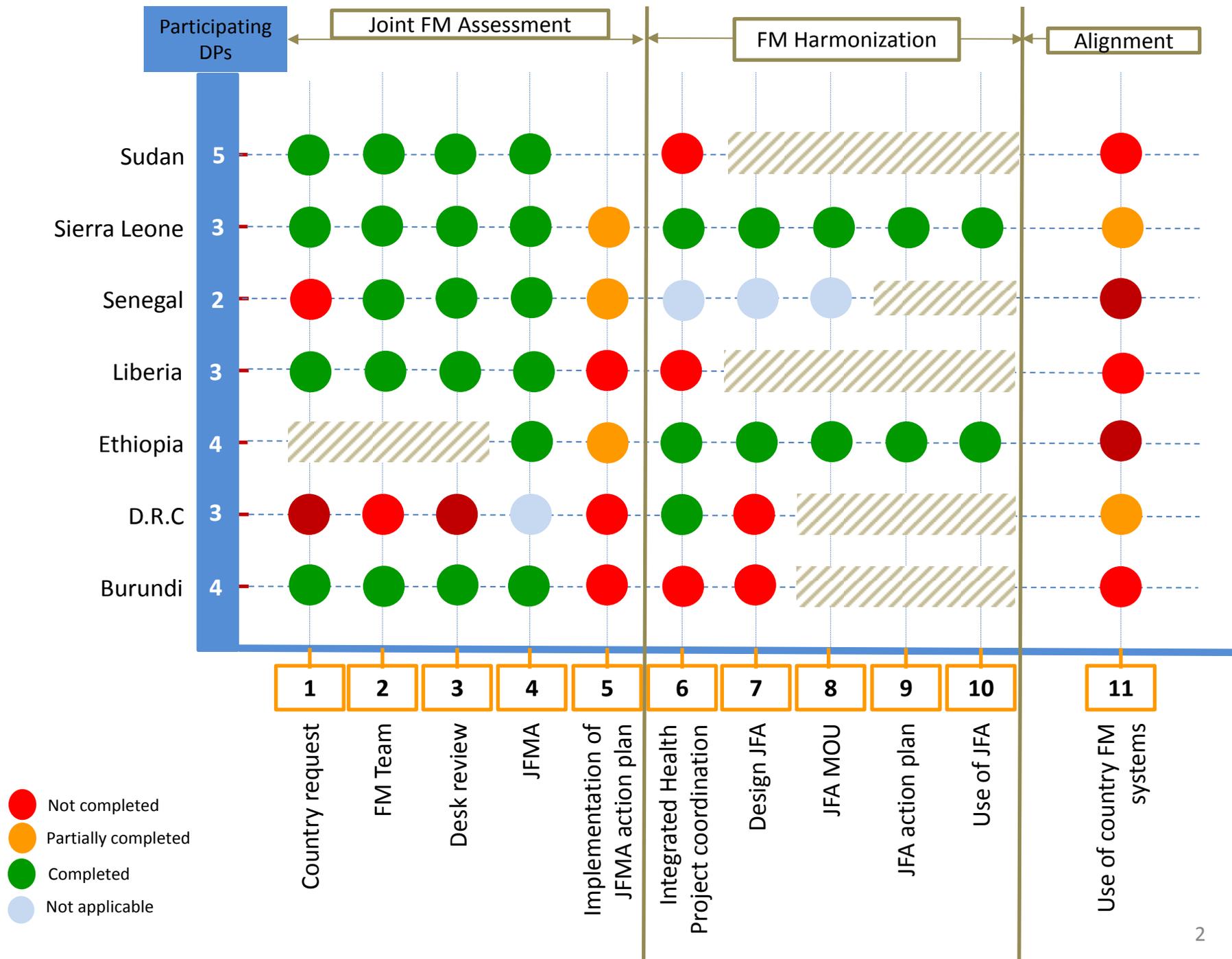


# Lessons Learned from FM Harmonization and Alignment work

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# Lessons Learned

- JFMAs conducted confirmed the need to strengthen the PFM system prior to alignment. Linking harmonization and alignment work with broader PFM reforms is critical for success in transitioning to use of country systems
- Joint capacity support provides a better chance to strengthening country systems but different funding cycles pose a challenge to coordinating such support at the country level
- implementation of JFMA recommendations is quite slow due to different project cycles among DPs, and lack of strong leader at country levels. Creation of JFAs are particularly challenging. *Ministries of finance engagement has been low*
- Creation of integrated fiduciary project coordination unit using agreed FM manual appears to be a more successful strategy toward harmonization and gradual use of elements of country systems
- Skills transfer from integrated fiduciary project coordination units to country systems is slow because there are no benchmarks in JFAs on when and how to do this.
- Use of a common accounting software for donor projects accounting has been successful in minimizing fragmentation of accounting systems, and enhanced consolidated reporting opportunities
- Lack of joint missions to review harmonization arrangements creates a situation where disagreement on staffing issues could hamper the sustainability of progress made
- While some DPs are open to using the Supreme Audit Institution (SAI) of a Country, others prefer to use private audit firm which are still preferred by most development partners. Single audit for all projects still far from happening.

## Way forward

- Address bottlenecks to single audit. To succeed, the current approach that emphasizes fiduciary oversight must be preceded by a strong upstream programmatic coordination framework and capacity
- Linking harmonization and alignment initiatives to broader PFM reforms that support strengthening of country systems. Building the capacity of MoH's to engage MoF's more effectively is critical
- Focusing on knowledge generation and sharing on links between PFM and service delivery and financing

# For Discussion

- How could the lessons guide future work on country engagement?