.0	0.1	0.1	0.1	0.1
o Non-core funding of non-One Programme activities	0.0	1.1	6.4	7.4	7.7
<b>One Programme</b>	<b>0.0</b>	<b>22.1</b>	<b>40.3</b>	<b>41.4</b>	<b>36.6</b>
o Core funding	0.0	3.1	4.3	2.8	3.1
o Non-core funding – extra-budgetary (does not include One Fund)	0.0	6.1	13.1	11.5	9.8
o Non-core funding – Government and reimbursable contributions from international financial institutions	0.0	12.9	21.6	19.5	20.1
o Non-core funding – One Fund	0.0	0.0	1.4	7.6	3.6
<b>Share of non-core funding in One Programme, %</b>		<b>86</b>	<b>89</b>	<b>93</b>	<b>92</b>

<b>Types of non-core funding</b>	<b>0.0</b>	<b>19.0</b>	<b>36.0</b>	<b>38.6</b>	<b>33.5</b>
<b>Extra-budgetary not included in One Fund</b>	<b>0.0</b>	<b>6.1</b>	<b>13.1</b>	<b>11.5</b>	<b>9.8</b>
<b>Government and reimbursable contributions from international financial institutions</b>	<b>0.0</b>	<b>12.9</b>	<b>21.6</b>	<b>19.5</b>	<b>20.1</b>
<b>One Fund</b>	<b>0.0</b>	<b>0.0</b>	<b>1.4</b>	<b>7.6</b>	<b>3.6</b>
o One Fund mobilized through headquarters	0.0	0.0	0.0	0.0	0.0
o One Fund mobilized through resident coordinator	0.0	0.0	1.4	7.6	1.4
o One Fund supported by Expanded Funding Window	0.0	0.0	0.0	0.0	2.3
o Other (non-core) resources (MDG-F and other sources)	0.0	0.0	0.0	0.0	0.0
<b>Share of non-core resources mobilized through resident coordinator in One Programme, %</b>	<b>-</b>	<b>0</b>	<b>3</b>	<b>18</b>	<b>4</b>
<b>Share of other (non-core) resources in One Programme, %</b>		<b>100</b>	<b>96</b>	<b>80</b>	<b>89</b>

<b>Total annual UN expenditure for development by execution modality, of which</b>	<b>19.7</b>	<b>23.3</b>	<b>46.8</b>	<b>48.8</b>	<b>44.4</b>
<b>Non-One Programme</b>	<b>19.7</b>	<b>1.2</b>	<b>6.5</b>	<b>7.5</b>	<b>7.9</b>
o Execution not through joint programmes	19.7	1.2	6.5	7.5	7.9
o Execution through joint programmes outside One Fund (=MDG-F)	0.0	0.0	0.0	0.0	0.0
<b>One Programme</b>	<b>0.0</b>	<b>22.1</b>	<b>40.3</b>	<b>41.4</b>	<b>36.6</b>
o Execution through joint programmes within One Fund <sup>139</sup>	0.0	0.0	1.4	7.6	1.4
o Execution through joint programmes outside One Fund (= MDG-F)	0.0	0.0	0.0	0.9	1.0
o Other execution modalities if any	0.0	22.1	38.9	32.9	34.2
<b>Share of joint programmes in One Fund, %</b>			<b>100</b>	<b>100</b>	<b>100</b>

<b>Earmarked and unearmarked funding under One Programme</b>	<b>0.0</b>	<b>19.0</b>	<b>36.0</b>	<b>38.6</b>	<b>33.5</b>
o Earmarked	0.0	19.0	34.7	31.0	29.9
o Unearmarked	0.0	0.0	1.4	7.6	3.6
<b>Share of unearmarked funding within One Programme, %</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>18</b>	<b>10</b>

<sup>137</sup> Source: UN annual reports.

<sup>138</sup> Source: reports from organizations. Note that the indicative total expenditure figure for 2011 is an estimate.

<sup>139</sup> Financial figures have been included as reported by organizations to the Multi-Partner Trust Fund. Data related to the MDG-F joint programmes have been reported in different rows by organizations.

**Table 4: Source of funding of UN development expenditure and staffing, and cost of supporting the One Programme<sup>140</sup>**

	In US\$ (millions)		Change, %
	2007	2010	2007-2010
<b>Total annual UN programme expenditure (annual report)</b>	<b>23.3</b>	<b>44.4</b>	<b>91</b>
<b>Total estimated annual UN expenditure for development by programme and funding source</b>	<b>23.3</b>	<b>44.4</b>	<b>91</b>
<b>Non-One Programme</b>	<b>1.2</b>	<b>7.9</b>	<b>558</b>
<b>One Programme</b>	<b>22.1</b>	<b>36.8</b>	<b>66.5</b>
○ Core funding	3.1	3.1	0
○ Non-core funding	19.0	33.6	76.8
<b>Of which</b>			
○ One Fund mobilized through headquarters			
○ One Fund mobilized through resident coordinator		1.4	
○ One Fund supported by Expanded Funding Window		2.1	
○ Other (non-core) resources (MDG-F and other sources)			
<b>Support to UN Programme (cost of resident offices)</b>	<b>Number of staff</b>		
	<b>2006</b>	<b>2010</b>	<b>Change, %</b>
			<b>2007-2010</b>
<i>Total UN country team</i>	158	240	52
<i>Human resources of resident coordinator office</i>	2	11	450
<i>Human resources of country offices of funds and programmes</i>	61	100	64
<i>Human resources of country offices of specialized agencies</i>	81	101	25
<i>Human resources of non-resident agencies operational at country level</i>	14	28	100
	<b>In US\$ (thousands)</b>		
<i>Total UN country team</i>	2.557	5.156	102
<i>Estimated cost of resident coordinator office</i>	117	448	283
<i>Estimated cost of country offices of funds and programmes</i>	1.564	3.246	107
<i>Estimated cost of country offices of specialized agencies</i>	516	960	86
<i>Estimated cost of non-resident agency staff at country level</i>	360	502	39

<sup>140</sup> Consolidated data reflect data submitted by all UN organizations.



## 1. Implementation of the Ones

1. The One UN initiative in Viet Nam started in February 2006. At first it focused on five pillars of UN reform: One Plan, One Budget, One Leader, One Set of Management Practices and One Green UN House. Viet Nam later added One Voice.

2. Under the One Plan, in early 2006 the UN country team agreed on a two-track approach. Organizations ready to join the unified structure could do so immediately, while the specialized agencies would opt in or out depending on their specific circumstances and within their own timeframes. After the first One Plan was developed and before implementation could start, five non-participating organizations intervened, arguing that they had been excluded from discussions and decisions, and that the arrangements failed to adequately support national development objectives. Accordingly, the approach was revised to include all 14 agencies, but with a change in scope. The second One Plan started in 2008.

3. The One Plan seeks to combine and synthesize the work of the 14 resident UN organizations in Viet Nam – FAO, IFAD, ILO, UNAIDS, UNDP, UNFPA, UN-HABITAT, UNIDO, UNESCO, UNICEF, UN Women, UNODC, UNV and WHO – within a single planning framework to better support the Socio-Economic Development Plan (2006-2010) of Viet Nam and the achievement of the MDGs.

4. To put the One Plan into action, a One Plan Management Plan was finalized and agreed upon by all participating agencies. It outlined how the UN organizations participating in One UN in Viet Nam would organize themselves in the most effective ways, so as to successfully implement the One Plan and other key elements of One UN.

5. The One Plan Fund Mobilization and Allocation Committee was established under the chairmanship of the resident coordinator. It consists of UN heads of organizations and is intended to ensure that the mobilization and allocation of funds for programme priorities within the One Plan are strategic, coherent, and in line with the harmonization and simplification agenda of the Hanoi Core Statement. Based on experiences in funding the second One Plan and subsequent One Plan fund allocation rounds, refined allocation criteria have been developed in three key areas: eligibility, programme priority and performance.

6. Under the One Plan Management Plan, programme coordination groups were established in 2008 as an inclusive mechanism for UN organizations to work with each other and with partners on key shared issues such as HIV and AIDS, social and development policies, education and governance. The groups coordinate implementation of specific sets of outputs from the One Plan. They are a joint working mechanism, co-owned by the Government and the UN system, and as such are co-convened by a government ministry and a UN organization. Each group consists of staff nominated from various government ministries, UN organizations and other partners working together in a specific programmatic area. Diverse in size, structure and coordination modalities, the groups aim to ensure high-quality coordination, institutional learning and staff

---

<sup>141</sup>Sources: Delivering as One survey, field interviews, document research and the Multi-Partner Trust Fund Office Gateway. This note has been reviewed and verified by the UN country team.

development. While the groups are essential to the overall Delivering as One process, the number was consolidated from 11 to 8 following the recommendations of an independent assessment in 2009. Another recommendation was to change the status of the groups from being internal UN coordination mechanisms to being joint working mechanisms, co-convened by the Government and the UN system.

7. Implementation of the One Plan is overseen and coordinated by the One Plan Steering Committee, in order to ensure achievement of plan outcomes and its contribution to national development results. The committee provides broad strategic advice on the allocation of resources from the One Plan Fund. It is co-chaired by the Vice-Minister of the Ministry of Planning and Investment and the resident coordinator, and has eight other members – four representatives of government aid coordination agencies and four members of participating UN organizations.

8. The new One Plan (2012-2016) was developed on the basis of the UNDAF guidelines. This included conducting an independent analysis of the country situation, which drew on: available studies, including a joint country analysis commissioned by the UN system and the Like-Minded Donor Group, internal UN analytical work, a strategic prioritization process, and extensive consultations with the Government donor community and civil society. The overall programme framework was designed in close partnership with the Government and donor partners, and in consultation with other key stakeholders, including civil society. The new One Plan is a clear move away from agency-based planning to joint UN programming with Government and donor partners. It outlines the programme of work that participating UN organizations will undertake, in line with the priorities identified in the Socio-Economic Development Strategy 2011-2020 and the Socio-Economic Development Plan 2011-2015.

9. In December 2006, the One UN Communications Team was officially formed with the participation of staff from UNDP, UNFPA and UNICEF. Later, staff from UNAIDS and UNV joined the team. It sits together in one office, works from a joint work plan, and reports to a single, neutral manager. It is considered “a pilot within a pilot.” The One UN Communications Team led the development of a common communications plan/strategy,<sup>142</sup> and the UN country team regularly discusses key advocacy messages to focus on during interactions with national and international partners.

10. A memorandum of understanding on One Leader, UN country team terms of reference and a code of conduct is seen as a major step towards improved management and accountability. A voluntary agreement among UN organizations, it offers a stronger framework for financial management and includes provisions for performance evaluation of UN country team members and the resident coordinator.

## **2. Overall Management of Delivering as One**

11. UN reform in Viet Nam is a three-party undertaking involving the Government, the UN country team and the donor community. To implement One UN in a collaborative manner, a

---

<sup>142</sup> Up to the end of 2011, the Management Board for the communications team was composed of participating heads of organizations and the head of the resident coordinator office. As of 1 January 2012, the Management Board was officially abolished. The communications team manager now reports to the resident coordinator and by extension to the UN country team.

Tripartite National Task Force has been established under the leadership of the Government and within the context of the Hanoi Core Statement on Aid Effectiveness. The task force consists of representatives of the Ministry of Planning and Investment, the Ministry of Foreign Affairs, the Ministry of Finance, the Office of the Government, participating UN organizations and bilateral donors. It has been responsible for providing general oversight of all aspects of Delivering as One.

12. The resident coordinator office is responsible for support to the resident coordinator and the UN country team in the following areas:

- Implementation of the global UN reform agenda;
- One UN coordination for results, including support to One Plan 2012-2016 development;
- Resource mobilization via the One Plan Fund;
- Results-based management;
- Enhanced One UN policy capacity and aid effectiveness;
- Liaisons with non-resident agencies and joint programmes;
- Support to change management; and
- Other support to the resident coordinator and UN country team as required.

13. Several programmes under the One Plan have substantive linkages with activities of other sources of external aid to Viet Nam. UN support played a catalytic role in enhanced overall coordination and partnerships between the UN system and different donors (e.g., the Global Fund to Fight AIDS, Tuberculosis and Malaria; the US President's Emergency Plan for AIDS Relief, USAID, the European Union, and in the context of South-South cooperation) as well as in several thematic areas, especially for topics deemed sensitive or innovative.

### **3. Funding modalities within the framework of Delivering as One**

#### *Common Budgetary Framework*

14. The One Plan Funding Framework is used as a common budgetary framework; it provides a comprehensive resource estimation, including both regular and other resources required to implement the One Plan as reflected in the One Plan Results and Resources Framework. The One Plan Fund is part of other resources, and is a mechanism to mobilize and allocate donor funds for the non-core, unfunded part of the One Plan, and new initiatives responding to emerging needs within the context of the One Plan. The rationale behind introducing the One Plan Funding Framework is that it allows coordination of financial management of the One Plan at country level, the more effective and efficient use of resources, and reduced management cost.

15. The One Plan Funding Framework is a rolling budget updated on a quarterly basis by all organizations.

#### *One Fund*

16. The total value of the One Plan for 2006-2010 was US\$403 million, of which US\$308 million came from non-core resources. At the time of the approval of the UNDAF/One Plan, US\$302 million was already secured (about 75 percent). By the end of 2010, an additional US\$72 million had been mobilized, so that actual resources were US\$380 million. The One Plan Fund contributed about 36 percent or US\$85 million to non-core resources, within the One Plan 2006-2010. Expenditures from funds outside the One Plan were US\$4.8 million, negligible compared to the total expenditure of US\$345.8 million.

17. By the end of 2011, 13 donors<sup>143</sup> supported the One Plan Fund. Four of these donors also supported the Expanded Funding Window, which provided 44 percent of the One Plan Fund ,while the other nine donors contributed 37 percent. The Expanded Funding Window covered the remaining balance of 19 percent. It is treated as a donor to the One Plan Fund and therefore does not have its own projects/programmes. Its contributions are comingled with other donor funds.

18. The concept behind the One Plan Fund is to pool funds in order to mobilize and allocate new unearmarked resources in support of the unfunded part of the One Plan, along with new initiatives in response to emerging needs within the context of the One Plan. The overall administration of the One Plan Fund is with the Multi-Partner Trust Fund Office of UNDP.

- Under the One Plan Phase II (2006-2011), the funding model focused on five outcomes or thematic areas, within which funds are transferred to organizations at the project level (there were 5 agencies under One Plan Phase I, 13 agencies under One Plan Phase II). The five outcome areas include: social and economic policies, social and protection services, environment, governance and disaster management.
- Of the total resources<sup>144</sup> made available to the One Plan Fund Phase I and II from 2006-2011, about 73 percent were used by Funds and Programmes, including 68 percent by UNDP, UNICEF and UNFPA. The specialized agencies were only involved with the One Plan Fund II, and used the remainder. The five larger agencies (FAO, ILO, UNESCO, UNIDO and WHO) absorbed between 3-8 percent each. Smaller agencies (UNODC and UNHABITAT) used about 4 percent together.

#### 4. Programming and funding mechanisms – governance and resource allocation

##### *Governance of the One Fund mechanism*

19. The following mechanisms have been set up to govern Delivering as One:

- The **Tripartite National Task Force** has been established under the leadership of the Government and within the context of the Ha Noi Core Statement on Aid Effectiveness. It consists of representatives of the Ministry of Planning and Investment, the Ministry of Foreign Affairs, the Ministry of Finance, the Office of the Government, participating UN organizations and bilateral donors. The task force provides general oversight of all aspects of Delivering as One.
- The **One Plan Steering Committee**, co-chaired by the Vice Minister of the Ministry of Planning and Investment and the UN resident coordinator, approves the guiding principles for fund allocation relating to the One Plan Fund, and provides guidance and recommendations on priority actions.
- The **One Plan Fund Mobilization and Allocation Committee**, chaired by the UN resident coordinator and consisting of the heads of participating UN organizations, is responsible for developing a joint resource mobilization strategy, for prioritizing the allocation of funds from

---

<sup>143</sup>For details, see Table 1 in the statistical tables.

<sup>144</sup>For details, please see Table 2 of the statistical tables.

the One Plan Fund, and for providing oversight of the management and operations of the One Plan Fund.

- The **UN country team, involving heads of participating UN organizations**, is responsible for programme implementation; heads of organizations are accountable to the resident coordinator for their organization delivering results under initiatives funded through the One Plan Fund.
- **The UN resident coordinator** leads and coordinates the overall management of the One Plan Fund in consultation with participating UN organizations. On behalf of the UN country team, the resident coordinator leads the resource mobilization process in a unified and simplified way, replacing previous organizational fundraising. This has resulted in a considerable reduction of overall transaction costs, both for organizations and donors contributing to the One Plan Fund, as they are no longer approached bilaterally by multiple entities seeking funding. The resident coordinator makes ultimate decisions on fund allocation, with a documented process and rationale for these decisions. Programme implementation is the responsibility of the heads of participating UN organizations.

### *Resource allocation criteria and fund performance*

20. As the One Plan Fund is an innovative funding mechanism, its instruments and allocation processes were adjusted based on experience. Since inception, the fund's allocation modalities have been revised twice, in 2009 and 2011.

21. Under the current model,<sup>145</sup> a clear delineation of functions exists between the submission of funding requests, their review and rating, and final allocation decisions. There are three core criteria<sup>146</sup> with 19 more detailed indicators, including weighting of the three core criteria—eligibility (15 percent), programme priority (25 percent) and performance (60 percent)—to address cross-cutting issues (e.g., gender equality, human rights, environmental sustainability and culturally appropriate programming). In 2011, a four-member Independent Review Panel assessed and scored all submissions.

22. The criteria for Expanded Funding Window allocations are agreed by the Expanded Funding Window Steering Committee. The UN country team provided feedback and suggestions on possible indicators in 2011, but agreed indicators for 2011 and 2012 differed from initial proposals. They proved fairly cumbersome to report on due to a lack of standard definitions and data. Different levels of income in middle-income countries are not considered sufficiently reflected in the Expanded Funding Window allocation.

23. Only minor problems are observed in approval, fund allocation and transfer, once funds for the One Plan Fund and Expanded Funding Window are actually available. The main constraints reported relate to delays in fund transfers from donors (leading to subsequent delays in programme implementation) and the capacity constraints of national partners in complex development areas.

---

<sup>145</sup>Following a recommendation from the country-led evaluation.

<sup>146</sup>Eligibility, e.g., the quality of programming and capacity of organizations to implement a proposed programme; programme priority, or the extent to which programmes support key national development priorities, are based on UN comparative advantages and mainstream cross-cutting issues; and performance, considering past performance in terms of results and financial delivery.

24. There have been no problems in the submission of progress and expenditure reports, but the fact that the certified annual financial statements on programme expenditures by organizations are only available by June means that the final One Plan annual reports can usually only be disseminated in June/July.

## 5. Highlights

### *Related to the One Programme, including joint programming*

25. The focus in Viet Nam is on joint programming and coordination through the programme coordination groups. This approach allows for managing coordination through thematic programme coordination groups<sup>147</sup> rather than joint programmes, as has been the case in some of the other pilots.

26. The role of the six joint programmes in the One Plan Fund (Phase I and II) is therefore not significant, involving only 1 percent of its overall disbursement. They absorbed about US\$42 million during that period, of which US\$3.2 million came under the One Plan Fund. Only the joint programme on basic social services in Kon Tum Province is partly funded from the One Plan Fund. Other joint programmes are funded through other channels, such as the MDG-F (three joint programmes), UN-REDD (1 joint programme) and avian influenza (1 joint programme), and involve a minimum of 3 and maximum of 11 UN organizations. The joint programme in Kon Tum Province is co-funded by UNICEF, UNDP and UNFPA.

27. Outside the joint programmes, agencies continued to manage the funds allocated to them through projects.<sup>148</sup>

### *Related to the funding situation*<sup>149</sup><sup>150</sup>

28. The following are some highlights of funding the One Plan in Viet Nam:

- Only 1 percent of total UN expenditure was not included in the UNDAF/One Plan during 2006-2010 and is thus negligible; the One Plan de facto covers the entire UNDAF.
- The share of non-core funding in overall expenditure for development from 2006-2010 has been in the range of 67 percent to 80 percent. The peak in resource mobilization for non-core funding for the One Programme was achieved in 2010, which coincides with the increase in resource mobilization through the resident coordinator, which also peaked in 2010. Resource mobilization through the One Plan Fund mechanism was effective as the resources available to the UN system for development activities mobilized through this channel increased

---

<sup>147</sup>See also the section on business process harmonization.

<sup>148</sup>This is the reason the Multi-Donor Trust Fund Office Gateway reports a high number of projects, including 62 in relation to the One Plan Fund I and 95 in relation to the One Plan Fund II, and only six joint programmes.

<sup>149</sup>The data upon which this analysis relies have been provided by the resident coordinator office, which collected and consolidated the information from organizational country offices. Regular reporting on One Plan expenditures (as in the UN annual reports) provides a breakdown by the following three categories: regular (core) resources, One Plan Fund resources and other resources. Since regular reporting is not done by earmarking or execution modality, these data had to be collected separately. This explains the discrepancies between some of the figures. Some annual figures were estimates by some organizations that report on a biennial basis. In other cases (e.g., WHO), data for 2006 and 2007 were not available due to the transfer to a new financial system.

<sup>150</sup>For details, see Table 3 of the statistical tables.

significantly. The share of the One Plan Fund in non-core funding increased from 6 percent in 2007 to 42-49 percent from 2009-2011. Donors seem to have largely agreed to channel a substantial share of their resources to unearmarked funding through the One Plan Fund.

- The significant drop in non-core resource mobilization in 2011 is caused by the drop in resources mobilized through the resident coordinator from a peak of US\$28 million in 2010 down to US\$19 million in 2011. This is explained by the end of the funding cycle – 2011 being a transition year whereby some of the programmes under the One Plan had ended, while others were extended until the end of 2011 – and the shift to a new resource mobilization cycle (the next One Plan) starting in 2012.
- Resources through other channels, namely One Plan Fund resources mobilized through headquarters and the Expanded Funding Window, continued to increase slightly, while other non-core resources (MDG-F and others) remained relatively stable, in the range of US\$30-40 million per year. Their share in overall non-core resources declined, as other funding sources, such as local resource mobilization and the Expanded Funding Window, gained importance.
- Local donors continue to support the One Plan Fund model, but there is pressure for earmarked funding and a decline in support for unearmarked funding, mainly as a result of policy decisions and ODA budget cuts at various donor headquarters.

## **6. Business process harmonization**

29. Savings in administrative costs have been made and are expected in the following areas:

- Joint procurement of specific common services has already led to certain cost savings, for example, through long-term agreements in banking, event management, translation and interpretation services, communication, security, transportation and travel services.
- A reduction of the UN vehicle pool is currently under study, with a reduction of 25-35 percent of the vehicle fleet currently anticipated. Part of transport provision has been shifted to a local taxi company through a long-term agreement.
- Additional long-term agreements are currently being developed for several common services, such as procurement of paper, in-house printing services, external messenger services, etc..
- The co-location of the various agencies in eco-friendly common premises (the Green One UN House) is expected to result in significant savings in several areas:
  - Currently, organizations spend US\$780,000 on annual real estate leasing costs. Occupation of the Green One UN House is expected to result in net savings for the first 10 years.
  - In-house conference services will replace renting hotel space for meetings and conferences (expected cost reduction, 50 percent).
  - Reduction of inter-office transportation will cut 24 percent of road transportation costs.
  - One reception desk versus the current 10 will reduce costs on reception service staff.
  - Power consumption is expected to decrease by 20 percent due to a solar panel rooftop and other energy-saving measures.
  - The expected reduction in the cost for security services for 1 building versus the current 10 will probably be offset by investments required for upgrades to comply with minimum security standards.

## 7. Use of national systems by UN organizations within the framework of Delivering as One

30. Alignment of UN agencies with Vietnamese national systems started before Delivering as One with the application of a number of government rules and procedures to funds executed by national counterparts, following the Hanoi Core Statement on Aid Effectiveness in 2005. As one example, UNDP introduced a NEX Manual for its supported projects, which was adapted and applied to UNFPA-funded projects. The UN system is working closely with the Government on the revision of Decree 131/2006/ND-CP (2011), which guides the design and implementation of UN-supported programmes and projects.

31. Delivering as One further initiated or accelerated harmonization in three distinct areas:

- **Harmonized Programme and Project Management Guidelines:** The Government and UNDP, UNFPA and UNICEF developed these for the management and implementation of UN-supported programmes and projects as of July 2010. They are tailored to the business models of funds and programmes. The guidelines define accountability based on a two-track governance system. Government rules are applied when the Government implements project activities, and UN organization-specific rules are applied when a UN organization implements activities. The guidelines incorporate the UNDG's harmonized country programming guidelines, HACT guidelines and locally agreed guidelines on the preparation of the One Plan.
- **Government-UN system-European Union cost norms** were agreed in 2009, ensuring a gradual alignment of donor and government cost norms to better reflect market conditions. They are a key element of HACT, and have been applied by all UN organizations since 2009.
- UNDP, UNFPA and UNICEF have used **HACT** and implemented a joint HACT assurance plan since the 2009 joint HACT audit in Viet Nam. These three organizations together account for over 50 percent of the One Plan budget. Other organizations use HACT partially or are planning to introduce it during 2012-2016. For example, WHO partially uses HACT in its direct financing cooperation, and FAO has started using it within the framework of UN-REDD. For the One Plan 2012-2016, the UN system will actively seek opportunities to expand, partly or fully, the engagement of other UN agencies to the extent possible.

## 8. Transaction costs for national partners, donors and the UN country team

32. Reduction of transaction costs has been one of the overall key objectives of Delivering as One. A number of processes relating to planning, programming, budgeting, reporting, funding, common services and management practices have been streamlined. HACT, the Harmonized Programme and Project Management Guidelines and the Government-UN system-European Union cost norms are all important supports.

33. The UN country team conducted stakeholder surveys of national agencies and donors in 2008, carried out a UN country-team-wide survey on Expanded Funding Window indicators and programme modalities in 2011, and mapped specific business processes. Proxy performance indicators on transaction costs will be developed in 2012 as part of a revised Delivering as One results and monitoring and evaluation matrix. However, the absence of an agreed UN-system-wide methodology including definitions constrains tracking transaction costs.



34. New modalities on the programme side resulted in reductions in workload and transaction costs:

- The **One Plan 2012-2016** has been designed to enhance the quality and effectiveness of aid, work towards simplifying and harmonizing business processes, and progressively align with government systems to the maximum extent possible. It includes a One Plan results matrix based on a results-based management approach to programming in order to avoid programmatic overlap, prior to engaging in the development of organization-specific country programmes.
- UNDP, UNICEF and UNFPA use a **common country programme document**; country programme action plans are no longer prepared, as all outcomes and outputs are defined in the One Plan.
- Funding and reporting processes related to the **One Plan Fund** will be streamlined. Fund allocation from the One Plan Fund to different UN organizations is centralized at the UN country team level through the One Plan Fund Mobilization and Allocation Committee. Reporting on One Plan development results and One Plan Fund expenditures is done by the UN resident coordinator office and the administrative agent (since 2011, the Multi-Partner Trust Fund Office), respectively.
- As evident from the statistics, the **resident coordinator leads the resource mobilization process** – on behalf of the UN country team – in a unified and more simplified way. However, this does not completely replace previous organization-based fundraising, as they still had to mobilize 40-41 percent of One Plan resources during 2009-2011. The One Plan Fund resulted in a reduction of overall transaction costs, both for organizations and donors, with the latter no longer approached bilaterally by multiple entities seeking funding. While the transaction costs of fund management are seen to have been significantly reduced, however, there has been an increase in workload for the resident coordinator and resident coordinator office relating to resource mobilization and support to the One Plan Fund Mobilization and Allocation Committee. The annual allocation of One Plan Fund resources and dependence on mobilizing donor funds complicates multi-year budget planning for certain projects and programmes.
- Since 2008, the **programme coordination groups** have been one of the unique and innovative features of Delivering as One in Viet Nam. They constitute the overall coordination structure in support of joint programming and harmonization between UN organizations. They are responsible for: coordination, joint planning and delivery of One Plan results; ensuring policy coherence and providing a policy forum for specific programmatic areas; and monitoring and reporting on achievements against planned results. Joint programme coordination group annual reviews have replaced all organization-specific annual reviews. They are the basis for the **UN annual report**, which highlights progress towards achieving One Plan outcomes, as well as how the UN is working together to Deliver as One with other key stakeholders in Viet Nam. Since 2007, the single UN annual report has been intended to replace organization-specific reports, but the executive boards of funds and programmes still require the latter, meaning there is double reporting. Where organizations receive funds from donors that are not contributing to the One Plan Fund, additional reports must be prepared. The same applies to annual reporting to donors that have earmarked funds to specific organizations.
- The UN country team reports that the new funding mechanism resulted in various transaction cost reductions, but that these gains were partially offset by the necessity of continued organization-specific reporting, as in the case of the funds and programmes.

35. A number of steps have been taken to reduce transaction costs.

- Programme coordination groups aim to increase coordination and reduce transaction costs. The annual reviews of these groups have replaced the previous organization-specific reviews. A single annual report is produced, based on the annual reports of the eight programme coordination groups.
- The Harmonized Programme and Project Management Guidelines have become a useful tool for daily work. They contribute to simpler business processes and lower transaction costs by establishing clear roles and responsibilities for those managing and implementing programmes and projects.
- New working modalities have been introduced: e.g., small task forces have reduced transaction costs compared to large multi-agency working groups.
- The One Plan Fund is seen as reducing the transaction costs for donors as well as for UN organizations.
- It is expected that the Green One UN House will reduce costs significantly – e.g., today 24 percent of journeys by car are between separate UN offices.

36. With regard to attempts to increase efficiency:

- A comprehensive change management strategy and structure are in place.
- There have been several efforts to harmonize business practices linked to: the Harmonized Programme and Project Management Guidelines, HACT, the adoption of International Public Sector Accounting Standards, the Government-UN system-European Union cost norms, long-term agreements (banking services, travel agency, taxis, etc.), a mapping of common services, a fleet management survey, IT hardware and establishing a One UN Communications Team.
- Delivering as One also triggered some simplification and harmonization within the Government.
- However, it is difficult to demonstrate how much has actually been saved. The Green One UN House is expected to result in a net savings for the first 10 years, compared to the current annual US\$780,000 in real estate leasing costs. Other expected savings have been outlined in paragraph 29 above. However, at this point, it is not yet clear how much these savings will be.

## 9. Cost of coordination<sup>151</sup>

37. The UN country team increased from 17 to 21 agencies between 2006 and 2011, of which 8 are funds or programmes (UNDP, UNFPA, UNAIDS, UNV, UNICEF, UNODC, UN-HABITAT since 2007 and UNIFEM/UN Women since 2007), 6 are specialized agencies (FAO, UNIDO, WHO, IFAD,

---

<sup>151</sup>For details, see Table 4 at the end of the information sheet.

ILO and UNESCO) and three are non-resident agencies (ITC, UNCTAD and UNEP<sup>152</sup>). Other agencies that are not signatories of the One Plan II include IOM and UNHCR (since 2009). The IMF and World Bank are not part of the United Nations country team.

38. The staffing of the UN country team shows the following trends.

- Funds and programmes (2006-2011): While the number of General Service staff positions remained essentially constant at around 100, the number of international professional staff positions increased from 30 to 36, or by 20 percent, and the number of national professional staff rose from 69 to 92, or by 33 percent. About half of these positions are counted under programme delivery.
- Specialized agencies<sup>153</sup> (2008-2011): the number of international professionals increased by from 36 in 2008 to 43 in 2011, or by 19 percent. National professional posts increased from 28 in 2008 to 35 in 2011, or by 25 percent, while General Services positions remained stable at around 72.

39. The professional staffing of the resident coordinator office has grown from four positions<sup>154</sup> in 2006 to eight in 2011, which includes five international officers, two national professional officers and one General Service post. While the two national positions have been funded by DOCO and UNDP, and one international Special Assistant to the Resident Coordinator (SARC) position by Sweden, the remaining posts have been funded from the One UN Support Facility, including funds specifically mobilized from donors in Viet Nam. The number of General Service positions has remained unchanged at one, which is funded by DOCO.

40. The cost of operational support to programme work, i.e., of the resident coordinator office and the country offices of organizations, increased<sup>155</sup> during 2008-2011, including for international, national and General Service staff positions, and for non-staff allocations:<sup>156</sup>

- The costs of the offices of funds and programmes increased from US\$3.8 million in 2008 to US\$4.6 million in 2011.
- The costs of the offices of specialized agencies increased from US\$7.5 million in 2008 to US\$8.9 million in 2011.
- The costs of the resident coordinator office increased from an estimated US\$638,203 in 2008 to US\$868,394 in 2011. The post of head of the office (senior advisor, UN reform) was seconded and funded during 2006-2008 by the Netherlands Ministry of Foreign Affairs.

---

<sup>152</sup>ITC and UNCTAD are not signatories to the One Plan II, but partner with UNIDO to implement some activities under it. In 2010, UNEP and ITC joined the UN country team.

<sup>153</sup>Comparison is limited to 2008-2011 due to a lack of data from WHO prior to 2008; this related to a transfer to a new financial system.

<sup>154</sup>Of which one is an international officer.

<sup>155</sup>One of the reasons for the increase in expenditure on national professional and General Service staff between 2006-2011 - over and above the changes in staff numbers - has been a significant increase in salary levels, following the recommendations of respective salary surveys.

<sup>156</sup>In the absence of data for WHO prior to 2008, 2008-2011 is used as a reference period.

41. Part of the increase in the numbers and cost of international staff can be explained by the increased use of policy advisers in several areas. As Viet Nam achieved middle-income country status, demand for policy advisers has increased.

42. Taking into account the above figures for programme delivery, and using only the period 2008-2011 as a reference framework, the following emerges:

- Overall UN programme expenditure increased by 28 percent, which corresponds to the increase in expenditure for the One Programme, considering that non-One Programme activities were negligible. Expenditure from core funding increased by 30 percent, compared to those from non-core funding, which rose 26 percent.
- The staffing of UN offices increased as well, but very differently across types of organizations. The staffing of offices of funds and programmes remained nearly stable, rising just 4 percent, while their costs increased by about 20 percent. Staffing of the offices of specialized agencies increased by 9 percent, and their costs increased by about 19 percent. The staffing of the resident coordinator office increased by 14 percent (from 7 to 8), and its costs increased by 36 percent.

43. Overall UN expenditure for development increased by 28 percent, and the capacities and related costs across all UN offices increased by about 19-20 percent. However, the cost of coordination only takes into account actually incurred expenditure, and may not take into account additional staff time in terms of overtime work that does not always show as expenditure. The actual cost for supporting the UN programme may thus be higher than is visible from recorded expenditure.

44. Even though these findings are based on estimated responses submitted from the UN country offices, they are indicative of orders of magnitude. The substantial growth of the cost of human resources may be explained partially by the increase in salaries for national professional officers and General Service staff. However, the fact that staffing in the resident coordinator office doubled between 2006 and 2011 is evidence of increased workload related to coordination, which may have been justified for setting up new processes and tools. But the question must be raised as to whether such levels are justified and sustainable in the long run. The additional question, which cannot yet be answered, is whether the increase in cost is resulting in a proportional increase in development effectiveness.

### Statistical tables relating to the funding situation

**Table 1: Deposits by donors to the One Fund in US\$ (millions), 2006-2011**<sup>157</sup>

Contributor/partner	Deposits	Share, %
Australia	3.7	4
Canada	3.6	4
Expanded Funding Window	18.1	19
Finland	5.2	5
France	1.0	1
Ireland	6.7	7

<sup>157</sup>Source: Multi-Partner Trust Fund Office Gateway. Countries in bold also supported the Expanded Funding Window.

Luxembourg	6.2	7
<b>Netherlands</b>	<b>6.6</b>	<b>7</b>
New Zealand	5.1	5
<b>Norway</b>	<b>11.7</b>	<b>12</b>
<b>Spain</b>	<b>12.1</b>	<b>13</b>
Sweden	1.3	1
Switzerland	2.3	2
<b>United Kingdom</b>	<b>11.9</b>	<b>13</b>
<b>Total deposits</b>	<b>95.5</b>	<b>100</b>

**Table 2: Transfer of funds from the One Fund to UN organizations in US\$ (millions), end 2011**<sup>158</sup>

Organization	Transfers at end 2011			Share of total transfers at end 2011, %
	One Plan Fund I	One Plan Fund II	Total One Plan Funds	
UNDP	11	14	25	26
UNICEF	13	18	31	33
UNV	1	1	2	2
UNFPA	5	4	9	9
UNAIDS	1	1	2	2
UN Women	0	1	1	1
<b>Funds and programmes</b>	<b>31</b>	<b>39</b>	<b>70</b>	<b>74</b>
FAO		3	3	3
ILO		4	4	4
UNESCO		3	3	3
UNIDO		3	3	3
WHO		8	8	8
<b>Specialized agencies</b>	<b>-</b>	<b>21</b>	<b>21</b>	<b>22</b>
UN-HABITAT		1	1	1
UNODC		3	3	3
<b>Total other organizations</b>		<b>4</b>	<b>4</b>	<b>4</b>
<b>Total funding One Plan Fund</b>	<b>31</b>	<b>64</b>	<b>95</b>	<b>100</b>

**Table 3: Source of funding of UN development expenditure**<sup>159</sup>

Values in US\$ (millions)	
---------------------------	--

<sup>158</sup>Source: Multi-Partner Trust Fund Office Gateway. Figures on transfers reflect the situation at the end of 2011. Transfers do not reflect the current expenditure situation, which was available in May 2012 and can be accessed at the Multi-Partner Trust Fund Office Gateway.

<sup>159</sup>The consolidated data reflect the data submitted by all UN organizations. Organization-specific data were made available to the Delivering as One independent evaluation. However, some organizations were not in a position to complete all the information due to the unavailability of detailed data. In some cases, more detailed information is inconsistent due to varying interpretations of data headings. The resident coordinator office considers the breakdown by funding source more reliable than the breakdown by execution modality and by earmarking, which can only be used as indicative but are sufficient for analysis by order of magnitude.

	2006	2007	2008	2009	2010	2011 <sup>160</sup>
<b>Total annual UN programme expenditures (annual reports)<sup>161</sup></b>	<b>56.9</b>	<b>58.0</b>	<b>72.2</b>	<b>78.6</b>	<b>95.2</b>	<b>n.a.</b>
<b>Total estimated annual UN expenditures for development in Viet Nam by programme and funding source<sup>162</sup></b>	<b>47.8</b>	<b>49.4</b>	<b>73.3</b>	<b>76.3</b>	<b>99.1</b>	<b>93.8</b>
<b>Non-One Programme</b>	<b>0.6</b>	<b>0.7</b>	<b>0.8</b>	<b>1.6</b>	<b>1.1</b>	<b>1.8</b>
○ <i>Core funding</i>	0.1	0.1	0.2	0.2	0.4	0.4
○ <i>Non-core funding of non-One Programme activities</i>	0.5	0.6	0.6	1.4	0.7	1.4
<b>One Programme</b>	<b>47.1</b>	<b>48.7</b>	<b>72.5</b>	<b>74.7</b>	<b>98.0</b>	<b>92.1</b>
○ <i>Core funding</i>	14.2	16.1	17.7	18.9	19.6	23.1
○ <i>Non-core funding</i>	32.9	32.6	54.8	55.8	78.4	69.0
<b>Share of non-core funding in annual expenditure for development, %</b>	<b>70</b>	<b>67</b>	<b>76</b>	<b>75</b>	<b>80</b>	<b>75</b>
<b>Share of non-core funding in One Programme, %</b>	<b>70</b>	<b>67</b>	<b>76</b>	<b>75</b>	<b>80</b>	<b>75</b>
<b>Types of non-core funding in One Programme</b>	<b>32.9</b>	<b>32.6</b>	<b>54.8</b>	<b>55.8</b>	<b>78.4</b>	<b>69.0</b>
○ <i>One Plan Fund mobilized through headquarters</i>	1.9	2.0	6.0	5.4	6.1	6.8
○ <i>One Plan Fund mobilized through resident coordinator</i>	0.0	0.0	9.5	16.2	28.4	18.5
○ <i>One Plan Fund supported by Expanded Funding Window</i>	0.0	0.0	2.5	2.6	4.0	4.0
○ <i>Other (non-core) resources (MDG-F and other sources)</i>	31.0	30.5	36.9	31.6	39.9	39.7
<b>Share of One Fund in non-core funding, %</b>	<b>6</b>	<b>6</b>	<b>32</b>	<b>42</b>	<b>49</b>	<b>42</b>
<b>Total annual UN expenditure for development in Viet Nam by execution modality, of which</b>	<b>45.7</b>	<b>46.9</b>	<b>61.0</b>	<b>63.9</b>	<b>81.5</b>	<b>78.9</b>
<b>Non-One Programme</b>	<b>5.9</b>	<b>6.8</b>	<b>4.8</b>	<b>7.0</b>	<b>7.0</b>	<b>7.9</b>
○ <i>Execution not through joint programme</i>	5.9	6.8	4.8	7.0	7.0	7.8
○ <i>Execution through joint programmes outside One Plan Fund (= MDG-F)</i>	0.0	0.0	0.0	0.0	0.0	0.0
<b>One Programme</b>	<b>39.8</b>	<b>40.2</b>	<b>56.3</b>	<b>57.0</b>	<b>74.5</b>	<b>71.0</b>
○ <i>Execution through joint programmes within One Plan Fund<sup>163</sup></i>	0.0	0.2	0.5	0.5	1.1	1.0
○ <i>Other execution modalities if any</i>	39.8	40.3	55.8	56.4	73.4	70.0
<b>Share of joint programmes in One Plan Fund, %<sup>164</sup></b>	<b>0</b>	<b>10</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>3</b>

<sup>160</sup>Amounts are still estimates since final 2011 end-of-year figures were not available at the time this information sheet was prepared.

<sup>161</sup>Source: UN Viet Nam annual reports.

<sup>162</sup>Source: Reports from UN country offices. Note that the indicative total expenditure figure for 2011 is an estimate.

<sup>163</sup>Financial figures have been included in the table as reported by organizations. Data related to the joint programmes funded by the MDG-F have been reported in different rows by organizations (e.g., IOM) that are not signatories of the 2006-2011 One Plan and those that are signatories.

<sup>164</sup>The remainder of the One Plan Fund is managed and coordinated through UN organizations.

**Table 4: Source of funding of UN development expenditure and staffing, and cost of supporting the One Programme<sup>165</sup>**

	In US\$ (millions)			Change, % 2008-2011
	2006	2008	2011 <sup>166</sup>	
<b>Total annual UN programme expenditures (annual report)<sup>167</sup></b>	<b>56.9</b>	<b>72.2</b>	<b>n.a.</b>	<b>-</b>
<b>Total estimated annual UN expenditures for development by programme and funding source<sup>168</sup></b>	<b>47.8</b>	<b>73.3</b>	<b>93.8</b>	<b>28</b>
<b>Non-One Programme</b>	<b>0.6</b>	<b>0.8</b>	<b>1.8</b>	<b>123</b>
<b>One Programme</b>	<b>47.1</b>	<b>72.5</b>	<b>92.1</b>	<b>27</b>
○ Core funding	14.2	17.7	23.1	30
○ Non-core funding	32.9	54.8	69.0	26
<b>Of which</b>				
○ One Plan Fund mobilized through headquarters	1.9	6.0	6.8	13
○ One Plan Fund mobilized through resident coordinator	0.0	9.5	18.9	95
○ One Plan Fund supported by Expanded Funding Window	0.0	2.5	4.0	60
○ Other (non-core) resources (MDG-F and other sources)	31.0	36.5	39.7	8
<b>Support to programme (cost of resident offices)<sup>169</sup></b>			<b>Number of staff</b>	
<i>Human resources of resident coordinator office</i>	4	7	8	14
<i>Human resources of country offices of funds and programmes</i>	196	220	229	4
<i>Human resources of country offices of specialized agencies</i>	n.a.	138	151	9
			<b>In US\$ (thousands)</b>	
<i>Estimated cost of resident coordinator office</i>	303	638	868	36
<i>Estimated cost of country offices of funds and programmes</i>	2.607	3.80 4	4.571	20
<i>Estimated cost of country offices of specialized agencies</i>	n.a.	7.48 1	8.902	19

<sup>165</sup>The consolidated data reflect data submitted by all UN organizations. Organization-specific data were made available to the Delivering as One independent evaluation. In certain cases, organizations could not complete all information due to the unavailability of detailed data. In some cases, more detailed information appears inconsistent due to different interpretations of data headings.

<sup>166</sup>Amounts are still estimates, since 2011 final end-of-year figures were not available when this information sheet was prepared.

<sup>167</sup>Source: UN Viet Nam annual reports.

<sup>168</sup>Source: Reports from UN country offices. Note that the indicative total expenditure figure for 2011 is considered an estimate.

<sup>169</sup>In the absence of data for WHO prior to 2008, 2008-2011 is used as a reference period.

