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### Working Party on Aid Effectiveness and Donor Practices

#### JOINT VENTURE ON MANAGING FOR DEVELOPMENT RESULTS

#### Draft Terms of Reference for the Joint Venture on Managing for Development Results

*This document incorporates the suggestions and comments received following the first meeting of the Joint Venture on Managing for Development Results held on 5 November 2003.*

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## Managing for Development Results

**DRAFT TERMS OF REFERENCE FOR THE JOINT VENTURE OF  
THE DAC WORKING PARTY ON AID EFFECTIVENESS**

**Introduction**

1. Managing for development results is increasingly becoming a core issue for all stakeholders in development. The adoption in March 2002 of the Monterrey Consensus at the United Nations International Conference on Financing for Development exemplifies the new partnership between donor and developing countries. The conference succeeded in articulating the terms and conditions under which commitments by developing countries to transparency, good governance, and respect for human rights and the rule of law were matched by donor commitments towards policy coherence, increased foreign aid and accelerated support for good performers. Furthermore, the donor community was encouraged to undertake the following actions in support of all developing countries:

- Use development frameworks that are owned and driven by developing countries and that embody poverty reduction strategies;
- Harmonise their operational procedures to reduce transaction costs for recipient countries; and
- Improve ODA targeting to the poor, co-ordination of aid and the measurement of results.

2. A powerful momentum has been building behind the MDGs for use by developing countries in the context of poverty reduction strategies. Similarly, the need for sustained development financing, donor harmonisation and co-operation in the measurement of results has also gained increasing recognition. The adoption of the MDGs by developing countries raises many policy priority issues and technical challenges, not the least of which is the use of managing for development results. However, we should be reminded at this point that it was not so long ago that managing for results was adopted by western democratic governments at the insistence of their citizenry who demanded greater accountability for, and transparency in the use of taxpayer contributions. While significant progress has been made in these countries and among donor agencies, MDBs and UN agencies in applying managing for development results, there remains considerable divergence of opinion as to what it is and how it can be effectively implemented. The accountability of governments institutions to their constituency, is therefore an important objective and constraint in designing 'management for results' practices

**Objective**

3. The Joint Venture will provide a platform for sharing emerging practices and learn from each other, as well as from partner countries, in the area of managing for results, and to advance managing for development results on the agenda's of members and partner countries. With focus on the interface between donors and partner countries, the objective is to develop and promote shared values, methodological approaches and cooperation procedures related to managing for development results approaches in line with the principles of poverty reduction, ownership, alignment and harmonisation of cooperation practices, and complying with the needs of partners in terms of accountability and assessment of the effectiveness and efficiency of resources and support provided.

## Scope of work

4. The Joint Venture will create an overview of the application of managing for results. In doing so, the Joint Venture will build on the international collaboration begun at the June 2002 Washington Roundtable I on Measuring, Managing and Monitoring for Results and the 2002 DAC Development Partnership Forum; draw on the state-of-the-art survey already prepared for the Network on Development Evaluation; on other relevant work of the Network; and on work being undertaken by others (within or outside the DAC) as much as possible. The approach will be pragmatic, taking full account of experiences (both successes and failures) and contexts in a wide range of partner countries. In this connection, the Joint Venture will also discuss the results and proposals emerging from studies and initiatives undertaken by DAC Members individually or collectively. The Joint Venture will discuss, as necessary, conceptual and definitional issues related to its area of work and provide clarification. The Joint Venture will integrate the results of work of PARIS 21 on statistical capacity building.

5. A particular point of attention for the Joint Venture is the fact that some subsidiary bodies of the DAC, through their work on good practices and on principles and guidelines, already have contributed substantially to the goals to be pursued by the Joint Venture. In elaborating its programme of work, the Joint Venture should not only build on past and ongoing work of the other subsidiary bodies but also recognise their potential role in future work. The 2002 DAC Glossary of Key Terms in Evaluation and Results Based Management is such an important building block.

6. More concretely, the Joint Venture will focus on the following sets of activities:

- a) *Core principles paper.* Based on the undertakings and principles adopted in the Monterrey Consensus and in the Rome declaration, the Joint Venture will produce a core principles paper, establishing key principles on managing for development results enhancing the effectiveness of and accountability on development efforts by partner countries and the support provided by external partners. The paper will set out the respective roles and behaviours expected of all parties (donors and partner countries), and will indicate possible actions for follow-up that will support collaboration on performance monitoring and capacity building initiatives, and harmonised performance reporting schedules and requirements. This paper could be a DAC input for the Second Round Table on Results, Marrakech, February 2004.
- b) *Overviewing ongoing work in the area of managing for development results.* The Joint Venture will act as a learning network for members on managing for development results and on methods to assess one's own performance as an agency. It will draw together the analysis and progress from relevant work underway, by the World Bank, the United Nations Development Programme, bilateral donors as well as in partner countries. Its main focus will be on the interface between donors and their partner countries (the PRS process) and on what donors can do to assist partner countries in managing for their own development results. Further work on the selection of MDG indicators at country level to monitor the progress which meets the demands of the partner country and the donor community, forms part of the agenda. It will analyse and document the implications development and application of managing for results systems have for partner countries, including for capacity building. While focussing on the country and sector level, the Joint Venture will not ignore the project level as an important vehicle for aid delivery. A preliminary paper will be presented to the 2004 SLM, to be followed by an updating and progress report on implementation and on emerging good practices in 2005 for the SLM.

c) *Maintain an up-to-date overview of managing for development results.* Through regular contacts of the Joint Venture with representatives of the organisations involved, this information will be kept up-to-date through a dedicated website. Opportunities for fuller collaboration and broader dissemination of results will be identified and eventually be proposed for inclusion in the mandate and scope of work of the Joint Venture. The Joint Venture will take account of the role of information technology as a tool in its work.

7. Possible products that the Joint Venture will attempt to deliver in 2004 – 2006 might therefore be:

- 2004: Set of core principles.
- 2004: The results of the process of mutual learning on MfDR practices by inviting members, partner country representatives and specialists on workshops to be defined in more detail.
- 2004: Examples of emerging good (and bad) practice in managing for development results, linking up to the core principles.
- 2005: Reference paper: agreed/harmonised good practice on managing for development results (including principles for strengthening partner country capacity).
- 2006: Lessons of experience in helping strengthen partner country capacity to manage for development results.

## **Membership**

8. The Joint Venture is open to all Members of the DAC and its regular observer organisations (the World Bank, the IMF, and the UNDP), the Development Centre and the Club du Sahel, as well as the Regional Development Banks to ensure an intensive interaction with work preparing for and follow-up of the second Roundtable on Results. Other organisations may be invited as deemed desirable by the Joint Venture. Participants would have a responsibility at the policy level for results based management. They should be able to mobilise as necessary relevant experts. The Joint Venture will have a MDB representative as co-chair.

## **Interaction with partner countries**

9. The Joint Venture will interact with partner countries (including non-PRS- and middle-income countries) throughout all the stages of its work in various ways as deemed efficient and effective, by bringing in results of partner country initiatives and organizing consultations on specific issues.

## **Time frame and reporting procedures**

10. The Joint Venture will be established for the duration of the mandate of the Working Party on Aid Effectiveness, starting November 2003. The Joint Venture Chair will report to the Working Party on Aid Effectiveness prior to its meetings. Products emerging from the Joint Venture, in particular the paper on core principles, will be forwarded to the Working Party for discussion, before they are finalised.

### **Support and finance**

11. The Joint Venture receives full time staff support (advisor, on secondment) from the OECD Secretariat. Funding from voluntary contributions may be needed to strengthen current staff resources, including support staff. Also, it is likely that some work will have to be commissioned. Commissioned work should be focused on specific tasks that can realistically be done within the willingness of Joint Venture members to finance and be responsible for various tasks.

### **Frequency and venue of Joint Venture meetings**

12. The Joint Venture will convene as often as members deem necessary and feasible. In principle the venue will be the OECD in Paris. Special workshops can be organised in collaboration with the Development Centre and other specialist to prepare the further work of the Joint Venture.