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Ms Asha-Rose Migiro
Deputy Secretary General
United Nations
New York
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Dear Ms Migiro,

Subject: Key issues and lessons emerging in the One UN pilot countries

Reference is made to your letter dated November 2, 2007 regarding an informal stocktaking of the key issues and lessons learnt emerging in the "Delivering as One" pilot countries. In this regard, I am pleased to share with you the following thoughts on the reform as far as Rwanda, a pilot country, is concerned:

1. Government expectations from the pilots

The Government of Rwanda expects a number of outcomes from the One UN reform pilot at the country level.

They include among others a reduction of transaction costs in the delivery of development assistance to Rwanda, enhanced alignment to government priorities and a clearer focus on the use of comparative advantage within and beyond the UN Country Team.

- **Reduction of transaction costs.** If the UN Agencies succeed in working entirely within the One Programme, this will help to reduce transaction costs met by both Government and UN agencies, by reducing overlap and duplication of efforts. We also expect that One Office, using common services, will lead to a significant reduction in overhead costs and increased value for money in delivery.
- **Alignment of UN activities with national programmes,** and in particular the Economic Development and Poverty Reduction Strategy (EDPRS). The United Nations Development Assistance Framework (UNDAF) was prepared in such a way that it responds to the needs articulated in the EDPRS. Rwanda is the only country among the pilots where the One UN pilot, its EDPRS and the timing of the preparation of UNDAF have coincided. They cover the same period, 2008-2012.

The key pillars of UNDAF, namely Good Governance, Education, Health and HIV, Social protection, and Environment protection correspond directly to the flagship programmes of the EDPRS, namely Sustainable Growth for Jobs and Exports, Vision 2020 Umurenge and Governance. The preparation of the UN Common Operational Document (COD) has been overseen, discussed, amended and approved by the Cabinet to ensure genuine national ownership and alignment to Government plans.

- **Clearer focus on comparative advantage** by each agency will increase efficiency by reducing overlap/duplication of activities, and by pooling expertise.

2. Government feedback on initial progress of the pilot

Since the launch of the pilot, the Government of Rwanda has seen strong progress. Firstly the UNDAF was prepared over the course of 2007 considering the priorities set out in the EDPRS. This will help to align UN activities with national priorities over the next five years. With each UN agency having identified priority activities through UNDAF over period 2008-2012, government institutions will effectively work hand in hand with them to align the activities with EDPRS.

Secondly, UN agencies have agreed on a number of issues that will facilitate effective implementation of the reform. Besides one programme, one leader, one budgetary framework, and one office, a communication strategy was also developed. This will promote awareness of the reform both internally and externally. The end result will be the UN speaking with "one voice".

3. Key challenges in the implementation of the pilot from the Government of Rwanda's perspective

For the One UN pilot to be implemented effectively there are a number of challenges that need to be addressed:

- **Resource mobilisation**- There will be a challenge to ensure that the estimated USD 488 million for the UNDAF are fully mobilised in a timely manner. Furthermore, there is a risk that continued mobilisation by each agency (through "vertical" funds) will undermine the request from the Government of Rwanda that resources should be pooled in the One Fund.
- **Management of the One Fund will be complex.** An analysis of the requirements for the effective management of the One Fund needs to be undertaken, considering in particular the capacity of UNDP as its administrative entity. There is a need to know whether there is capacity to manage the fund now. If not, the measures will need to be put in place.
- **The UNDG has introduced the Harmonised Approach to Cash Transfers (HACT) as a new transfer modality.** An agreement has been reached that HACT will be used in Rwanda effective 2008 by the Executive Committee Agencies. However, the results from the micro-assessment have yet to be finalised. There is a need to reflect on how HACT will be rolled out in the context of pilot, thinking ahead to the expansion of this modality beyond the four agencies to increase coherence within the UN Country Team.

4. Recommendations for next steps

In the light of the progress and challenges outlined above, I take this opportunity to highlight my Government's key recommendations:

- In the interests of ensuring the timely and predictable implementation of the UNDAF (and EDPRS), there is a need to strengthen efforts at both the national and international level to mobilise resources through the One Fund. This may require greater engagement with donor headquarters through their representation both in Rwanda and at UN headquarters level.
- Whilst the UNDAF and COD provide a framework for monitoring implementation, further work needs to be done to refine monitoring and evaluation tools, and ensure that results-oriented feedback loops are in place.
- Further efforts need to be made at the UNCT level to ensure that the UN is able to report to the Government of Rwanda as One, with a view to further strengthening mutual accountability, consistent with the provisions of the Paris Declaration on Aid Effectiveness and Rwanda's Aid Policy.
- Whilst the country-level pilot is anticipated to bring about a number of improvements as set out in this letter, we must not forget that without further reflection and reform at UN headquarters level, the impact of country initiatives will always be limited. In particular, further consideration needs to be given to those areas of reform that will clarify accountability and decision-making channels between agency headquarters and the Country Office.

I hope that the points set out above will help us to move forward together in the implementation of the One UN pilot in Rwanda, and with the broader UN reform agenda at the global level.

Please accept the assurance of my highest consideration.



MUSONI James
Minister of Finance and Economic Planning
Chair, One UN Steering Committee



Cc:

- Members of the One UN Steering Committee