

# CONCLUSIONS AND RECOMMENDATIONS

## 8.1 CONCLUSIONS

1. UNDG experience in implementing or applying PD principles varied substantially across the five PD principles. Progress was most evident regarding support of country ownership and alignment with national development strategies. There were also some interesting cases of progress regarding mutual accountability. However, progress relating to alignment in using country systems and harmonization across UNDG members (and beyond) shows the greatest room for improvement. Strong coordination mechanisms, involving other development partners and partner governments are a critical ingredient for RCs/UNCTs to foster PD implementation.

The RC/UNCT role extends far beyond the PD's aid effectiveness objectives. RCs and UNCTs may face humanitarian assistance, crisis management, conflict prevention and peace building issues that take priority over PD principles. This potential area of competition does not appear to have hindered PD implementation. Some of the UN-related responsibilities that extend beyond the PD may, however, be critical to achieving PD objectives.

- 1.1. The UNDG/UNCT contribution to strengthening **ownership** mainly took the form of assisting governments in strengthening capacity to prepare and execute their country development strategies and plans and preparing to

deal with new aid modalities such as SWAPS and DBS. Because country ownership varied largely, the role of the UNCT also varied. The Resident Coordinator's Office as well as individual UN agencies, through collaboration with government and both multilateral and bilateral agencies, have played an important role in creating an enabling environment for the achievement of the PD objectives through promoting a shared understanding of the principles. UNDG/UNCT was seen a trusted partner supporting countries to fulfil their national as well as international development obligations and in designing and implementing development strategies.

- 1.2. The main progress on **alignment** took place with respect to development strategies at national and sectoral levels, including the alignment in the planning cycles between those of national development plans and UNDAF. There is room for improvement by UNCT in the other elements of alignment that relate to use of national systems of partner countries (reporting, public financial management, country audits, procurement).

Coordination regarding development priority setting and planning among UNCT members and with the larger development partner group seems to have greatly enhanced thanks to thematic groups and larger coordina-

tion fora. It has become increasingly difficult to act in isolation and the UNCT in all six case-study countries visited understood this very well although fuller joint programming is not yet achieved.

- 1.3. Some progress did occur through improved coordination among UNCT members and other development partners (most important under the Harmonized Approach to Cash Transfers [HACT] initiative), however, partner countries have higher expectations for measurable savings in transaction costs through alignment and **harmonization**. UNCT members feel most constrained in acceding to partner countries requests for harmonization of their headquarter-determined procedures. Thus efforts at reducing transaction costs that are expected to result from harmonization require an approach that addresses the concerns of both partner countries and of the many UNCT agencies (and other development partners). Given the wide variance among UNDG member objectives, policies and procedures, the road to harmonization remains an extraordinary challenge for the UNDG system.
  - 1.4. Government capacities to plan and coordinate development partners' contributions are of particular relevance to the PD. The country case studies confirm, for instance, that systematic strengthening of national statistical offices is a particularly important factor in respect to **managing for results** by providing credible and timely information. For assistance to statistical offices to be effective, however, requires long-term and comprehensive commitments in order to assure the build-up of the requisite capacities.
  - 1.5. The feedback from the country case studies suggests that there is a long way to go to achieve the PD objective of **mutual accountability** and joint assessments of mutual progress in implementing agreed commitment on aid effectiveness. Moreover, feedback from case-study countries included broad concern about donor commitments in regards to both level and predictability of support. UNCT plays a significant role in promoting mutual accountability e.g. by Round Tables through indicating performance under donor pledging, and in participating in Consultative Group meetings. Support to good governance reforms including strengthening the parliamentary system, and to a different extent by providing support to civil society also support mutual accountability. UNECA plays a special role in fostering mutual accountability at the level of the African countries.
2. UNDG and the participating members in this assessment started out well in their **commitment** responding to the PD principles, both through actions at headquarters and through conveying the importance of the PD to the RCs and the UNCTs. This relatively fast positive response was greatly facilitated by development assistance commitments in which UNDG members had already been engaged prior to the PD.
    - 2.1. Changes were made to synchronize UNCT planning cycles with national planning cycles.
    - 2.2. UNCTs supported national partners in sector institutional arrangements, such as the United Nations Population Fund (UNFPA) involvement in sector wide approaches (SWAPs).
    - 2.3. Agencies increased efforts to use national systems e.g. on procurement

and project operational and execution procedures, eliminating PIUs on procurement, although significant variances remain.

3. When responding to **capacities**, UNDG members used existing institutional structures and reinforced them where necessary rather than building additional structures. In the case of a relatively new institution (UNAIDS), it found the principles underlying the PD to be relevant for building national HIV/AIDS responses. Most of the capacity development to enable UNDG members to implement the PD has taken the form of specific instructions, guidelines and training to educate staff about the PD. Prior commitments to major PD principles embodied in such guidance as for Common Country Assessments, CCAs, and United Nations Development Agreement Frameworks, UNDAFs, were helpful in this process.
  - 3.1 UNCTs provided substantial technical support to countries in formulating, revising and implementing national development strategies or PRSPs.
  - 3.2 UNDG established a policy network on MDGs to provide policy and operational advice to UNCTs in their technical support work.
4. When assessing **incentive systems** in place, the findings are discouraging. Those who are expected to take primary responsibility in implementing the PD, the Resident Coordinators, find incentives specific to this endeavour weak. The performance evaluation of Resident Coordinators (which include an assessment from agencies forming part of UNDG) directly addresses PD-related responsibilities. However, for the many other UNDG member staff involved in the implementation of the PD, this dimension is assessed in their performance evaluation only indirectly, mainly through agreed work programmes. Incentives to implement the PD to become effective therefore cannot only rely on traditional incentive systems focusing on the immediate actors concerned; the approach to incentives requires a broadening through addressing directly the factors that stand in the way of greater progress, especially with respect to harmonization.
5. The presence of a UNDG entity for **HIV/AIDS** (UNAIDS) has been helpful to this critical area to achieve the necessary attention in the implementation of PD principles. Not the same finding pertains to the remaining three of the four crosscutting issues reviewed in this assessment: **gender equality**, rural development, and capacity development. Despite established UNDG member policies on gender equality and the practice in countries without a UNIFEM resident specialist to have a lead person on gender equality from another resident UNDG organization in the UNCT, attention to gender equality is still lacking. The degree to which gender equality issues within the PD context was addressed varied from country to country and there is room for improvement: clear strategy and indicators to measure progress made on gender equality efforts. With regard to **rural development** and **capacity development**, attention to and coordination by the UNCT can be improved further through the respective working groups.
6. Many RCs/UNCTs work in non-PD signatory countries. While non-signatory countries were not specifically assessed in this evaluation (no non-signatory countries were visited), feedback from the survey of RCs suggests that signatory countries are significantly better attuned to the PD principles. Thus RCs and UNCTs in non-signatory countries face greater challenges in helping UNDG members respond to the principles embedded in the PD.

## 8.2 RECOMMENDATIONS

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1. UNDG should make increased use of national systems for support services, when appropriate and to the benefit of the partner countries, including for procurement, security, information technology, telecommunications and banking, as well as for planning, reporting and evaluation, in view of strengthening national capacities and reducing transaction costs.
2. UNDG should further harmonize and simplify its business practices and harmonize generic functions in areas such as budgeting, audit functions, procurement systems, and professional expertise, including the adoption of the International Public Sector Accounting Standards, in view of enhancing accountability and transparency of operational activities while ensuring that development assistance to partner countries is provided in a coherent fashion in support to their capacity development.
3. UNDG should measure the cost of non-harmonized approaches to development assistance and further standardize and harmonize the concepts and practices related to reduction of transaction costs.
4. UNDG should create specific, measurable, achievable and relevant results frameworks and strategies that enable partner countries to design, monitor and evaluate results in the development of their capacities at different levels to achieve national development goals and progress towards the internationally agreed development goals, including the Millennium Development Goals.
5. It is recommended that UNDG encourages governments of partner countries to initiate and conduct joint and country-led evaluations that comprehensively assess the contribution of the United Nations development system to national development plans and strategies, and to systematize and disseminate lessons learned from these exercises as mechanisms for mutual accountability.
6. UNDG should reinforce its commitment to strengthen the capacity of partner countries, at their request and with their ownership and leadership, to coordinate external assistance, including system-wide and sector-wide approaches and budget support, and to make the best possible use of such assistance, especially by being involved in national planning and monitoring processes and linking the aid effectiveness agenda to the broader development effectiveness agenda.
7. UNDG should harmonize its approach amongst its members and other development partners to strengthen national capacities. Capacity development is commonly associated with various forms of support aimed at individuals (training), institutions (organizational development) and the enabling environment (support to policies and strategies). UNDG should contribute to the capacity of partner countries to optimize the utilization of various new aid modalities.
8. UNDG should further develop and strengthen its knowledge management systems and expertise, including resources readily available at the regional level and from non-resident agencies to better assist partner countries needs for capacity development.
9. Incentives to implement the PD to become effective should address directly the factors that stand in the way of greater progress, especially with respect to harmonization. UNDG should address the structural obstacles to the adherence of the PD principles as part of a broader UN reform process. This goes beyond the subject of the present evaluation which addresses PD implementation though it clearly impacts on UNDG's effective and efficient delivery of development assistance.

10. It is recommended that UNCTs review the adequacy of their arrangements and efforts aimed at gender equality and to rural development in countries with substantial rural poverty by going beyond social concerns and addressing rural poverty on a sustainable basis, recognizing

systematically the need for production and income improvements. UNDG should adopt a complementary approach to incorporating cross-cutting issues like gender mainstreaming, capacity development and rural development as has been done in the response to HIV/AIDS.