

# CONCLUSIONS AND RECOMMENDATIONS

UNDP's important contributions to the development challenges faced by Arab region NCCs have been described and analysed in this report. Based on the views of government counterparts, current and potential beneficiaries and respondents to the NSPRs, this evaluation sees a clear match between the emerging needs of Arab region NCCs and UNDP's mandate and capabilities.

### 6.1 MAIN CONCLUSIONS

The overarching conclusion of this report is as follows:

**There is strong justification for continued and strengthened UNDP presence in the NCCs of the Arab region. All five countries strongly desire the presence of UNDP, which they see as the embodiment of the UN system and a window and conduit to the international arena. In fact, in the view of stakeholders, UNDP's country presence and value-added has more intrinsic worth than the contribution of its activities to the countries' development challenges.**

More specific conclusions below elaborate how this presence can be strengthened.

**1. In order to meet the expectations of the NCC partners in the Arab region, UNDP needs to change the way it does business.** UNDP's reform process over the last decade—which has led to a new practice focus, greater emphasis on development effectiveness and national ownership and reliance on a corporate business model—has not been reflected sufficiently in the country programmes and country office cultures of Arab region NCCs. National ownership is a strong feature of these programmes, but it is

largely the result of government financing. Business as usual in an NCC context means accepting a situation that limits the potential to add significant development value to partner countries or to strongly promote the human development agenda. In the rapidly changing environment in which NCCs now find themselves, UNDP needs to respond to opportunities for more effective engagement, recognizing that business as usual could result in increased marginalization and reduced significance of its activities in terms of their human development objectives. This is especially true in the context of increased private sector competition in providing the kinds of technical assistance that UNDP is known for.

**2. The special conditions prevailing in Arab region NCCs—namely the demand-driven nature of their programmes and a limited UN field presence—argue for greater flexibility of UNDP activities in these countries.** The development challenges that NCCs face can be compared to those of middle-income countries that have not yet reached NCC status, or, indeed, to those of some less-developed countries. Poverty is less prevalent, but human development needs and some economic and social priorities are comparable. The different types of assistance that UNDP is asked to provide are also similar. For example, tackling gender issues may require more advocacy; reducing poverty may require more policy and advisory assistance; and addressing environmental issues may require more technical support. Thus, both the challenges and types of assistance required by the NCCs fit well within UNDP's core mandate and competencies as articulated in the latest UNDP Strategic Plan. At the same time, and due partly to the fact that

programmes are government funded and demand-driven, UNDP is frequently called upon to support or facilitate support in areas outside its mandate. This happens to a greater extent in NCCs than in other programme countries, even though the emphasis of the Strategic Plan is on focusing interventions in areas where the organization has a clear mandate and comparative advantage.

Another factor affecting UNDP's role in Arab region NCCs is the limited presence of UN agencies in these countries. UNDP has therefore become an important conduit for accessing the specialized expertise of sister agencies. It must be prepared to play the role of facilitator-manager with respect to the UN system as well as being a direct provider of technical inputs in its areas of core competency. It must also be prepared to respond to the demands of NCCs with a good deal of flexibility. That said, governments tend to have an unrealistic expectation of the role that UNDP can play in projects involving UN specialized agencies. Typically, they believe that UNDP can and should have more than a coordinator-cum-manager role in ensuring that needed technical inputs are forthcoming from the UN system.

Though UNDP should respond to the broad range of demands of national governments through partnerships with other UN agencies, it needs to keep two things in mind. First, its contribution in the partnership needs to go beyond simply facilitating and managing the intervention. It needs to ensure that the intervention incorporates adequate capacity-building and partnership development to maximize its contribution to human development. Second, in cases where UNDP undertakes an intervention that is not in partnership with other UN agencies (or other potential partners with the relevant expertise), it should ensure that this intervention is within its own areas of competence (identified not just globally but also at the country level).

### **3. UNDP has not sufficiently exploited the potential for greater partnership development to further the quality and depth of its interventions.**

The environment for developing partnerships is different in NCCs than other programme countries

in that there tends to be less competition from other donors and more from the private sector. In some Arab region NCCs, private-sector firms can be found offering upstream advisory services that UNDP needs to match in terms of quality and speed of engagement. There are also more opportunities for partnership with national and regional aid organizations in the NCCs of the Arab region. Finally, partnerships between UNDP and the UN system need to be developed in the context of the relatively limited UN presence and programmes in NCCs.

There is great potential for expanding various types of partnerships:

- Partnerships with civil society and the private sector alone can be useful, but, in certain circumstances, they can be made stronger if the government is also involved. Facilitating the access of civil society and the private sector to government is as important for promoting human development as UNDP developing bilateral partnerships by itself. Increased partnership with the private sector is important since the sector has an important role in addressing many of the development challenges faced by the NCCs, such as creating jobs and addressing environmental concerns.
- There is large untapped potential for UNDP in all Arab region NCCs, especially in Libya, to play a role in providing programmatic assistance to a variety of regional, bilateral and private institutions providing aid and humanitarian assistance to developing countries. Expanding such partnerships needs to be actively explored. At the same time, it is important that efforts to support such organizations be viewed as a means to providing effective aid and not as a means for resource mobilization for UNDP programmes in other countries.
- With respect to fostering partnerships with the UN system, several conclusions emerge:
  - Since the priority needs of governments go beyond the core practice areas of UNDP, UNDP has a role to play in

ensuring that the government has full access to the UN system in addressing these needs. The best modalities for doing so may differ among countries. In the larger programme countries (for example, Saudi Arabia) the workload may be sufficient for an appropriate agency to establish a presence in the country. In others (such as Bahrain), this may not be possible. In such circumstances, the UN Development Group suggests the promotion of hosting arrangements, as practised in Libya.

- There are also opportunities for joint programming (for example, with UNDP acting as an administrative agent). This is especially true in areas where UNDP addresses horizontal aspects of capacity-building (that is, those areas common to all government agencies that it can link to other efforts, such as e-governance, strategy development and planning), and the UN agency addresses the vertical issues that relate specifically to its technical skills and the technical needs of the government agency.
- Such coordination would be facilitated by a government allocation that would cover the costs not only of UNDP's share in the joint programme, but that of the UN agency. Such an allocation to the Resident Coordinator to cover UN interventions should be considered where appropriate and where strongly supported by the government. This may be done in parallel to direct UN agency allocations where the activities are large enough to warrant a separate programme and representation (such as the FAO in Saudi Arabia or Libya). If some sort of delivery threshold is retained, then the broader allocation suggested above (to other agencies involved in joint programmes or hosted by UNDP) should be used as an indicator rather than UNDP delivery alone.

**4. Awareness of UNDP and knowledge about its role is only known in general terms. Nevertheless, there are high expectations as to**

**the extent and depth of UNDP's technical capabilities. Knowledge of the specific substantive contributions and the various services UNDP can provide is limited.** Existing and potential stakeholders tend to have only a partial understanding of UNDP's relative advantage, which limits the organization in leveraging its full role. UNDP has not defined with its counterparts (central government and prospective beneficiaries) in sufficiently specific terms where its comparative advantage lies vis-à-vis the private sector and other UN agencies. The media can play a stronger role in fostering an awareness of UNDP and an understanding of its capabilities; the media can also be used to greater effect to foster partnerships with civil society and the private sector.

**5. Some capacity-building has occurred. But to further UNDP's catalytic impact and leverage, more and better focus on capacity-building (and other aspects of sustainability as well as replicability) are paramount in all aspects of UNDP's country programmes.** The record on capacity-building in all countries has been mixed. But all concerned—central ministries, beneficiaries and respondents to NSPRs—were unanimous in strongly urging a much strengthened UNDP role in this respect. While the need for greater capacity-building is universally recognized, realities on the ground during project execution often prevent it from happening. Typically, effective capacity-building becomes displaced by the pressures of 'doing' in response to beneficiary needs for quick results.

**6. Better programming, implementation management and evaluation by UNDP in the specific context of NCCs can improve the efficiency of its country programmes.** Chapter Four draws important conclusions that could increase the relevance of projects to national priorities as well as the efficiency of the country programmes through the following 'ideal system': 1) a central focal ministry needs to be involved in project approvals, reviewed in the context of an annual programme related to national priorities; 2) funds should preferably come from a central

source of the budgets of a beneficiary ministry or agency; and 3) implementation (contract approvals and authorization of expenditures) should be managed by the beneficiary agency and UNDP without involvement of a central ministry. The administration of the programme in Libya,<sup>37</sup> which is in a transition stage, could evolve into such an ideal system. The programmes for the UAE and Saudi Arabia would benefit from stronger central programming and project approval role on the part of central ministries, while those in Bahrain<sup>38</sup> and Kuwait would benefit by moving from a tripartite to a simplified dual modality in which contract and expenditure approvals are made solely by the beneficiary and UNDP. In all NCCs, UNDP needs to present regular progress reports on the content of projects to a central ministry and agree on an evaluation programme from which lessons can be drawn and applied to future projects.

All types of evaluations have been very limited in NCCs. In principle, UNDP should be held accountable by all programme country governments, whether they pay for the programme or not. But, in practice, the issue of financing evaluations is very important since governments with an ambivalent attitude may not be willing to fund these activities. Country offices now have to attach an evaluation plan to their new country programme documents, which begs the question of how these plans will be funded.

**7. The majority of projects funded primarily from non-government sources (UNDP, Thematic Trust Funds, regional programmes, etc.) seemed to be highly successful in generating interest and furthering dialogue in sensitive areas.** These important and low-cost activities were used to respond to emerging political and social developments in sensitive areas of UNDP's mandate, including gender equality, combating HIV/AIDS and the promotion of political

reform. In comparison with government-funded projects, they were used to good effect for upstream advocacy. They were also highly effective in achieving their results, partly because UNDP was able to make a substantive contribution. In this way, UNDP's value-added was maximized. Funds were fully disbursed on time, and these projects had a better record on both effectiveness and efficiency than the average project in country programmes. In short, they proved to be excellent instruments for promoting human development, albeit in a limited and *ad hoc* manner in view of the limited resources available for such activities and the governments' ambivalence towards funding such activities.

**8. UNDP's policy of requiring a minimum delivery of \$10 million per programming cycle to justify a country presence is questionable and needs to be revisited in NCCs.** This policy, which is not strictly adhered to, has encouraged the inclusion of large projects only tangentially related to national priorities in several NCCs. It has also encouraged some country offices to be more involved in implementation than is desirable. Delivery levels are not a good measure of potential development value because 1) the relationship between project amounts and development value is tenuous; and 2) UNDP is involved in important existing and potential activities that add development value without being included in delivery.

A move away from the current threshold can be expected to have some beneficial consequences, but it also entails some risks. In the short term: 1) it would lead to less pressure to include large projects not related to national priorities where UNDP's value-added is marginal at best; and 2) the country offices would be encouraged to resist the request of beneficiaries to be more involved in supervision of national execution than is the case in NEX in non-NCC countries.

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37 For this to happen, the staffing of the Technical Cooperation Unit in the Ministry of Planning would have to be significantly strengthened and procedures that define the ministry's role in programming implemented.

38 The programming function in the Ministry of Finance in Bahrain would need to be strengthened, but with no change in responsibilities for project approvals.

Staff would thus be able to devote more time to activities that cost little—such as advocacy and partnership development. The net result of the above could well be a programme that has a higher development outcome, even if delivery levels are lower. In the longer term, the impact of UNDP's enhanced value-added that would result from UNDP doing what it does best should lead to an increased demand for UNDP services. This would increase both delivery levels and development impact.

**9. The capabilities of country offices in NCCs are insufficient to respond to the broader and more substantive agenda advocated by this evaluation. Hence there is a strong need to augment the substantive and technical support from the regional centre and UNDP headquarters, and to draw from other modalities.**

While it is clear from the feedback received by the evaluation team that country offices have not been sufficiently involved in the substance of project work, it is not clear why this has been the case. Are resources being diverted towards implementation? Or, are there deficiencies in staff capabilities or training or in management style or systems? A diagnosis of the constraints was not made by the evaluation team.

There is a perception in country offices and the central ministries that NCCs are not given the same attention as other countries. And there appears to be a 'disconnect in spirit' between UNDP headquarters and the country offices of NCCs in terms of their integration into the new strategic and policy directions into which UNDP is moving. For example, at the strategic level, the Regional Bureau for Arab States has not explicitly dealt with such issues as to how the new corporate Strategic Plan applies to NCCs. At the operational level, the specific needs of NCCs in terms of regional programmes or technical support from the Subregional Resource Facility have not been sufficiently defined or accommodated. Nor are Arab region NCCs included in the resource mobilization programmes of UNDP's Bureau for Resources and Strategic Partnerships in the same manner as OECD donor countries.

## 6.2 RECOMMENDATIONS

The major recommendations of this evaluation are based on the overarching proposition, strongly articulated by all the Arab region NCCs, that UNDP can be an important player and useful partner in helping these countries address their development challenges. The recommendations below are grouped into four interdependent clusters. They list the major changes at the strategic, corporate, programmatic and organizational levels needed to strengthen the impact of UNDP's activities in helping these countries address their development challenges and engage with the international development community.

### 6.2.1 RECOMMENDATIONS AT THE STRATEGIC LEVEL

**1. Promote a new relationship between UNDP and the Arab region NCCs at the corporate level. This relationship, which will require strong commitment on the part of UNDP headquarters, should move away from the traditional development agency/client relationship to one of full and equal partnership at both the strategic/policy and programmatic levels. This partnership will be based on the principles of transparency, openness, mutual accountability and respect. Through consultation and dialogue it should redefine UNDP's role and strategy in the NCC context and develop a common understanding and set of approaches for technical cooperation.**

The principles of partnership will recognize and be guided by the following

- The acceptance by UNDP that governments will only include in the country programmes activities that they believe are priorities for them. Government funding drives ownership, but demands from the national side need to be moderated and discussed openly to strive towards an optimal alignment. Governments are receptive to an open discussion of their priorities, and the alignment of country programmes to national priorities can be shaped through an open dialogue with UNDP.

- UNDP's mandate and national priorities are largely congruent. As a result, UNDP can more fully exploit its role in supporting the development of national capacity, brokering knowledge, and promoting South-South cooperation and the transfer of technology. UNDP's primary partners are national governments, but this partnership can be supplemented by working with and leveraging partnerships with other actors, in particular civil society and the private sector, not only in the implementation of key aspects of the country programmes but also, and importantly, in the formulation of these programmes.
- The match and balance between national priorities and UNDP's mandate needs to be assessed in a wider context, with a degree of flexibility that recognizes UNDP's strong role in NCCs as a window for accessing the diverse expertise in the UN system and also drawing on complementary inputs from its regional and global programmes. UNDP country offices should draw on complementary inputs from its regional and global programmes. The expertise (core competencies) and comparative advantage of UNDP lie in particular thematic areas where it can play a strong role in promoting human development and its core approaches such as national ownership, capacity development, knowledge transfer, gender equality and south-south cooperation. At the same time, it should stand ready to assist in its role as the gateway to the United Nations system—also seeking to add as much value as it can through the approaches listed above.
- UNDP's flexibility should apply not only to the identification of areas of UNDP engagement and the design of country programmes, but also in implementation—through greater adaptation to the national administrative processes of NCCs. Within a strengthened partnership, the principle of mutual accountability needs to be reinforced.

## 6.2.2 RECOMMENDATIONS AT THE CORPORATE LEVEL

**2. Revisit UNDP's policy of requiring a minimum delivery threshold to justify a country office presence. In addition, develop specific guidelines on the application of existing UNDP policies to NCCs.** The current minimum threshold for delivery that is applied equally to all countries should be replaced with country-specific qualitative criteria for justifying UNDP's presence. From 2010, most countries sending country programmes to the UNDP Executive Board will have programme documents accompanied by an *Assessment of Development Results* (ADR). This independent evaluation of UNDP's contribution to development in a particular country represents an appropriate tool for making a qualitative assessment of the viability of maintaining a country office. Criteria need to be drawn up to allow the ADR to make such a judgement and to identify the need to enter into discussion with the host country government on reform of the programme or other options, including closure of a country office or managing it from another country.

**3. Develop guidelines in a number of areas that emanate from the demand-driven nature of NCC programmes. The evaluation identified a number of gaps in UNDP's policies and its guidelines for NCCs, which require special interpretation. Therefore, UNDP's future policy on middle-income and net-contributor countries should consider incorporating the following issues:**

- The flexibility with which UNDP can engage in an environment where much of the demand from NCCs goes beyond UNDP's practice areas.
- The application of UN reform efforts to NCCs in a context where governments fund both the UNDP programme and those of specialized agencies.
- Accountability for monitoring and evaluation when these activities are funded by governments.

### 6.2.3 RECOMMENDATIONS AT THE PROGRAMMATIC LEVEL

**4. Strengthen the relationship and interaction between the central services/regional bureaux at UNDP headquarters and country offices in NCCs in the Arab region. The objective would be to align activities of these offices more closely with UNDP's evolving strategies and policies and to be able to respond more forcefully to the special conditions they present.** A closer dialogue should be encouraged between the Regional Bureau for Arab States and the NCC country offices, at which government attendance should be encouraged. Initially, such dialogues could be held through regular bi-annual meetings, at the minimum. As a first step, the Regional Bureau for Arab States should establish a subregional committee to redefine UNDP's role and partnership strategy in Arab region NCCs. The committee should seek to arrive at a common understanding of how activities in these countries should be approached, and include issues related to both programming and management. Moreover, if a new approach is to be adopted in the region, then the Regional Bureau will have to commit considerably more resources—financial and human—to the region in the short term to support the transition. The Regional Bureau for Arab States should also explore opportunities for further intra-NCC partnerships. These could include events addressing mutual concerns, the sharing of lessons, and products such as joint assessments related to common challenges (such as knowledge transfer and capacity-building).

**5. Explore and develop partnerships with public and private aid agencies in Arab region NCCs.** UNDP headquarters should decide on whether this role should be formally added to the responsibilities of Resident Coordinators/Resident Representatives in Arab region NCCs. If so, the Regional Bureau for Arab States and the Bureau for Resources and Strategic Partnerships should help country offices develop country-based strategies. In addition, it would be necessary to build technical capacity as appropriate in each country office to respond to the demands of this new responsibility.

**6. Strengthen the UN development system to better respond to the more flexible approach being advocated for NCCs.** The UN system partnership in the unique context of NCCs—government funding of the programme and limited UN presence—needs to be strengthened. Options involving single budgets for the UN system and appropriate models of joint programming need to be explored within the UN and with the governments concerned. The Regional Bureau for Arab States and the UN Development Group should work together to explore and assess the options. This initiative could be followed by a pilot project in an NCC country. The unequivocal endorsement of the government is critical for the success of such a pilot project. Also, in view of UNDP's enhanced UN coordination role, it would be necessary to increase the Resident Coordinator's budget. Moreover, to facilitate optimal utilization of the UN by the national government, there needs to be greater awareness about what UNDP, and the broader UN system, has to offer and how countries can access it.

### 6.2.4 RECOMMENDATIONS AT THE OPERATIONAL LEVEL

**7. Improve the system of country programme design and management in line with the new principles of partnership between UNDP and the Arab region NCCs defined above.** The programming function exercised by central ministries in regards to UNDP country programmes needs to be strengthened in all Arab region NCCs. A framework needs to be agreed upon between the governments concerned and the UNDP country office whereby project selection would be better aligned to national priorities. Mechanisms to strengthen harmonization of UNDP's systems for management and implementation of activities with national systems need to be established and the national execution system revised accordingly. Mutual accountability of UNDP and the government for monitoring and evaluation needs to be clarified in all NCCs. The UNDP country office also needs to present regular progress reports on the content of projects as well as monitoring reports to a central ministry.

An annual evaluation programme from which lessons can be drawn and applied to future projects needs to be agreed upon and implemented.

**8. Strengthen the capacity of the country offices to increase UNDP's contribution to the development effectiveness of its activities in Arab region NCCs and implement the new partnership envisaged above.** An assessment of the capabilities of the country offices to become more involved in the substance of work is timely. This assessment should lead to a strategy and plan to strengthen these capabilities in the light

of the work programme for the next three to five years, and include the need for support from UNDP headquarters and the subregional office. For many country offices, this will likely require intensive staff training in line with the human resource learning strategy of the UNDP Strategic Plan. Equally important is the need to develop processes across the project cycle—from design to evaluation—that encourage substantive inputs and a focus on capacity-building, sustainability and replicability of projects. Needless to say, all this will provide a challenge for professional leadership in the management of country offices.