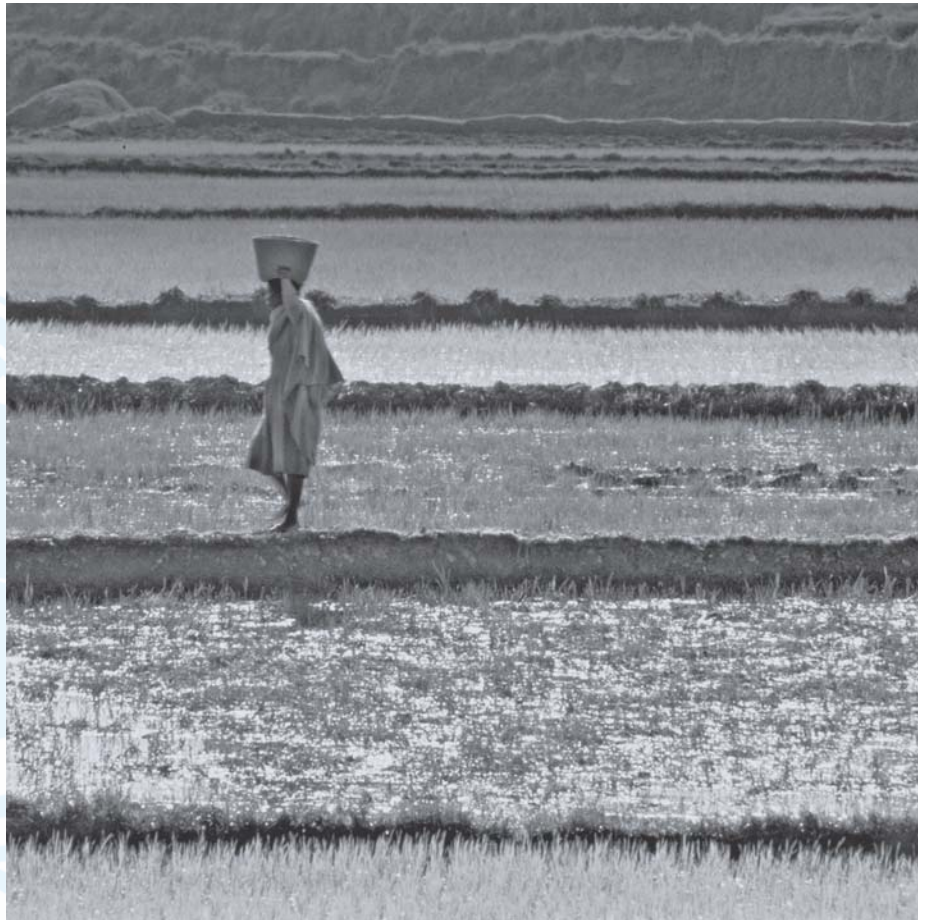


Conclusion

Looking Ahead

The RC Annual Reports provide a panorama of UN reform at the country level, and each chapter in this report has underscored how UN country teams have come together to provide the best possible support to partner countries. Reform initiatives that were introduced just a couple of years ago have now become the default way of working for the UN system at country level.

The reports also demonstrate that country level reality and UN country team repositioning in a changing environment have often outpaced Headquarters' policy guidance and adaptation of rules and regulations. UN country teams are clear in their message that more flexible processes and a swifter translation of UNDG policies into agency guidance is needed.



While UNCTs made a host of specific recommendations in each of the major areas, four key messages emerge that underpin all areas of UN cooperation:

(1) Integration and harmonization of UN processes and instruments with partner country processes have advanced far. However, increased efforts are needed to avoid duplication and to strengthen national processes and capacities wherever possible

(2) Following through on the vision outlined in the **UNDG Capacity Development Position Statement** and truly making capacity development the thrust of UN activities at the country level will require major changes in the work of the UN at country level and in the staff profiles required.

(3) UN country teams are called upon to reach out to non-resident agencies and regional commissions to ensure that UN cooperation draws on the full normative and analytical capacity, experience, and expertise available within the UN system.

(4) Incentives and career tracks of UN staff continue to follow agency lines. Ensuring that contributions of agency staff to joint UNCT activities are adequately captured in agency performance assessment frameworks is therefore highly important.

Addressing each of these issues will have important implications for coherence and capacity of UN country teams as well as their effectiveness in supporting partner countries.

Recognizing that UN reform remains an on-going challenge, UN country teams have throughout their reports identified a number of issues that require further action at the HQ or country level.

In order to achieve the **Millennium Development Goals** (MDGs), nationally-owned development strategies and budgets must be aligned with the MDGs. UNCTs should redouble efforts to support capacity development and technical assistance provided to programme countries as they prepare and implement comprehensive MDG-based strategies. Although an unprecedented effort has been made to support countries in improving the availability, quality, and gender disaggregating of data on the MDGs, more needs to be done. UNCTs can assist countries to strengthen their statistics systems and advocate for their financing as part of their national strategies to achieve the MDGs. Headquarters and regional structures need to maximize their technical support and increase their resources to assist UNCTs in these efforts. The **2006 UNDAFs** are part of a new, sometimes third, generation of UNDAFs and clearly demonstrate how the UNDAF has become a tool for inter-agency coordination and a clear statement of collective UN support to national partners. Still, several challenges continue — notably, finding the right balance between focus and inclusion and enhancing agency participation around a limited number of joint priorities. UNCTs also reported difficulties with developing effective monitoring and evaluation frameworks for the UNDAF. Finally, UNCTs grappled with ensuring a consistent link between UNDAF and agency-specific programming document as incentives, and corporate policies are still primarily agency-focused.

The 2006 **UNDG Position Statement on Capacity Development** outlines an ambitious vision of comprehensive capacity development support that draws coherently on the various strengths of all actors in the UN system. The analysis of the RC annual



reports, however, paints a mixed picture. While 2006 UNDAFs reflect a strong focus on capacity development as a key UN comparative advantage, the reports show relatively few systematic UNCT-wide capacity development efforts that draw on and maximize the strengths of UNCT members and non-resident agencies. Similarly, few UNCTs report systematic work on capacity assessments, with the notable exception of the assessments of financial management systems conducted in the framework of the Harmonized Approach to Cash Transfers (HACT). Expanding capacity assessments beyond HACT is therefore a key challenge for UN country teams. Finally, an increasing number of country teams report efforts to assess their own capacity, reflecting the need to continuously review and adjust the UNCT skill set. The UN family (at HQ, regional and country level) is challenged to systematize these internal capacity assessments — particularly during UNDAF development — as well as to provide reliable follow-up mechanisms to address identified capacity gaps.

In 2006 the Paris Declaration Monitoring Survey provided rich opportunities for UNCTs to reflect and act upon their role in enhancing **aid effectiveness**. The UN role as broker and facilitator was well recognized in 2006, and governments explicitly called on the UN to play this role in a number of cases, particular in complex and multi-stakeholder processes. UN assistance for aid coordination is currently concentrated on central units and could through collaborate efforts be expanded to include line ministries and other partners. Adapting to new aid modalities and following-through on global and country-level aid effectiveness commitments remains difficult for UN country teams hampered by multiple administrative systems, procedures, and

policy positions as well as current rules and regulations. An emerging area of great potential for more coherence and capacity are division of labor agreements within the country team. Facilitating these country level divisions of labor agreements through global agreements or code of conducts would add practical value for UNCTs. Finally, UNCTs continue to call for increased staff training on the implications of the Paris Declaration for UN operations. Situated at the critical junction of capacity development and aid effectiveness, the **Harmonized Approach to Cash Transfer** has the potential to become a catalyst for changed behavior of UN agencies at the country level. Therefore, moving aggressively towards full implementation of HACT in 2007 remains a key challenge.

Joint UNCT efforts to reverse the **HIV/AIDS pandemic**, to promote **gender equality**, and to advance **human rights** provide examples on how UN country teams can address complex and cross-cutting issues drawing on respective strengths of UNCT members. In particular, UNAIDS efforts to enhance coordination around HIV/AIDS continue to spearhead innovative approaches, such as Joint UN Teams and global division of labor arrangements that could usefully be transferred into other areas of UN cooperation. Advancing gender equality has increasingly become an important focus of UN cooperation. The past three RC Annual Synthesis Reports (2004-2006) demonstrate incremental improvements in the way UN country teams jointly tackle the challenge of improving gender equality, including through inclusion in the UNDAF. Still, a more rigorous and systematic process of evaluation of UNCT performance on gender equality and women's empowerment on the ground is still required.

With a view to improving UN coordination and effectiveness in supporting national development goals, UN country teams continue to develop **joint programmes**, introduce common premises and services, and take concrete steps towards the goal of Joint Offices. UNCTs stressed how national partners appreciate JPs as a means of pooling UN expertise, promoting synergies, strengthening capacity, and creating efficiencies. Apart from further deepening and expanding the preparation of joint programmes, priority efforts at HQ should be focused on simplifying current rules and at country level on developing joint monitoring and evaluation frameworks that would allow determining the impact of joint programs. With regards to common services the key challenge — for HQ and country level alike — remains introducing **common services** that cover the central, rather than the current peripheral, business activities.

To adequately support UN coordination, the **RC system** requires clear accountability and review mechanisms, sufficient resources and capacity. On the one hand, understaffed and under-funded offices continue to exist with a bare minimum of coordination resources, which undermines effective collaboration. On the other hand, some RC offices are perceived as having developed into overly large structures and built up expertise and activities that would better be drawn from agency staff. Ensuring a balanced support structure for UN coordination at the country level is therefore a key challenge. This would also allow RC offices to keep their costs at a reasonable level. The RC office should be owned and supported by all country team members while avoiding the currently existing extremes on each side of the spectrum of RC office capacity.

UN coordination in post-conflict and post-natural disaster situations takes on

a particular urgency. To cope with peace consolidation or crisis recovery, UNCTs need surge capacity for coordination, needs assessments, and development of transitional strategies. Substantially, UN support must focus even stronger on nationally defined priorities and mainstream capacity development dimensions throughout the process. Finally, joint programmes remain an underutilized tool in transition periods. Their potential to increase coherence, reduce transaction costs, and focus UN interventions on key areas could add particular value in transition periods.

The preparation of the RC annual reports coincided with the release of the report of the High-Level Panel and its recommendation to press forward with the “Delivering as One” approach already implicit in the 2004 Triennial Comprehensive Policy Review (TCPR) decision on country coherence. Although the “One UN” pilots are being implemented in only eight countries — Albania, Cape Verde, Mozambique, Pakistan, Rwanda, Tanzania, Uruguay, and Viet Nam — the RC annual reports demonstrate how the discussions around the work of the High-level Panel unleashed renewed momentum in all countries to implement on-going reform initiatives mandated under the TCPR. The approaching midpoint between the 2000 adoption of the Millennium Declaration and the 2015 target date for the realization of the MDGs challenges UN country teams to demonstrate how reform initiatives have strengthened their support of partner country efforts to reach the MDGs and other internationally agreed development goals.

