

UNAIDS/PCB(24)/09.11  
26 May 2009

**24<sup>th</sup> Meeting of the UNAIDS Programme Coordinating Board**  
Geneva, Switzerland  
22-24 June 2009

**UNAIDS Participation in “One UN” Country Pilots**

**Additional documents for this item:** *none*

**Action required at this meeting - the Programme Coordinating Board is requested to:**  
(see paragraph 48 below)

- i. *Call upon* UN Executive Heads of Cosponsoring Agencies to reaffirm their commitment to UN Reform and make all efforts to put actions in place to achieve these objectives;
- ii. *Request* the UNAIDS Secretariat and Cosponsors to strengthen their individual and collective capacity for effective involvement in, and contribution to, the Delivering as One (DAO) agenda, and to prioritize processes that give a clearer and stronger strategic focus for the Joint UN Programme on HIV/AIDS;
- iii. *Request* UNAIDS to ensure that Unified Budget and Workplan resources support the AIDS component of the One Programme in the DAO pilot countries;
- iv. *Request* UNAIDS to apply lessons learned in the DAO in all countries where it has a presence;
- v. *Request* the UNAIDS Secretariat to continue to assess the performance of Joint Teams on AIDS in all countries, and examine the outcomes and impact of UNAIDS participation in the DAO for application in all countries where it has a presence;
- vi. *Request* UNAIDS to document transaction costs relating to the AIDS component of the DAO in pilot countries; and
- vii. *Call upon* donors and partners to adhere to their commitments to the Three Ones principles and the Paris Declaration on Aid Effectiveness.

**Cost implications for decisions:** the total cost of all recommendations is estimated at USD 2 million.

***“We will continue to strive for increased efficiency and effectiveness in the AIDS response, and to demonstrate the added value of coherence in the UN system and its collective impact at the country level.”***

*Joint Action for Results: UNAIDS Outcome Framework 2009–2011*

## INTRODUCTION

1. The Joint United Nations Programme on HIV/AIDS (UNAIDS) channels the efforts and resources of ten Cosponsor UN agencies to support the AIDS response. In the context of the UN system’s efforts to improve coordination, coherence, efficiency, effectiveness and most importantly, impact, the UNAIDS model represents a concrete expression of these principles.
2. Since the establishment of UNAIDS in 1996, the global environment within which the AIDS response operates has evolved considerably, prompting calls for a revised approach. Successful advocacy at the global and national levels has resulted in increased political commitment, financial resources and significant advances in treatment and care. At the same time, a significant increase in the number of actors and partners engaging in the response has brought with it increased complexities.
3. The changing landscape, coupled with the current financial crisis underscores the need for improved collaboration and coordination to ensure optimal use of resources towards Universal Access to quality prevention, treatment, care and support services<sup>1</sup>. In order to meet internationally agreed development goals and commitments, such as the Millennium Development Goals (MDGs) and the Declaration of Commitment issued at the UN General Assembly Special Session on AIDS (UNGASS), the current dynamic environment of the AIDS response highlights the imperative for greater UN coherence and a stronger focus on results.
4. The UN system’s efforts to better coordinate its response to AIDS sits within the context of several UN Reform initiatives. The 2007 Triennial Comprehensive Policy Review of Operational Activities for Development of the UN System (TCPR)<sup>2</sup> and the recommendations of the Secretary-General’s High-level Panel Report on System-wide Coherence (HLP)<sup>3</sup> are currently being implemented through the Delivering as One (DAO) pilot initiative in eight countries.<sup>4</sup> The work of UNAIDS over the past decade or more has been a pathfinder for collaboration, providing early lessons in the implementation of the principles of UN Reform and can continue to inform the implementation of DAO implementation in pilot countries.
5. The 20th Programme Coordinating Board meeting held in June 2007 discussed UNAIDS work as an example of UN Reform. It recommended that *“UNAIDS should continually document its contributions to greater UN coherence and contribute fully to the realization of delivering as one (One budget, One leader, One plan, One house) in the pilot countries where it has a presence, and provide a detailed report on its participation in the One UN country pilot for a Programme Coordinating Board*

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<sup>1</sup> Political Declaration on HIV/AIDS, United Nations General Assembly Resolution A/RES/60/262.

<sup>2</sup> Triennial Comprehensive Policy Review of Operational Activities for Development of the UN System, United Nations General Assembly Resolution A/62/208.

<sup>3</sup> Delivering as One: Report of the Secretary-General’s High-level Panel on UN System-wide Coherence in the Areas of Development, Humanitarian Assistance, and the Environment. United Nations, New York, 2006.

<sup>4</sup> Albania, Cape Verde, Mozambique, Pakistan, Rwanda, Tanzania, Uruguay and Vietnam.

*meeting in 2008*<sup>5</sup>.

6. This paper discusses UNAIDS Secretariat and Cosponsor participation in the DAO pilot countries. It first describes how key principles, mechanisms and processes of the UNAIDS experience exemplify the spirit and intent of UN Reform. Then it explores how these experiences relate and contribute to the DAO, and finally, how the DAO roll-out is impacting upon the effectiveness and efficiency of the UN system support to the AIDS response in the pilot countries. The paper concludes with recommendations based on key issues and lessons learned from the UNAIDS' experience in the DAO pilot countries.

## **UNAIDS AND UN REFORM**

7. Broad UN Reform aspires to achieve a more unified and coherent UN system that is effective and efficient, has continued relevance, and adds value in a dynamic and changing environment. Guided by the principles of UN Reform, UNAIDS unites ten UN agencies to work together on the single issue of AIDS. This enhances coherence, minimizes duplication and benefits from the comparative advantages and synergies of the different agency mandates and capacities to provide comprehensive and effective support to national AIDS responses.
8. The UNAIDS Secretariat supports the Joint UN Programme on HIV/AIDS with the following five key functions: leadership and advocacy; strategic information; monitoring and evaluation; partnership development; and resource mobilization. The overarching role of the Secretariat at both the global and country levels is to enhance the coordination, coherence, effectiveness and efficiency of joint UN support to the AIDS response, as detailed below.
9. Through the broadly inclusive Programme Coordinating Board, the UNAIDS governance structure offers a platform that brings together actors and stakeholders from within and outside the UN. The diverse experience and perspectives of Civil Society Organizations (CSOs), Cosponsors and Member States unite in the Programme Coordinating Board to develop a coherent, harmonized and aligned programme. The process of assembling governments and CSOs around the Programme Coordinating Board table fosters national ownership – a basic tenet of UN Reform. The Committee of Cosponsoring Organizations (CCO), brings together the ten heads of cosponsoring agencies and the Executive Director of UNAIDS. This unique mechanism within the UN system helps to harmonize and coordinate practice and policies.
10. UNAIDS policy guidance articulates broad principles and standards that are designed to inform national policies and which are developed through a systematic process in consultation with relevant constituency groups. The process catalyses the development of consensual and evidence-informed positions on AIDS as is manifest in the production of common policies, guidelines and information on the global epidemic. These policy documents provide both a vision and specific guidance to

### **UNAIDS Policies & Guidance**

- HIV Prevention
- Counseling and Testing
- Gender
- HIV Treatment
- Human Rights
- Male Circumcision
- Men who have sex with men
- People living with HIV
- Peacekeepers
- Women and Girls

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<sup>5</sup> Decisions, recommendations and conclusions of the 20<sup>th</sup> meeting of the UNAIDS Programme Coordinating Board, Geneva, Switzerland, 25-27 June 2007.

policymakers, planners and advocates at all levels.

11. All global and regional activities of the UNAIDS Cosponsors and the UNAIDS Secretariat are coordinated through a division of labour and are articulated in a biennial budget and organizational workplans. The Unified Budget and Workplan is a unique instrument in the UN. It raises funds to be distributed across the AIDS-related functions of the Cosponsors and the Secretariat and facilitates joint planning, thereby reducing transaction costs and providing an accountability framework for results. The challenge is to ensure that some Unified Budget and Workplan funds are earmarked to support the AIDS component of the One Programme and that accountability mechanisms are strengthened.
12. With its unique capacity to unite resources and competencies at the country level, UNAIDS is well suited to address the dynamic nature of the AIDS landscape and the need for timely responses. UNAIDS initially functioned at the country level through Theme Groups which operated through the Resident Coordinator (RC) system, under the leadership of the RC, to provide focused, coherent and coordinated support to the national AIDS programme. Building on this system and in response to the recommendations of the Global Task Team (GTT) on Improving AIDS Coordination among Multilateral Institutions and International Donors<sup>6</sup>, the UN Secretary-General instructed RCs in 2005 to establish Joint UN Teams on AIDS and develop Joint Programmes of Support on AIDS. These efforts have provided a platform for effective joint UN support to national responses, including one national entry point to access UN technical support, a common voice and position on priorities and sensitive issues and a basis for mobilizing resources.

“UNAIDS experience as a joint UN programme (including its Unified Budget and Workplan [...], the UN Theme Group on HIV/AIDS, and the “Three Ones” initiative) constitutes an example of effective harmonization within the UN system”.

*Source: United Nations Development Group: Action Plan Harmonization and Alignment to help achieve the MDGs, 29 July 2004.*
13. The Three Ones principles<sup>7</sup> are underpinned by the UN Reform principle that the AIDS response must be owned and led at the national level. They were developed as a set of principles for the coordination of national AIDS responses in order to achieve the most effective and efficient use of resources and to ensure rapid action in results-based management.<sup>8</sup> These principles were articulated to give an expression to the Paris Declaration on Aid Effectiveness and continue to resonate with the more recent Accra Agenda for Action. UNAIDS supports and advocates the application of the Three Ones principles at the country level to improve internal coordination of national interventions and enhance harmonization and alignment of external partners to national priorities.

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<sup>6</sup> Global Task Team on Improving AIDS Coordination among Multilateral Donors and International Donors: Final Report, 14 June 2005.

<sup>7</sup> One agreed AIDS action Framework that provides the basis for coordinating the work of all partners, One National AIDS Coordinating Authority with a broad-based multisectoral mandate, and One agreed AIDS country-level Monitoring and Evaluation System.

<sup>8</sup> “Three Ones” key principles, UNAIDS 2004.

14. The Global Task Team recommendations (GTT) recognized the need to address the AIDS epidemic more effectively. Strengthening coordination, alignment and harmonization, in the context of the Three Ones principles, UN Reform, the MDGs and the Paris Declaration on Aid Effectiveness, is essential for the rapid scale-up of universal access to treatment, prevention, care and support. The GTT recommendations provide a realistic and time-bound framework for the implementation of multilateral organizations' broad harmonization and alignment agenda. UNAIDS promotes the implementation of the GTT recommendations to facilitate a more coherent AIDS response that leverages the UN system and recognizes national priorities in line with the overall UN Reform agenda.

**Previous UNAIDS Programme Coordinating Board recommendations on UN Reform:**

- "The agency representative in country be provided with appropriate incentives, including performance assessments, to ensure joint UN programming, including harmonization and alignment, around HIV and AIDS;
- Encourages development partners to support UN reform at country level by funding Joint AIDS programmes which respect the division of labour;
- Requests the UNAIDS Secretariat and Cosponsors to review the practical barriers to joint programming at country level, and report to their Boards on how they plan to overcome these barriers in order to enable donors to fund joint programmes more effectively".

*Source: Decisions, recommendations and conclusions of the 19<sup>th</sup> meeting of the UNAIDS Programme Coordinating Board, Lusaka, Zambia, 6-8 December 2006.*

15. Addressing both a core recommendation of the GTT and a key element of UN Reform, the Division of Labour aims to increase efficiency and reduce duplication through a coherent approach among Cosponsors to provide technical support. It provides a framework for UN agencies' work on AIDS, particularly at the country level, with appointed 'lead' agencies per thematic area, based on their respective comparative advantage. While the Division of Labour is more successfully applied in some places than others, it provides national stakeholders with a single framework of how the UN as a whole manages its response and resources at the country level.<sup>9</sup>

16. The Global Implementation Support Team (GIST) was formed following the GTT recommendation that the multilateral system establish a joint UN system-Global Fund problem-solving team that supports efforts to address technical support and implementation bottlenecks at country level. In addition to the UN agencies providing technical support for AIDS, the GIST brings the Global Fund to Fight AIDS, Tuberculosis and Malaria, CSOs and key bilaterals together to consider global level issues that affect the provision of technical support to programme implementation at the country level. The GIST is a unique forum where UN agencies, funders and technical support providers work together and hold each other mutually accountable to harmonize and coordinate technical support.

## **UNAIDS AND DELIVERING AS ONE**

17. The Delivering as One initiative is derived from the TCPR and 2006 High Level Panel (HLP) Report on UN System-wide Coherence. The HLP recommended widespread reform of the UN, including streamlining and harmonizing agency policies and procedures at all levels. The DAO is operationalized through One Programme, One Leader, One Budgetary Framework and One Office. UNAIDS Secretariat is present and participates as a full and equal member of the UN Country Team (UNCT) in five

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<sup>9</sup> UNAIDS Technical Division of Labour: Summary & Rationale, August 2005.

of the eight DAO pilot countries<sup>10</sup> but provides active support in the other three countries.<sup>11</sup>

18. The experience and challenges of the UNAIDS model offer strong arguments and rationale for UN Reform. Countries cite the UNAIDS model as being used to guide reforming coordination and programming in the pilot countries. In addition, the System-wide Coherence Report of the Co-chairs<sup>12</sup> noted significant progress on coherence on the UN support to the AIDS response in the pilot countries. Lessons derived from UNAIDS' efforts to achieve greater policy and programme coherence and a more strategic focus on the single issue of AIDS can inform the broader UN Reform agenda – in particular the DAO initiative.

“To bring about real progress towards the MDGs and other internationally agreed development goals, we believe that the UN System needs to “deliver as one” at the country level: with one leader, one programme, one budgetary framework and where appropriate one office”.

*Source: Report of the Secretary-General's High-level Panel on UN System-wide Coherence, p. 12*

### **One Programme**

19. From an early stage, the critical and cross cutting nature of the AIDS epidemic demanded a comprehensive response. In reaction to the intensive but largely uncoordinated and fragmented support from UN agencies, UNAIDS was created to address the need for a coordinated, multisectoral response. Facilitated by UNAIDS, the response to AIDS became one of the UN's earliest efforts to bring agencies together to undertake joint programming and create joint programmes across all sectors on one issue. Against this background, the AIDS experience offers lessons that the DAO can draw upon.
20. The Joint UN Teams on AIDS have served as a model for the DAO Coordinating Groups. Building upon lessons learned from the Joint Teams framework and processes, Coordinating Groups are responsible for coordinating, planning, programming and results management in pilot countries. At the same time, while already familiar with the nature and rewards of coordinating around the AIDS issue, Joint Teams have also benefitted and learned from the increased adoption of the DAO approach. The DAO is creating a more supportive and enabling environment for the Joint UN Team on AIDS through increasing incentives for joint work, better clarity of lead and partner agencies, and consolidating accountability mechanisms.
21. The concept of the UNAIDS Division of Labour has been adopted by the DAO to clearly define the respective roles and contributions of UN agencies based on their comparative advantage. Recognizing that challenges remain, the Division of Labour, both as an articulation of strategic intent and as a process, aims to reduce duplication and promote synergies. The concept of producing a statement of optimal resource allocation amongst UN agencies has been adopted in the DAO pilot countries.
22. A number of DAO countries adopted the UNAIDS accountability framework, developed for UN Country Teams to ensure individual and collective accountability both to UN and country results. The recent Management and Accountability System

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<sup>10</sup> Mozambique, Pakistan, Rwanda, Tanzania, Vietnam.

<sup>11</sup> Albania, Cape Verde, Uruguay.

<sup>12</sup> System-wide Coherence: Report of the Co-chairs, United Nations General Assembly, 21 July 2008.

for the UN Development and RC Systems has provided a broader accountability framework<sup>13</sup>. It includes adapted job descriptions which reflect new roles and responsibilities in the DAO and performance evaluation based on these new job descriptions. While significant progress has been achieved through these accountability frameworks, there is still a need for further consolidation and engagement of all entities in order to strengthen these mechanisms.

23. Arguably one of the earliest successful UN efforts on joint programming, the UNAIDS experience in developing Joint Programmes on AIDS has guided and informed the One Programme aspect of the DAO. UNAIDS has learned that successful implementation of joint programmes requires time for agencies to commit themselves to the process, dedicated capacity, effective leadership, and facilitation within the agencies, and, most importantly, incentives and agency commitment for staff working together on collective results. Drawing on its established track record of joint programming, UNAIDS has been able to make substantive contributions to the One Programme processes. Where reviews have taken place, evidence indicates that the AIDS component of the One Programme is performing better than other programmes. Simultaneously, implementation of the DAO is assisting Joint UN Programmes of Support on AIDS to evolve into programmes bound together by an overall strategic vision and that exploit potential synergies among agencies through shared outcomes and outputs.
24. Challenges in achieving the goal of One Programme persist in DAO pilot countries. UN agencies in some countries do not include their whole workplan in the One Programme. Hence, the One Programme does not account for the entire work of the agencies. The experience of UNAIDS in implementing Joint Programmes of Support will remain important to the UN system in addressing challenges to ensure that the One Programme reflects the entire work of all agencies.

### **One Budgetary Framework**

25. UNAIDS has promoted joint programming and Joint Programmes of Support that are bound together less by a common source of funding or funding modality than by an overarching strategic vision. This facilitates UN agencies, in line with their comparative advantage, to contribute towards addressing country needs and priorities. The focus therefore is on collective results. While joint action may equate to discrete activities by agencies, these activities contribute to agreed joint outcomes and outputs. Funding for such activities may be from a common UNAIDS source, such as Programme Acceleration Funds, or from the core budget of the agency.
26. The DAO takes the concept of strategic funding further. The One Fund has resulted in the mobilization and significant increase of extra budgetary resources which are additional to agency core budgets. The AIDS component of the One Programme has benefited from the One Fund on a number of levels. The increase in funding opportunities has attracted agencies who in the past may not have been engaged in the AIDS response due to a lack of resources. Furthermore, because of the requirement to utilize the resources or lose the funding, there is additional pressure to deliver on results which, in turn, provides a strong incentive for agencies to work collectively.

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<sup>13</sup> The Management and Accountability System for the UN Development and Resident Coordinator System including the "functional firewall" for the RC system, United Nations Development Group, August 2008.



### **One Leader**

27. While UNAIDS has from the outset operated under the aegis of the RC system, the One Leader aspect of the DAO has resulted in a significant increase in the engagement of the RC in the AIDS response. In DAO pilot countries, advocacy for AIDS takes place at a higher level, with the RC bringing AIDS issues to discussions and debates within the UN system and national authorities. However, the increased RC profile brings new challenges and it may be difficult for the RC to raise sensitive or controversial issues with the most senior levels of government. Therefore, the challenge for the RC is to ensure that sensitive and controversial issues, if any, are addressed.
28. The UNAIDS Country Coordinator's (UCC) effective leadership, as reflected in the mobilization of Cosponsors in support of a Joint Programme on AIDS, has always depended as much on the UCC's leadership competencies as it has on leadership from the RC and the RC's own skills at securing the commitment of Heads of Agencies to the Joint Programme. The need for a talented UCC, skilled in diplomacy, influencing and advocacy continues to be essential.

### **One Office and Common Services**

29. While the One Office aspect of the DAO is still in its early stages, the plan is that common premises will be based on thematic areas, rather than by agency. Staff working on AIDS will be brought together in one location, facilitating information sharing, coordination and coherence. In at least one DAO country, a One UN communication team brings together, in one location, staff from different agencies working on common issues. It is worth noting that the concept receives considerable support and has already been adopted in some non-DAO countries. In at least one country, UNAIDS is pioneering the thematic relocation of staff working on AIDS, which can serve as a model for the DAO.
30. Some DAO countries are utilizing the harmonized common services agreement to serve as a procurement modality for anti-retroviral drugs (ARVs). There are further opportunities to streamline business practices and policies, including harmonizing human resources and administrative policies and procedures.

### **Issues**

31. The experience of UNAIDS and the DAO pilots highlight a number of issues and challenges to be addressed in further roll out of the DAO. Many of the issues pertaining to UNAIDS have been documented and reported in the course of the evolution of the Joint Programme. They remain pertinent in the context of UN Reform and the piloting of the DAO. While many of these issues and challenges are intrinsic to the UN system, a number are related to external factors.
32. There is a perception that the buy-in and commitment of UN leadership to UN Reform is not as strong as it initially was. In recent months, some staff report that mixed signals from agency headquarters have contributed to a sense that the impetus characterising the early push for greater UN system coherence, which resulted in DAO piloting, could be diminishing. A view that UN Reform is no longer a high priority could potentially erode the enthusiasm at country level for the innovative practices that DAO requires and for UN Reform more generally. Given these concerns, the UNAIDS experience and the lessons that it offers for greater UN system coherence have become even more relevant. However, these arguments will count for little if the UN Reform agenda is not actively and visibly embraced by the

UN leadership across agencies and supported with clear, consistent messages to country offices.

33. National leadership and ownership are critical if UN Reform is to be successful. Strong national institutions and mechanisms as well as robust national frameworks are needed to ensure effective ownership and leadership. It is much easier for the UN system and development partners to align and ensure accountability when there is a clearly articulated and owned national vision. In some countries, governments are the strongest advocates of DAO and the push for One UN is irrevocable.
34. One of the key principles guiding the Joint Programme on AIDS is the focus on country-defined needs and priorities. It is the principle underpinning the Three Ones, and the basis for the emphasis in recent years in countries to “know your epidemic” and to prioritize policies and programmes accordingly. In some cases, agencies continue to pursue issues related to their own institutional mandate which may not be a national priority. As the DAO has been rolled out, similar tensions have emerged. While the availability of resources from a One Fund is effective at bringing agencies together for joint programming and enhancing coherence, it is also, at times, generating “follow-the-money” behaviour with agencies joining the Joint Programme and then advocating for their particular mandates to be reflected, regardless of country priorities.
35. While the DAO rightly focuses on collectively supporting the achievement of nationally articulated priorities, this mandate can pose potential challenges in countries where national priorities are divergent from or in conflict with UN core principles. For example, low-prevalence, concentrated epidemiological settings, or countries where the needs of marginalized groups go unvoiced are a particular challenge for the Joint Programme on AIDS, and for UNAIDS leadership in particular. These situations demand vigilance to ensure that UN resources, including from the One Fund, are available for the Joint Programme on AIDS and, above all, are utilized optimally, notably through leveraging additional resources and making the money work.
36. Harmonization and simplification of UN system business practices to support DAO are imperative. The lack of harmonized administrative and financial processes as well as disparate planning and budgeting cycles hamper the simplification of common practices. These include programming and planning cycles, financial and procurement procedures, human resource rules and other common shared services in DAO and non-DAO countries. These are complex issues that require dedicated commitment from agency headquarters.
37. Anecdotal evidence indicates that the DAO has resulted in increased transaction costs in pilot countries. It may well be that an initiative that aspires to change practices among numerous agencies, and that sets out to coordinate, harmonize and align policies and procedures will increase transaction costs initially. While the early transaction costs in establishing and operationalizing the DAO are high, they should be weighed against the need for joint UN action and the need to remain relevant in the global environment. In fact, initial higher transaction costs may be viewed as investment costs that lead to long-term benefits of a more effective and efficient UN system. Immediate short-term costs can also avert even higher real and transaction costs in the longer term as efficiency and return on investment grows.
38. The lack of clear accountability and incentives for agency staff to work as part of a joint team and towards collective results within a joint programme of work is an obstacle to the achievement of DAO. UNAIDS has made significant progress in countries where the Joint UN Team on AIDS has the unconditional support of the RC

and Heads of Agencies. In most cases, agency staff have been formally appointed by the RC to the Joint Team on AIDS, and their participation and contribution to the Joint Team and its outputs are reflected in their terms of reference as well as in their performance appraisal. There is a need to ensure that these mechanisms are in place and functional. There is also a need to ensure that entities such as the Regional Directors Team are a part of this accountability mechanism.

39. The capacity issue is as much about the UN having the right people as it is about numbers, and the UNAIDS experience has pertinent lessons for the reform process. The much-changed AIDS landscape of the last ten years or so has not only reinforced the rationale for working better together for greater effectiveness and efficiency, it has also compelled UNAIDS to carefully reflect on the UN's relevance and value added in an environment where the bulk of resources comes from outside the UN. The premise that the value added of the UN system is in upstream policy areas, strategic information, and other high-level outcomes and outputs and not so much in implementation of projects is equally true for UNAIDS and for the DAO more generally. This recognition requires an honest re-think of the sets of skills and competencies that the UN most needs to meet these demands. Some DAO countries have undertaken a capacity assessment of staff of UN agencies and defined strategic directions in order to provide more strategic UN support to countries. This assessment has both human and financial implications on the structure of the agencies at country level.
40. Some agencies contend that the One Fund of the DAO impedes the well established resource mobilization efforts for agency-specific programmes. These agencies believe that they can mobilize more resources through their own initiatives than through the One Fund. This generally results in project-oriented and earmarked funding that may further compromise the alignment of the One Programme to national priorities.
41. The occasional lack of coherence and consistency by donors in support of the aid harmonization and alignment agenda is problematic. While most donors and some partners have subscribed to the Rome and Paris Declarations, and several have voiced strong support for UN Reform, there are instances where some do not adhere to global harmonization and alignment commitments and directly fund UN agencies to pursue objectives that are not part of the One Programme.

## **CONCLUSIONS**

42. Experience from the DAO pilot clearly shows that UN Reform is achievable, albeit fraught with challenges. Reviews by partners including national authorities, donors, and other stakeholders, consistently indicate that the DAO initiative is working. In DAO pilot countries, UN support is viewed as more coherent and coordinated, with the UN system speaking with one voice, articulating common policies, and providing a single entry point. Despite agreement on the importance of UN Reform and acknowledgement of the successes of the DAO pilot, challenges remain in adaptation of not only UN but also partner systems to changes in the way the UN conducts business in support of development objectives. Major challenges include better coordination of finance and administrative systems, strengthened capacity, and increased communication between all partners – UN, government, and donors.
43. The experience of UNAIDS has clearly served as a model for UN Reform and continues to inform the process. As the DAO model focuses on delivery of UN support through thematic areas, the UNAIDS experience in fact provides an initial pilot to inform the DAO roll out. Many of the issues faced by UNAIDS in uniting multiple UN agencies to address AIDS are pertinent to UN Reform and the piloting of

the DAO. Because of its demonstrated flexibility and capacity to adapt, the UNAIDS Secretariat is arguably the most “UN Reform-friendly” structure of the UN system. It should continue to spearhead UN Reform and can provide living examples for adaptation through innovative and “out-of-the-box” processes and approaches.

44. Equally, the DAO informs the continued evolution of UNAIDS in more effectively coordinating a multisectoral UN response to AIDS. It brings a higher level of commitment while formally drawing all UN agencies together.
45. In any organization, reform and change management require sustained commitment at all levels. Given the substantial but not insurmountable challenges remaining in the DAO process, sustained commitment from agency headquarters is essential to consolidate and build upon progress made to date. The role of executive directors is critical in ensuring that adequate resources are mobilized to meet the needs of the reform process. At the country level, UNCTs need to ensure that accountability mechanisms are in place to ensure delivering on results, and that other mechanisms such as Regional Director’s Teams (RDTs) are strengthened.
46. Despite significant challenges to the process, the arguments for UN Reform are even stronger than before. To ignore or underplay the need for reform now invites greater and more problematic challenges in the longer term. While the reform process may result in initial and short term inefficiencies and some increased transaction costs, these should be viewed as opportunity costs leading to long-term benefits of increased efficiency and effectiveness.
47. Donors have consistently advocated for UN Reform, and thus have a critical role to play in supporting a process that can be difficult and challenging. Donors should increase their efforts to adhere to global harmonization and alignment commitments both in spirit and in practice, including through aligning their funding to the One Programme rather than through traditional funding of individual agency programmes.

## RECOMMENDATIONS

48. In light of the above **the Programme Coordinating Board is invited to:**
  - i. ***Calls upon* the Executive Heads of Cosponsoring Agencies to reaffirm their commitment to UN Reform and make all efforts to put actions in place to achieve these objectives;**
  - ii. ***Requests* the UNAIDS Secretariat and Cosponsors to strengthen their individual and collective capacity for effective involvement in, and contribution to, the Delivering as One agenda, and to prioritize processes that give a clearer and stronger strategic focus for the Joint United Nations Programme on HIV/AIDS;**
  - iii. ***Requests* UNAIDS to ensure that Unified Budget and Workplan resources support the AIDS component of the One Programme in the Delivering as One pilot countries;**
  - iv. ***Requests* UNAIDS to apply lessons learned in the Delivering As One in all countries where it has a presence;**
  - v. ***Requests* the UNAIDS Secretariat to continue to assess the performance of Joint Teams on AIDS in all countries, and examine the outcomes and**

**impact of UNAIDS participation in the Delivering As One for application in all countries where it has a presence;**

- vi. ***Requests* UNAIDS to document transaction costs relating to the AIDS component of Delivering As One in pilot countries; and**
- vii. ***Calls upon* donors and partners to adhere to their commitments to the Three Ones and the Paris Declaration on Aid Effectiveness;**

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