



**MINISTRY OF PLANNING AND INVESTMENT
SOCIALIST REPUBLIC OF VIETNAM**

**Her Excellency
Madame Asha-Rose Migiro
Deputy Secretary General
United Nations
New York**

Ha Noi, 20 November 2007

Excellency,

Re: “Delivering as One” Initiative - Government Stocktaking

I wish to refer to your letter dated 2 November 2007 inviting Viet Nam to undertake an initial informal stocktaking of the key issues and lessons learnt emerging from our joint effort to implement the One UN Initiative in Viet Nam.

Excellency,

As you might be well aware the Government of Viet Nam has been strongly supportive of the UN reform process with the Prime Minister’s formal approval of the Agreed Principles, Objectives and Instruments to achieve the One United Nations in Viet Nam. The Government expects the One UN Initiative to move beyond coordination towards One UN and to strengthen the UN as a competent and effective partner of the Government in support of the national development for the benefit of the people of Viet Nam. We share the belief with the Country Team that the UN has a vital role to play in Viet Nam’s development and that it can fulfil its mission more effectively by focusing the UN support on areas of direct relevance to the UN’s mandate and comparative advantages. We expect to see a transformed UN with unity of purpose, coherence in management and efficiency and effectiveness in operations to help Viet Nam address key development challenges, as it will soon become a middle-income country.

Excellency,

Expectations are high for the UN reform process in Viet Nam, as in other pilot countries. Viet Nam, however, is unique in that its UN reform process was initiated by the Government and Vietnam UN Country Team well before the recommendations of the High-Level Panel were published in November 2006. Since then, the Government has led the

reform process in tandem with the UN. The UN reform process in Viet Nam is first and foremost a response to national priorities and requirements.

We are very pleased to see considerable progress being made with the five pillars of the One UN Initiative including the One Plan, One Budget, One Set of Management Practices, One Leader and One House.

The “One Plan I” brings together in one coherent programming framework the programmes of six UN Agencies, Funds and Programmes (UNICEF; UNDP; UNFPA; UNAIDS; UNIFEM and UNV) in keeping with the 3 pillars of the Viet Nam Socio-Economic Development Plan (SEDP), namely economic growth, social development and environmental protection. After several months of intensive work and inputs from key line ministries, UN agencies, implementing partners and other stakeholders including donor community, the One Plan has been approved by the Prime Minister and officially signed on 23 August 2007. It is expected that by end 2007/early 2008 a revised One Plan (One Plan II) will be finalised which will incorporate the development contributions of the entire UN Country Team, 14 Agencies resident in Viet Nam.

The “One Budget” outlining the total resources required to implement the One Plan has been developed. A new funding mechanism designed to enable a more strategic UN response to Viet Nam’s priority needs, the “One Plan Fund” has been established. This new arrangement is the primary mechanism to mobilise other resources at the country level and is directly linked to the One Plan, and the resources will be allocated to programme priorities within the One Plan. We are pleased to inform that the One Plan Fund is already receiving significant donor contributions and the One Plan first implementation phase (June 2007 - December 2008) is already fully funded.

In addition, sets of common services and common cost norms have been developed for the whole UN Country Team. The UN and EU Member States have recently finalised a common UN/EU Cost Norms that will be endorsed by the Government and applied for all development projects funded by the EU and UN Agencies. Significant progress has been made in the development of a set of harmonized programme and project management guidelines (HPPMG) that will help harmonize the work of UNICEF, UNFPA and UNDP in the first instance for better alignment with Government systems and to reduce transaction costs for national counterparts and key partners. The joint UN-Government Task Force recently finished reviewing all chapters drafted by external consultants. The draft has now been going through the final editing following intensive discussions between ExCom Agencies and the Government agencies concerned. We aim to share the final draft of the HPPMG with the ExCom Headquarters for review and endorsement by early January 2008.

Considerable progress has been made towards establishing a “One UN House” that will hopefully bring all UN entities working in Viet Nam under one “green roof”. This very first green demonstration building in Viet Nam would help the Government and the UN jointly maximise their power as advocates for environmental awareness and climate change. A site has been identified; technical feasibility studies of an eco-friendly UN House have been undertaken. We also understand that all members of the UNCT have agreed to the first Environmental Audit of the UN operations in Viet Nam which will provide a baseline and recommendations for improvement and leading to an environmental action plan.

The Government of Viet Nam is very committed to and engaged not only in UN reform but also in terms of development effectiveness where Viet Nam has been taking concrete actions in harmonisation and simplification of aid (ODA) through its Ha Noi Core Statement on Aid Effectiveness. Hence it is no coincidence then that the goal of “One UN” has progressed very well in Viet Nam as it has taken lead in proposing initiatives to promote the aid effectiveness agenda and implement the provisions of the Paris Declaration.

As further evidence of our national commitment to and engagement in One UN Initiative in Vietnam, a Government-led taskforce on UN reform was set up, bringing together representatives of the Ministry of Planning and Investment, Ministry of Foreign Affairs, Ministry of Finance, Office of the Government, the participating UN Agencies, Funds and Programmes and bilateral donors. Known as the Tripartite National Task Force (TNTF), it aims to guide the implementation of the One UN Initiative in Viet Nam.

Excellency,

‘Delivering as One’ through greater harmonisation, more effective coordination and enhanced development impact of UN assistance is a central theme of the “One UN Initiative” in Viet Nam.

All of the “Five Ones” are mutually re-inforcing and implemented together they should definitely enhance the UN’s capacity to make strategic decisions. In terms of funding, competition among UN Agencies for scarce donor resources results in transaction costs for all parties. Furthermore, non-core resources are often earmarked at UN Agency-level to implement specific programmes that usually reflect the priorities of the donors concerned thereby reducing the flexibility of the UN to respond to the key development challenges of Viet Nam within its mandate and in line with its comparative advantages. The establishment of a new financing mechanism with multi-year, unearmarked contributions – the One Plan Fund – should help enable the UN to respond more strategically to the priority needs of the people of Viet Nam.

In developing the One Plan, the UN Participating Agencies were able to identify and eliminate overlap and emphasise complementarities. The One Plan builds on the two years of work leading to the UNDAF, CPDs and CPAPs and it is a first step towards a more effective and coherent UN pending the further harmonisation of management, budgets, programmes and management practices. The One Plan should also be seen as representing a key part of the response of the UN to the Ha Noi Core Statement and the broader aid effectiveness agenda.

While the finalization of the first version of the “One Plan” is a major milestone, further harmonisation of planning processes will depend in part on the capacity of the UN to realise the other targets. Greater harmonisation of management and financial structures is necessary to realign the incentive structures facing UN Agencies. The UN needs to better deliver as one coherent entity rather than many smaller entities that compete with each other for resources and policy influence. One set of management practices will further help reduce transaction costs. One UN House will reduce the barriers between Agencies that naturally result from working from separate locations.

A Management Plan, an internal UN management tool, is being prepared to guide implementation of the One Plan, focusing on concrete measures towards more coherence,

efficiency and effectiveness of the UN's contribution to development in Viet Nam. The Management Plan ensures that the appropriate management structure, human resources, and improved business practices and common services match the One Plan. It provides the basic information needed, including the performance benchmarks, which enables the UN Resident Coordinator and leaders of participating UN Agencies at the country level to take management and budget-related decisions.

Excellency,

The One UN Initiative in Viet Nam has been experiencing many challenges as it tries to fundamentally change an institutional culture and the way a long-standing system can evolve to work better together as a broader UN family.

One of the major challenges for the implementation of the One UN in Viet Nam is that it has been trying to find a way to work within each of UN Agency systems and procedures. As each UN Agency has very different approaches to how they do things, this hampers UN efforts to deliver and report as 'one'. While we have made good progress on developing the Harmonized Programme Management Guidelines with ExCom Agencies, more broadly it has been a real challenge to work within these confines - to get past, to go around, or work through various agency structures and systems. This needs to change, but until more UN-wide corporate decisions are made on system design, we will continue to be faced with this challenge at the country level.

Another challenge is to ensure that the "One UN Initiative" leads to maximizing the policy, advocacy and normative impact the United Nations can have on some of the most critical challenges facing Viet Nam. The UN should provide effective and efficient support to the Government and people of Viet Nam in line with the comparative advantages of the UN system in order to achieve the Socio-Economic Development Plan, and to realize the principles and goals of the Millennium Declaration.

The completion of the One Plan is an important milestone in Viet Nam's UN reform process. But in many ways it is just the beginning. The next major challenge facing the Government, the participating UN Agencies, and other development partners will be to achieve the results outlined in the Plan in a harmonised manner to achieve the maximum development results possible given available resources.

Excellency

As recognised from the very beginning, the One UN Initiative requires full support of respective UN Headquarters to ensure that country led reform initiatives continue to move forward on an experimental base. Concrete support from UN Agency HQs such as the mission of the three Senior Resource Mobilisation officials from ExCom Agencies to help develop the One Plan Fund proved to be very successful. More missions of this kind are needed. An immediate need would be to provide Viet Nam with tools such as a self-assessment mechanism to track progress of the One UN implementation.

At present, each UN Agency has separate representation and management and each reporting through and accountable to different structures. The absence of an empowered UN Resident Coordinator Note complicates efforts to harmonise the work of UN agencies. The quick ratification of the UN Resident Coordinator Note or One Leader Memorandum of

Understanding is therefore considered important for the successful implementation of the One UN Initiative.


A UN HQs commitment for changes needs to be translated into concrete terms. UN HQs need to help the Government and the UNCT finalise a high quality One Plan II taking into account the ongoing debate of being inclusive vs. strategic focus.

A certain degree of flexibility and special exception on rules/regulations/procedures needs to be granted for the pilot countries. Without this, it is unlikely that the harmonised programme project management guidelines can be finalised.

An important dimension of the One UN is the establishment of the One UN House. Even though all UN Agencies have confirmed their wish to join the One UN House, with the limited budget for construction purposes, financial feasibility remains a big challenge. While external support from donors and the Government will be essential, UN Agencies need to show their strong commitment in financial term to ensure the successful completion of the project.

Finally, let me conclude by stating that it is very important that implementing the One UN Initiative in Viet Nam will demand not only strong leadership and ownership by the Government, a supportive donor community but also a strong and sustained support from the UN Agencies Headquarters that will create a conducive environment for changes at the country level.

On behalf of the Government of Viet Nam, I wish to thank the UN Agencies Headquarters for their continued support and the UN Country Team for their active participation in the implementation of the One UN Initiative in Viet Nam.

Please accept, Excellency, the assurance of my highest consideration. 



Cao Viet Sinh
Vice Minister

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