



UNity in diversity
United Nations Rwanda

United Nations Rwanda
p/a Office of the UN Resident Coordinator
PO Box 445 - Kigali - Rwanda
Tel: (+250) 590 403
Fax: (+250) 578 439
E-mail: rcoffice.rw@undp.org
www.unrwanda.org

Stocktaking Report by the One UN Steering Committee¹ in Rwanda

Part 1: Overview of what has happened in 2007, in response to being a pilot

Process and setup

The objective of the One UN pilot in Rwanda is to improve the impact, coherence, efficiency and positioning² of the UN system to enable it to better respond to the challenge of helping Rwanda meet the MDGs and Vision 2020. In addition the One UN Reform is also aimed at facilitating the harmonisation and coordination with the other Development Partners. To achieve this objective, the UN Country Team has agreed to put in place an incentives system that rewards coherence, performance and results.

The strategy described below was elaborated by all UN agencies in consultation with Government partners and Development Partners represented in Rwanda, at a retreat in February 2007. This initial consultative exercise played an important role in addressing some of the initial concerns expressed by individual agencies while forging a common vision for the Pilot and agreeing on a way forward. The core principles discussed and agreed at this initial retreat were enshrined in an official Concept Note signed by Heads of Agencies in a ceremony attended by the Government of Rwanda. The Rwandan strategy focuses on careful consensus building and systematic consolidation of each step of the reform process. The strong leadership of the Government of Rwanda and its unambiguous expression of support for far-reaching reform of the UN system, has helped accelerate the pace of reform and inspired an ambitious vision of the 'One UN.' Key features and objectives of the Rwandan pilot are:

'One Programme':

- Single consolidated programme and implementation plan;
- Standing Coordination and peer review mechanisms to ensure a continued unity throughout the programming cycle;
- Programme and Policy work tied together to ensure that the programme is driven by strategic results.

In order to turn around the funding-driven and project-based logic of the past, the One UN Pilot in Rwanda has recognised the need to devise a solid, common and enforceable strategy, fully aligned to national development objectives.. Partners have clearly expressed support for this

¹ The One UN Steering Committee in Rwanda is chaired by the Minister of Finance and Economic Planning and is composed of three other government counterparts (of ministerial level), four UN Agencies, the UN Resident Coordinator and three Development Partners. The Administrative Agent (UNDP) is observer

² Position itself to maximize value added: the UN's positioning should maximize its value added in the effort to achieve the MDGs, by carefully drawing on the breadth and depth of its technical expertise without weakening its focus and by ensuring a seamless continuum between its normative, technical, political and humanitarian work.

strategy and have indicated that a credible, high-quality plan will be the key to mobilising sufficient funding for the UN system.

The implementation modality for the One Programme was selected based on Agency strengths and sector level synergies. The 'One Programme' will be supported by a coordination structure centred on UNDAF Theme Groups divided into five pillars (Governance; Health, HIV, Nutrition and Population; Education; Environment and Sustainable Growth and Social Protection). The Theme Groups composed of Agencies working within each sector are responsible for the technical coordination of the 'One Programme'. Meetings will be held at key moments throughout the year to coordinate activities, prepare common implementation plans, draft reports and develop budget proposals. Independent assessments and peer review mechanisms will ensure the quality of consolidated planning documents. The coordination structure will also include an interagency network of policy advisors. It is responsible for defining the strategic policy orientations of the five result areas, supervising the implementation of the One Programme and ensuring that planning is responsive to the country's strategic challenges (see Part 2).

One Budgetary Framework:

- Core resources and Vertical Funds fully aligned with 'One Programme';
- Additional resources mobilized by the Resident Coordinator through Pooled Fund;
- Allocation based on performance, and adherence to One UN framework.

The common budgetary framework is the key element in replacing the funding driven logic of the past with a system that includes: (a) centralised resource mobilisation at the level of the Resident Coordinator through the creation of the 'One Fund' , and (b) performance based allocation of resources centred on commonly agreed criteria and a transparent and fair resource allocation mechanism.

Core resources will remain within the control of each agency, their spending fully aligned to the 'One Programme'. Access to additional resources through the One Fund provides the financial incentive for agencies to adhere to the common framework. Planning, reporting, and M&E systems are part of a coherent management structure linked to a funding allocation mechanism.

'One Leader':

- The Resident Coordinator (RC) is the leader of the One UN system and is responsible for ensuring implementation of the One UN reform process;
- Coherent management structure for the 'One UN', including clearly defined roles and responsibilities for the RC and Heads of Agencies;
- UN speaks with one voice on key policy issues.

To make the implementation of the One Programme more coherent, the principle of the One Leader was broadened to include an entire set of decision-making mechanisms. The highest supervisory body for the 'One UN' is the steering committee, which provides guidance in the One UN reform process. In addition, the Resident Coordinator gives executive direction to the implementation process and the UN Country Team will direct resource allocations and programmes.

A Code of Conduct was developed, detailing the roles and responsibilities of each actor in the common management structure. The Code of Conduct provides a clear link between the UN Resident Coordinator acting as One Leader, and Heads of Agencies acting as members of the UNCT while at the same time representing their Agencies. The main innovations of the Code of Conduct are:

- Members of the UNCT represent not only his/her own agency but the entire UN in all external interactions;
- Heads of Agencies, as members of UNCT, will make decisions through consensus. In situations where no consensus can be reached, the RC will take the ultimate decision;
- In signing the Common Operational Document, all UNCT members have agreed not to fund-raise for their agency in-country, except for activities linked to humanitarian emergencies. Rather, fund-raising efforts are to mobilize resources for the One Programme;
- In signing the Common Operational Document, no other additional activities, except in humanitarian emergencies, will be developed without the agreement of the RC, in consultation with the UNCT.

'One Office':

- Efficiency gains through pooled support services;
- Lower transaction costs by harmonizing procedures;
- Common premises for One UN to facilitate integration.

The 'One Office' was identified as a key element in improving the efficiency of the UN system at country level and reducing transaction costs for government, by pooling support services and harmonising procedures. The guiding principle is the efficiency of the system achieved through a systematic identification of cost and benefits of pooled services.

Communication strategy:

In addition to the four 'Ones', the 'One UN' pilot in Rwanda developed a common communication strategy to promote awareness and understanding on the reform process both internally and externally as well as ensuring that the UN speaks with 'One Voice' on key policy issues. The system of Policy Advisors (see part 2 below) will play a crucial role in ensuring that the UN is more coherent in its analysis and messages on key issues, without sacrificing the diversity of expertise and mandates of UN Agencies crucial for their advocacy and policy work.

Accomplishments in 2007

The strategy adopted by the UNCT in Rwanda has focused on changing the fundamental incentive structures of UN agencies. This will require a cultural and paradigm shift in the way that UN agencies operate.

Early gains from the common programming process include improved quality, coherence and cooperation in UN system wide planning. This can be noted in the elaboration of a common strategy (the UNDAF³), supported by a common implementation plan (Common Operational Document) and a common budget for the period 2008-2012.

It is expected that the improved coherence and quality of the UN programme will strengthen the trust of its partners, and lead to increased availability of resources in the medium term. This will, in turn, reduce interagency competition and strengthen the incentive to work within the common framework. A key challenge is the mobilisation of sufficient funds for the 'One Fund.' The risk is that if the resources mobilised through the 'One Fund' are insufficient, the incentive structure put in place to reward performance and coherence will not be effective and agencies will revert to old

³ United Nations Development Assistance Framework.

resource mobilisation strategies. Several donors have already shown their interest in contributing to the 'One Fund', which shall become operational at the end of 2007.

The cooperation between agencies at a policy level has resulted in early wins such as the signing of the Sector Wide Approach (SWAp) with government and development partners in the Health Sector. The negotiations of the MoU for the SWAp were completed by Results Theme Group Co-chairs on behalf of the UNCT.

Focus in 2008

In 2007 the One UN Pilot in Rwanda focused on furthering the reform process and laying solid foundations for the 'One Programme'. In 2008 the UN Country Team will concentrate on some of the difficult operational issues, notably the implementation of the One Office and the action plan on Common Services.

A skill mapping will be undertaken to ensure that the UNCT has the capacities required to deliver what has been put forward in the One Programme.

The Monitoring and Evaluation system will be strengthened, to ensure that the common management of the 'One Programme' will be based on solid and objective data. In addition to the programmatic Monitoring and Evaluation, the UN Country Team will also develop a Monitoring and Evaluation Framework for the process of the One UN in Rwanda, with the support of the United Nations Evaluation Group.

Development of the communication strategy will continue throughout 2008 as an important tool in sharing information and improving understanding on the One UN reform process in Rwanda.

Part 2: Analysis of the pilot process thus far and review of the potential/emerging results that it could have in the coming years around the following key themes:

- *National leadership and ownership and alignment with national priorities and development strategies, taking into account contributions of other aid providers;*

Upon request by the Government, Rwanda was selected as one of eight pilot countries for the "One UN - Delivering as One" reform in January. From the onset, the Government of Rwanda has made very clear its support for and has given clear guidance on the reform of the UN at country level.

One of the most important mechanisms is the One UN Steering Committee that is chaired by the Minister of Finance and Economic Planning. The Government has taken full leadership in this process. Development Partners have also clearly shown their interest in the One UN pilot process in Rwanda and currently participate on a rotational basis in the One UN Steering Committee.

The Government has also been involved in the reform process at a technical level, notably through the elaboration of the UNDAF, where they encouraged the UN to improve its focus and impact. The entire programming cycle was aligned with the national programming cycle and Government representatives were very active in ensuring that the activities of the UN were aligned with efforts of other partners. Government and development partners will continue to be involved in the management of the 'One Programme' through participation in the Theme Groups to ensure alignment with national priorities.

- *Ability of the UN system to ensure a strategic and focused use of all its assets to meet national priorities. Strategies to ensure access of the Government, incl. line ministries, to*

specialized expertise of the UN system (including that of non-resident Agencies) with due attention to cross-cutting issues. Strategies to facilitate inclusiveness, participatory nature and joint ownership of the pilot process;

A key feature of the Rwandan experience is the extension of coordination mechanisms beyond purely operational and programmatic features, to include policy aspects. The rationale for this strategy is to strengthen the Rwanda pilot's ability to produce a solid analytical assessment of the strategic challenges in each sector in order to produce a programme truly geared towards the attainment of strategic development objectives.

UNDAF Theme Groups will be supported by a Policy Advisor made available by the lead agency for the group. The Policy Advisor is responsible for providing analytical support for decisions taken by the UNCT and to coordinate the participation of UN technicians in policy discussions to ensure that the UN speaks with one voice on key policy issues., The Policy Advisors are also responsible for producing a strategic issues paper supporting the consolidated budget proposal that outlines the strategic challenges relevant to the UN in their sector and explains how the proposed plan will help address those issues.

At present the UN generates a wealth of information on a large number of issues ranging from refugees to environment and human rights, but lacks the ability to centralise and manage that information effectively across sectors. To address this matter, the Resident Coordinator will be supported by a Senior Policy Advisor, responsible for coordinating the activities of the Policy Advisors and ensuring an effective exchange and synthesis of information within the UN system. The Policy Advisors will also play a crucial role in involving specialised and non-resident agencies in the policy dialogue to ensure that the system is able to draw effectively on the expertise of the whole UNCT. It is important to note that the UN Policy Advisors, although based in the agencies, are representing the UN System in the UNDAF Theme Groups and towards external partners. The post of UN Policy Advisors will also help pushing forward the idea of division of labor within the UNCT, where different agencies take on a lead role (rather than an inflated coordination system as such).

Ownership and inclusiveness (both at agency and Government levels) are an important issue in this debate. The use of UN Policy Advisors will increase ownership. The UNDAF Theme Groups will bring together key actors in each sector to avoid duplication of activities and to ensure that agencies are active in areas where they have a comparative advantage. Government representatives, as members of UNDAF Theme Groups, will help to ensure alignment of activities with national priorities. In addition, the participation of Government representatives will improve their knowledge of the UN System and what it has to offer in terms of assistance and expertise. Participation of non-resident agencies in Theme Group meetings will be encouraged to the greatest extent possible, notably by scheduling missions to coincide with meetings. Furthermore, non-resident agencies will be kept informed on issues related to the One Programme, through e-mail groups.

Non-resident agencies have been closely involved in the elaboration of the One Programme as well as in wider reform issues. The current strategic focus of the One Programme results from the constructive pressure by the Government in the UNDAF Working Groups constituted for the elaboration of the UNDAF.

- *Quality of the support programmed and being implemented by the UN (UN Programme);*

The common planning process has enabled the UN to improve the division of labour between agencies by clearly identifying areas of overlap and duplication.

- *Impact on overall resources (funding) available through the UN system to the countries to meet their national goals within the framework of IADGs, including MDGs;*

Improved programming quality and coherence is expected to result in increased availability of funds for the system and their more effective utilisation clearly geared towards the achievement of strategic development objectives.

Resources required achieving One Programme results are estimated at 488 million USD of which 155 million USD (approximately 30 million USD/year) need to be mobilized through the Resident Coordinator on behalf of the UNCT. Several Development Partners, including Sweden, DFID, the Netherlands, Norway and Belgium have indicated interest in covering a portion of the funding gap. However, it is still too early to estimate the long term effects of the reform on resource mobilization. Some donors have expressed a preference in directing funds through existing channels at HQ level so as to contribute to the Core Resources of UN agencies.

- *Impact on transaction costs to partners;*

Although it is difficult to see results in the short term, some initial indications show that transaction costs will decrease as a result of the One UN reform process in Rwanda:

- Through the establishment of Theme Groups and the designation of co-chairs, discussions with the Government will be limited to the co-chairs and not to a multitude of UN Agencies (. The Code of Conduct will be a crucial instrument in this);
- Through the empowerment of the One Leader, the Government will have a clear point of contact in the UN;
- There will be only one document signed between the Government and 17 agencies instead of 17 different documents (for example only one discussion needed with Government on the activities of the UN);
- The presence of UNDAF Theme Groups and co-chairs will provide clear lines of communication at sector level for Government counterparts and will play a constructive role in the sector clusters related to EDPRS;
- The Harmonised Approach to Cash Transfers initially planned for WFP, UNDP, UNICEF and UNFP will be extended to all UN Agencies;

- *Any early indication of impact on overhead costs of the UN system at the country level and coordination costs related to the pilot;*

The concrete cost reducing measures (pooling of support services, etc.) will be implemented in 2008 and closely monitored and reported on through the M&E framework established by the M&E Task Team, in partnership with the UN Evaluation Group.

Part 3: Review of lessons learned by the pilots based on analysis of the initial progress:

- *What has worked thus far? Is there evidence of early gains in terms of coherence, effectiveness and efficiency?*

The entire management structure of the One Programme has resulted in improved understanding of the comparative advantage and capacity of each agency. The common planning process has enabled the elaboration of a coherent strategy geared towards wider development results rather than limited agency mandates.

Working together as a team in the development of the Communication strategy has increased interagency communication, knowledge of agency systems and structures as well as mutual understanding.

- *What is proving difficult and what should be done to solve these difficulties, either locally or by HQs? What has been particularly challenging and why?*

One Programme:

The elaboration of the 'One Programme' has posed a real collective action problem for the UN system. Despite the recognition by all UN agencies of the need for a more coordinated and results-oriented approach, many agencies have continued to focus on small projects. This is partly due to the structure and expertise of agencies, as well as a desire to spread the net widely to maximise agency benefits from the common resource mobilisation strategy. This is particularly problematic with small, under funded and technical agencies. The two main safeguards put in place to minimise this problem have been: (a) The peer review mechanisms whereby agencies could discuss and challenge the relevance of proposed activities and (b) the agreement on the strict funding eligibility criteria focused on a number of objective performance criteria (including delivery and implementation capacity).

The strategy of the 'One UN' Pilot in Rwanda is about putting in place the basic incentive structures to induce agency based culture change. However, it would be useful to establish an independent assessment system to ensure that the proposed control mechanisms fulfil their purpose of fostering a more results oriented programme. They should not degenerate into an internal bargaining over resources, which could undermine both the quality of the programme and the unity of the UN system.

There is a thin line between focus vs. inclusiveness and maintaining a balance between programme coherence and respecting the programmatic diversity of the UN. Inclusiveness should not replace the need to change or result the rule of the lowest common denominator. Although the One Programme is a very good step towards a more focused UN at country level, further steps to focus more on key areas where the UN has the capacity and the comparative advantage are necessary.

One Budgetary Framework:

The question of financing is one of the most sensitive issues addressed by the 'One UN' Pilot process in Rwanda.

There are two main risks to the viability of the 'One Budgetary Framework'. First, if the UN system is not able to mobilise sufficient resources to meet the funding gap (or at least a large part of it), agencies may not see the benefit of working through the common framework and may resort to independent resource mobilisation, undermining the coherence of the UN system's interventions and the appeal of the 'One Programme'.

Secondly, if the UN system is not able to enforce a strict application of the agreed resource allocation system and performance criteria, donors may lose faith in the common system and revert to traditional funding mechanisms, which give them a more direct control over resources.

In order to avoid this, an independent assessment should be carried out once the system is in place to review its effectiveness and propose corrective measures. This could include an independent or headquarters based resource allocation approval system to ensure conformity with the agreed framework.

One Leader:

Despite the relatively small structure of the RCO, the funding for the RCO should be more sustainable on the longer term. Additional staffing during the pilot phase should be considered. This could include a Monitoring and Evaluation Specialist (a prerequisite for reform and currently a weak point in the UN) and an Operation Specialist to coordinate and drive the Common Services process.

Communication:

Communication with staff on the implications of the One Programme has not been sufficient to allay fears and misunderstandings of the reform process. Although several general UN Staff meetings were organized, the information was not always communicated to a same degree to all staff (from top management to lower level) and the perception remains that the reform is mainly focused on a reduction of staff;

Interaction with headquarters has sometimes been inadequate. In some cases restrictions were put on the range of changes proposed at country level and in other cases reactions from headquarters didn't follow the speed at which the reforms were executed at country level (e.g. approval of documents by the Steering Committee after which it appeared that the documents had changed at country level). The influence of HQs on the reform process might complicate local ownership.

Other Issues:

- Development of a clear Monitoring and Evaluation Framework might be difficult since there have not been sufficiently clear views from the start on how to measure progress;
- Delivering well-defined quality results for the Delivering as One process in such a short time frame has proven to be a challenge.
- *What types of support from the wider UN and other partners locally and internationally would increase the UN ability to deliver development assistance to the country and continue the implementation of the pilot initiatives next year?*

In order to deepen and consolidate the reform process at country level, it will be important to overcome a number of structural constraints at headquarters, including:

- Approval processes for planning documents are currently agency-specific, which forces each agency to elaborate an agency-specific planning document on top of the common UN plan;
- Reporting requirements differ by agency, which means that the common reporting procedure for the 'One Budgetary Framework' will come on top of existing reporting procedures in many cases, especially as it should ideally be in line with the Governments reporting on EDPRS;
- Human resource management, contract modalities, etc. are still agency-specific and do not encourage inter-agency mobility or pooling of support services;
- IT platforms, including resource management software (e.g. ATLAS, PROMS and SAP) are still incompatible, which means that the elaboration of common financial reports becomes a difficult and time consuming exercise while retrieving information from different agencies.

The support required in 2008 is linked to the operational reform and capacity assessment. This is likely to generate some resistance from staff and will require effective support (both technical and human resources) to manage the transition.