



DEVELOPMENT CO-OPERATION DIRECTORATE

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**DRAFT MANDATE AND TERMS OF REFERENCE FOR THE JOINT LEARNING AND ADVISORY
PROCESS ON DIFFICULT PARTNERSHIPS**

**Second meeting of the Joint Learning and Advisory Process on Difficult Partnerships
- Brussels, 6 October 2003.**

This document is submitted for COMMENTS by participants of the LAP as well as the GOVNET and CPDC Network members. It has been revised on the basis of comments made at the first meeting, held on 30 June 2003.

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DEVELOPMENT ASSISTANCE COMMITTEE (DAC)

DRAFT MANDATE AND TERMS OF REFERENCE FOR THE

JOINT LEARNING AND ADVISORY PROCESS ON DIFFICULT PARTNERSHIPS (LAP)

Introduction

1. In recent years the international development community has reached a consensus that poverty reduction is most effective where support is given to nationally owned strategies that are country-driven, participatory, comprehensive, and results-oriented.¹ There has been a growing recognition of the need for development agencies to remain engaged in countries in which such poverty reduction partnerships are difficult to establish, the majority of these being affected by conflict. Many donors have experience in staying engaged in these environments, despite the risks involved, and have sought to find ways of working effectively. The work conducted by the DAC over the last few years on 'difficult partnerships'², and more recently by the World Bank on 'Low-Income Countries Under Stress' (LICUS)³, as well as the DAC guidelines on *Helping Prevent Violent Conflict*, and on Poverty Reduction have highlighted the need to engage differently. In these 'difficult partnership' situations, the DAC agrees that it is necessary to find ways to promote constructive change, maintain policy dialogue and support services for the poor.

2. The collective experience of DAC Members and Observers in dealing with difficult situations has helped deepen donor understanding. There are strong links between conflict prevention, peace-building and governance issues. These linkages are crucial in countries in reconstruction where the risk of falling back into conflict⁴ point to the importance of governance, political development and institution-building in these fragile environments. Also, rapidly deteriorating governance may exacerbate conflict risks. In order to strengthen links between the conflict and governance agendas as they relate to difficult partnerships, the DAC has agreed to locate the Learning and Advisory Process (LAP) on difficult partnerships under the joint auspices of the GOVNET and the CPDC Network. To be most effective, this process would also benefit from collaboration with other DAC Networks and Working Parties.⁵ This would enable better integration of the work on difficult partnerships with existing work on aid effectiveness, harmonisation and donor practices, among others.

¹ DAC, *Shaping the 21st Century: The Contribution of Development Co-operation*, Paris, 1996 and the DAC *Guidelines on Poverty Reduction*, Paris, 2001.

² Difficult partnerships are characterised *inter alia* by a lack of political commitment and weak capacity to develop and implement policies. The DAC recognised that the complexities of these partnerships vary from country to country and over time. In addition, these countries tend to be characterised by poor governance and by being prone to violent conflict. See [DCD/DAC(2001)26/REV1] & [DCD/DAC(2002)11/REV1]

³ World Bank, *Low Income Countries Under Stress*, September 2002.

⁴ Over 50% of countries that have transited out of conflict have experienced renewed violence within 10 years.

⁵ DAC Network on Environment and Development Co-operation, Working Party on Aid Effectiveness and Donor Practices, Working Party on Statistics, DAC Network on Development Evaluation, DAC Network on Gender Equality, DAC Network on Poverty Reduction.

Background

3. Much work has already been done in the DAC on defining the nature of the problem and the issues at stake.⁶ In October 2002 a joint DAC/WB/EC/UNDP workshop was held on Working for Development in Difficult Partnerships. The report of the Workshop⁷ drew together initial experience, and recommended that a Learning and Advisory group be established to facilitate collaboration and lesson-learning. The DAC 2003 High Level Meeting asked the Network on Governance (GOVNET) and the Network on Conflict, Peace and Development Co-operation (CPDC), with input from other Networks and Working Parties as necessary, to jointly work on issues relating to Difficult Partnerships to provide an interface for conducting the joint learning and advisory function on Difficult Partnerships in conjunction with the World Bank Group (WB), the United Nations Development Programme (UNDP) and the European Commission (EC)⁸. This Learning and Advisory Process will be facilitated by the DAC and its GOVNET and the CPDC Network. A first brainstorming meeting of the LAP was held in June of 2003.

Mandate

4. There is broad agreement that aid tends to be more effective for poverty reduction in countries with sound institutions and policies. At the same time, the DAC has agreed on the need to work with fragile countries or 'difficult partnerships' by promoting the mutually reinforcing goals of peace, security, respect for the rule of law, human rights, and social and economic development – all of which are supported by dynamic representative political structures.⁹ Donors recognise that it is important to try to attain the Millennium Development Goals (MDGs) in all contexts, and ensure everyone participates fully in the development agenda. Strategies to address the problem of difficult partnerships will include: i) promoting the conditions that enable political systems to respond to the needs of poor people, ii) maintaining support for social services to poor people through both state and non-state entities, and iii) enhancing effective donor coordination in difficult environments.¹⁰ The LAP seeks to bring together effectively the experience of various donors in pursuing these and other strategies.

5. The purpose of the Learning and Advisory Process is to enable and facilitate partnerships and coordination among bilateral and multilateral donors. This will build on a knowledge base drawn from experience, research, and lessons learned on the design and implementation of development approaches in "difficult partnerships", including conflict-prone countries. It is also a unique process for bringing together experts on governance and conflict prevention and reconstruction to share methods and build on existing tools to enhance approaches to 'difficult partnerships'.

6. In particular, the Learning and Advisory Process provides an interface for the areas described below. These areas were selected, as they satisfied four criteria: i) the comparative advantage of the DAC in each area, including suitability of the topic to joint work; ii) the topic's strategic importance to progress on difficult partnerships within the large framework of international development efforts; iii) the relative lack of attention to the topic in other for a; and iv) the prospects for building on and extending other DAC work.

⁶ An early discussion was held at the "Forum on Elusive Partnerships: Working in Countries with Poor Policy and Governance Environments, Paris, 5-6 April 2001" [DCD/DAC (2001)13].

⁷ An agenda for action based on the results of the Joint DAC/WB/EC/UNDP Workshop on Working for Development in Difficult Partnerships [DCD/DAC(2002)32/REV1].

⁸ See paragraph 25 [DCD/DAC(2003)12/REV1].

⁹ See *Helping Prevent Violent Conflict*, p.86.

¹⁰ 'Development Co-Operation in Difficult Partnerships' [DCD/DAC(2002)11/REV1] (19 April 2002).

- a) **Developing and exchanging research studies and analytical frameworks.** The work plan attached¹¹ describes possible focus areas for this process. Maintaining a fairly narrow strategic focus, it is proposed that the LAP exchange, and if necessary commission research in areas such as: donor coordination in difficult partnerships; aid effectiveness in difficult partnerships (to include research into aid allocations, the political economy of reform, and delivery systems); early warning indicators for deteriorating governance and failed states. Other research of interest to LAP members may be circulated and discussed within the LAP on an ad-hoc basis.
- b) **Sharing lessons on country-specific and regional approaches.** This will include sharing lessons on the current development and implementation of innovative approaches and strategies in different lead institutions for specific country cases.
- c) **Identifying common bilateral/multilateral good practice** in dealing with difficult partnerships based on the extensive collective knowledge of the participants and other DAC groups, as requested by the DAC.

7. This work would seek actively to complement and not replicate other country-specific development fora such as Round Table or Consultative Group meetings. The work of the Learning and Advisory Process should similarly build upon, and not duplicate, other activities in the DAC. The informal nature of the process and its infrequent meeting schedule mean that it would not conduct operational activities. The work of the LAP is not meant to be prescriptive but its lessons could offer guidance for policy makers as well as operational staff.

Participation and Modalities

8. The Learning and Advisory Process will conduct most of its business through email exchanges and establish an OECD-based website for members. Meetings can be held upon request. As much as feasible, video and teleconference means will be used for communications.

9. Participation in the Learning and Advisory Process is open to all DAC Members and Observers, i.e. the IMF, the World Bank Group and UNDP, which have been supporting the interface with the DAC in this process. The LAP would invite selected other organisations and individuals and as appropriate would be invited to participate as expertise is required on specific issues or regions of the world. Such invitees may be from Member and Non-Member countries. Regional organisations would be encouraged to participate.

10. Voluntary contributions will be required to recruit staff to facilitate this process, commission work by consultants, and fund the participation of experts from developing countries. DAC Members and Observers would be expected to contribute financial resources. The work plan will be adapted to reflect interests, priorities and commitments for human and financial resources by participants.

Role of the Steering Group

11. The purpose of the Steering Group will be to take an active leading role and facilitate decision-making and functioning of the LAP. Interested participants from the DAC Members or Observers can take part in the Steering Group. The DAC Secretariat will also participate in the Steering Group. At least one representative from both the GOVNET and the CPDC Network will participate in the Steering Group in order to ensure a close interface between the LAP and these Networks.

¹¹ Work Plan for the LAP [DCD(2003)9].

Work Plan

12. The first meeting identified some priority areas of work that will form the basis of a work plan to be discussed at the second meeting¹². Its implementation would be dependent on the availability of both financial and in-kind contributions. This draft work plan will be elaborated by the Secretariat and the Steering Group on the basis of discussions and shared with both the GOVNET and the CPDC Network for comments. The Steering Group will revisit it on a regular basis.

¹² See [DCD(2003)9]