

**HARMONIZATION:
OPPORTUNITIES FOR COUNTRY OWNERSHIP AND CAPACITY DEVELOPMENT**

28 July 2003

Dear colleagues,

Through your work at country level, we know you must be acutely aware of the burdens placed on the governments of programme countries, and our own staff, by the multitude of differing and complex procedures with which they have to work. Efforts to address these problems have been gaining significant momentum with the *UN Millennium Summit*, the *Monterrey Conference on Financing for Development*, the *2001 Triennial Comprehensive Policy Review (TCPR)* of the operational activities of the United Nations agencies and organizations and the recent *Rome High-Level-Forum on Harmonization* (see below). In this letter, we want to inform you about recent decisions of the UNDG Executive Committee (ExCom) designed to make our work more effective, while positioning us to play a leadership role in the larger harmonization effort.

THE GLOBAL PUSH FOR HARMONIZATION

United Nations Development Group - Executive Committee

In response to the TCPR resolution 56/201, the ExCom members of the UNDG established a **Task Force on Simplification and Harmonization** that is currently introducing many processes and tools, related to:

- Programme planning -- revised CCA/UNDAF guidelines, including the UNDAF Results Matrix, to be issued in 2003;
- Preparation and approval -- harmonized Country Programme Documents – CPDs - and Country Programme Action Plans – CPAPs;
- Programme implementation - harmonized Annual Work Plans;
- Monitoring and evaluation - UNDAF M&E plan and calendar, and;
- Reporting - harmonized Standard Donor/Progress Report.

Work on programme implementation modalities (including revised guidelines on joint programming), and financial procedures (harmonized resource transfer modalities) are scheduled for completion in 2003, and introduction in 2004. The new arrangements for programme preparation and approval are being introduced as a country prepares its new harmonized country programme, based on the CCA and UNDAF. With the introduction of these tools, the way we do business at country level will change considerably. Full details of these harmonized tools and processes can be found on the UNDG website at www.undg.org

In some countries, governments are using sector-wide approaches (SWAs) as a way of harmonizing donor support with a view to increased development effectiveness and reduced transaction costs. The UNDG believes that the UN has an important role to play in supporting national governments in the design and implementation of SWAs, particularly in the areas of policy formulation and capacity development. More specific guidance is forthcoming.

OECD/DAC

The *Rome High-Level-Forum on Harmonization* (February 2003) was the culmination of two years of work by an *OECD/DAC¹ Task Force*, which was actively supported by the World Bank and the UN (through UNDP), as well as by some 16 programme countries. The core conclusion of the Task Force was that the prime focus of harmonization has to be around programme country priorities, systems and processes. **In other words, instead of programme countries being required to cope with numerous, overlapping and inconsistent requirements from development partners, it would instead be for the latter to align their requirements and their systems to those of the programme country.** An essential corollary is that programme countries strengthen their systems to meet minimum internationally accepted standards of transparency and accountability.

The Rome Forum issued a statement that can be seen at www.oecd.org/dac/donorpractices. The statement put political weight behind the *Good Practice Papers* prepared by the Task Force, also accessible on the above website. The *Good Practice Papers* serve as a guide for all partners in development by suggesting good practices for different aspects of programming at the country level, namely:

- Framework for Donor Co-operation
- Country Analytic Work & Preparation of Projects & Programmes
- Measuring Performance in Public Financial Management
- Reporting & Monitoring
- Financial Reporting & Auditing
- Delegated Co-operation

The UNDG ExCom agencies are not donors in exactly the same way as the full members of *OECD/DAC*. We have many roles and responsibilities in addition to providing funds: most important is our support to the development of national policies through advocacy on global norms and standards, as well as our focus on strengthening national capacities. Indeed, these roles are more important than our financial contributions. However, we do also provide considerable programme and project support and therefore we do have a high level of shared interest with the *OECD/DAC* on these issues.

UNDG INITIATIVES IN THE CONTEXT OF THE GOOD PRACTICE PAPERS

The first *Good Practice Paper* mentioned above stresses the importance of donors providing support within the framework of nationally owned strategies for development, including Poverty Reduction Strategy Papers (PRSPs) where they exist. The second paper urges complementarity and non-duplication in country and sector analytic work, and underlines the vital importance of national leadership in this work. Guided by *GA Resolution 56/201* and also drawing on the ongoing work in *OECD/DAC*, the UNDG brought the CCA and UNDAF Guidelines in line with these principles with the May 2002 revision, and further strengthened them in the June 2003 revision (see www.undg.org).

The remaining six *Good Practice papers* relate more to the implementation stages in the programming cycle² and correspond to a large degree with the ongoing work of the UNDG ExCom Task Force on simplification and harmonization. In fact, the UNDG has both contributed to, and is drawing inspiration from, the work in *OECD/DAC*. In particular, the UNDG recognizes that implementation modalities have to be harmonized at the country level based on the country situation. Thus, the four UNDG ExCom agencies will all apply the same implementation modalities in the same country. They recognize, with *OECD/DAC*, that **“One size does not fit all.”**

¹ OECD/DAC = Organization for Economic Cooperation and Development / Development Assistance Committee

² The Good Practice paper on Delegated Co-operation is restricted to bilateral partners.

HARMONIZATION AT THE COUNTRY LEVEL – AN OPPORTUNITY FOR UNCTS

Among developing countries expectations are high that the *Good Practice Papers*, as well as our UN simplification and harmonization efforts, will lead to real changes in practices and to additional resources. The Rome Forum has achieved a critical mass of political support, as well as a commitment to monitor progress. The Multi-lateral Development Banks and OECD countries have engaged in pilot programmes in Vietnam, Ethiopia and Jamaica; pilot programmes in other countries are foreseen.

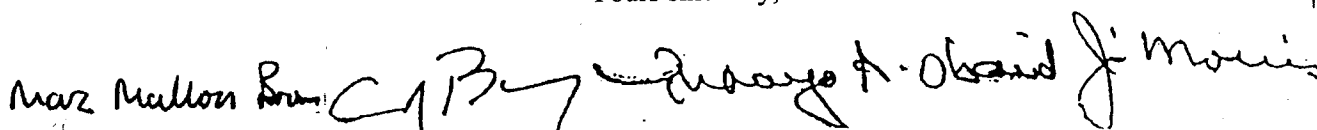
In the implementation of the global harmonization agenda, UN Country Teams (UNCTs) can add value in many ways - as a neutral advisor to government and national partners; employing experience in helping to build national capacities; utilizing global access to the experiences of other countries; and acting as guardians and advocates of international norms and standards.

As mentioned in the introduction of this letter, you might already be involved in harmonization efforts. We strongly encourage the UNCT to consider together and with government how best to support ongoing efforts and to actively promote further efforts both as part of the UNDG ExCom Simplification and Harmonization initiatives, as well as through other processes and forums. We are confident that our decisions on UNDG simplification and harmonization will contribute to innovation and responsiveness to emerging country needs. While certain bureaucratic rules and procedures must be respected, they should not stand in the way of responsible local initiatives towards greater coherence. We look to you to bring to our attention any need for further work to be done at our respective headquarters that would facilitate your participation in local initiatives.

While we are sending out this letter as the UNDG Executive Committee, we have shared it with the other UNDG agencies, and they appear broadly supportive of its content. We look forward to discussing it more fully at our next full UNDG meeting in October after which we hope the UNDG will issue an updated letter to all UNDG field staff.

We look forward to hearing about your experiences with simplification and harmonization at the country level. Please do not hesitate to contact us or DGO if you need any further advice or have valuable lessons learnt to share with other UNCTs.

Yours sincerely,



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