



THE RESIDENT COORDINATOR OF THE
UNITED NATIONS SYSTEM'S OPERATIONAL ACTIVITIES FOR DEVELOPMENT

2 December 2008

Dear Mr. Anga,

Subject: **Micro Assessment of Implementing Partners for Harmonised Approach to Cash Transfer (HACT)**

The purpose of this letter is to inform you about the micro assessment of our implementing partners in Solomon Islands to be undertaken shortly by the professional accounting firm of Morris & Sojnocki based in Honiara. We had written to your government in March 2008 informing you about the macro assessment of public financial management system of the country as the first step and micro assessment of the financial management capacity of our implementing partners as the next steps.

UNICEF, UNDP and UNFPA, normally referred to as the UNDG ExCom Agencies, have adopted a common operational framework for transferring cash to government and non-government Implementing Partners, known as Harmonised Approach to Cash Transfer (HACT), in 2005. The main objective is to harmonise and lessen duplication of these three agencies' procedures and rules for the host government. This new, harmonised approach is part of the UN's response to Rome Declaration on Harmonisation (2003), the Paris Declaration of Aid Effectiveness (2005) and Accra Agenda for Action (2008). The main characteristic of this approach is a shift from a control-centred approach to a pro-active risk management and development of national capacities.

KPMG, a professional accounting firm based in Suva, completed a desk review of existing public financial management system studies and reviews undertaken by other multilateral and bilateral development partners in the region in the previous years as the Macro Assessment part of the HACT in March 2008. Their report is attached herewith for your perusal.

We would appreciate your help in providing Morris & Sojnocki appropriate information for the micro assessment exercise as this is an essential step towards the utilisation of national systems. Please find attached a brief two-pager info sheet on HACT and the Micro Assessment with this letter.

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Mr. Barnabas Anga
Permanent Secretary
Ministry of Foreign Affairs & External Trade
P.O. Box G26
Honiara

UN Agencies based in the Pacific

**ESCAP, FAO, ILO, UNAIDS, UNDP, UNDSS, UNESCO, UNFPA,
UNICEF, UNIFEM, UNOCHA, UNOHCHR, WHO & WMO**

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We hope to further discuss the Harmonised Approach to Cast Transfers implementation with you in our mid-term as well as annual consultations of our programmes and projects next year.

We are looking forward to working very closely with your government to ensure timely and effective implementation of HACT.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Ken', is written over a horizontal line.

Dr. Chen Ken
UN Resident Coordinator a.i.

Attachments:

1. Macro Assessment Report of Solomon Islands, KPMG, March 2008;
2. Quick Guide to HACT to Implementing Partners; and
3. Micro Assessment (2-pager sheet).

cc: Mr. Rence Sore
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Permanent Secretary
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