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Working Party on Aid Effectiveness and Donor Practices

Draft Work Programme of the Task Team on Harmonisation and Alignment

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Contact: Mr Simon Mizrahi (tel: 33 1 45 24 78 41; email: simon.mizrahi@oecd.org)

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DRAFT WORK PROGRAMME OF THE TASK TEAM ON HARMONISATION AND ALIGNMENT

I. INTRODUCTION

1. The DAC Working Party on Aid Effectiveness and Donor Practices established the Task Team on Harmonisation and Alignment as a follow-up to the Rome High-Level Forum on Harmonisation (February 2003). In doing so the DAC, in line with the Monterrey consensus, recognises that there is a need to shift the focus from discussion of principles to actual implementation of harmonisation at country level¹. This document describes the activities planned by the Task Team and the organisation of its work.

II. OBJECTIVES

2. The objective of the Task Team is to facilitate, support and track progress on the harmonisation and alignment agenda as set at the Rome High Level Forum on Harmonisation. In doing so, it will support partner country's leadership in co-ordinating the overall development assistance process, promote changes that enhances effectiveness of aid delivery and improve development results, including achievement of the MDGs.

3. The purpose of the Task Team is not to decide on fundamental policy questions related to individual donor agencies' choice of modalities for supporting development in partner countries. Rather, the Task Team will look at the most appropriate practices where such modalities are applied.

III. GUIDING PRINCIPLES

4. In pursuing its objectives, the Task Team will be guided by the following principles:

- *Importance of top level advocates of harmonisation* — The Task Team, in line with the DAC Good Practice Papers on harmonisation, acknowledges the importance of promoting top level advocates responsible for fostering harmonisation and partnership in their respective organisations.
- *Selective demand driven action* — In undertaking action, the Task Team will be mindful of its comparative advantage and will not engage at levels or in processes where other stakeholders might act more effectively (principle of subsidiarity). Action by the Task Team will be demand driven and selective (i.e. where it can clearly demonstrate added value).
- *Build on existing work* — The Task Team will not duplicate the work being undertaken by others (within or outside the DAC), but rather will build on this work as much as possible. In this connection, the Task Team might provide a platform to discuss the results and proposals emerging from studies and initiatives undertaken by other organisations such as the United Nations, Regional Development Banks and the SPA².

¹ Report of the International Conference on Financing for Development, Monterrey, March 2002, para. 43.

² Strategic Partnership with Africa.

IV. SCOPE OF WORK

A. Facilitate implementation of the Rome Declaration

5. Following the High Level Forum on Harmonisation, it was agreed that implementing the agreement made at Rome should be a priority. Effective implementation of this agenda will require significant and continued efforts by the development community both at country level and within respective member agencies. In this connection, the Task Team will support these efforts in the following ways:

i. Support donor and partner country efforts to implement the Rome Declaration

6. Implementing the Rome agenda commitments raises a number of challenges for both donors and partner governments. While these challenges vary between institutions and between country teams, many of them have to do with a lack of timely and useful information about what harmonisation and alignment might actually mean in specific operational contexts, what the limits of flexibility are, how to go about operationalising the measures needed, where to turn when problems arise, how to resolve such issues when they involve other agencies, and how all of these issues might be addressed in a way that does not place undue burden and costs on field missions and local authorities, and cause delays in the delivery of operational services.

7. In this connection, and mindful of the DAC's comparative advantage, the Task Team will seek the most effective means of facilitating and supporting both partner countries and individual donor agencies ability to implement the agreements made at Rome. This will include the promotion of lead facilitators of harmonisation at country level. To this end, the Task Team will undertake a stocktaking exercise with a view to identifying lead players of harmonisation in different countries and sectors.

ii. Facilitate the exchange of information and experience on harmonisation

8. Experience to date suggests that achieving concrete progress on harmonisation requires well coordinated and timely efforts to close information gaps and reduce decision lags, provide prompt technical support when needed, and follow up with key stakeholders.

9. The Task Team will consider the most effective means of providing and facilitating the exchange of information and experience on harmonisation. This might include:

- Establishing a global web-based information sharing facility that would include country specific information.
- Providing support on harmonisation to partner countries and to donors at headquarter and country level.

iii. Elaborate more detailed good practice on implementation

10. The Task Team will consider the value of setting out more detailed good practice in areas where guidance would be most helpful (e.g. guidance on providing effective aid delivery in the context of sector support).

B. Track progress towards implementation of the Rome Declaration

11. Demonstrating progress on more effective aid delivery, in line with the Monterrey agreement, is also an important step towards enhancing the credibility and value of development assistance. In this

connection, the DAC agreed at its Senior Level meeting in December 2002 that a stocktaking exercise would be undertaken in order to monitor progress in the application of the good practice papers on harmonisation. The conclusions and recommendations of this exercise are to be submitted in time for the DAC Senior Level meeting at the end of 2004 and would contribute to the discussions at the second High Level Forum on Harmonisation scheduled in early 2005.

i. Prepare a report for the DAC SLM and second High Level Forum on Harmonisation

12. The Task Team will elaborate a report that reviews and assesses progress towards progressive implementation of the agreements reached at the Rome High-Level Forum³. In pursuing this task the report will:

- Document the achievements and set backs made by the development community in implementing the Rome agreements.
- Identify outstanding bottlenecks and suggest areas where progress on the harmonisation agenda should be made a priority.
- Set out recommendations on how the development community might reform its policies, practices, and operational procedures so as to facilitate progressive implementation of the agreements made at Rome.

13. The report will seek to track progress against of all of the commitments set out in the Rome Declaration. In doing so, it will give special consideration to those commitments that the Task Team recognise are of strategic importance. It will draw from a variety of sources of information including:

- Country-based action plans on harmonisation.
- Donors' action plans on harmonisation and self-evaluations.
- Peer review mechanisms.
- Indicators of progress on harmonisation (see below).

ii. Elaborate a framework of indicators on harmonisation

14. In addition to the report to the SLM, and as an important contribution towards it, the Task Team will elaborate a method to measure and report on progress towards the implementation of the harmonisation and alignment agenda as set out in the Rome Declaration. In doing so, it will rely on a concise set of quantitative indicators.

15. The methodology for establishing the indicators will be guided by the following principles:

- *Indicators should be cost-effective and not add to the reporting burden of partner countries* — Indicators should be identified for which data is regularly available and permit cost-effective collection. Compiling information for indicators inevitably generates costs. These costs should be incurred to the greatest extent by aid agencies rather than developing partner countries.
- The same indicators should be applicable to track progress through different mechanisms.

³ See Rome Declaration (RD) on Harmonisation, paragraph 9: “As part of their self-evaluation processes, bilateral and multilateral agencies and partner countries will assess and report on progress in applying good practices, and on the impact of such practices. Whenever possible, we will use existing mechanisms to develop such plans and to assess and report on progress, and we will make these plans available to the public.”

- *Build on existing work* — Work on indicators should build and rely on past and on-going efforts in the area of quantitative measurement including, inter alia, work being undertaken on financial management by the Joint Venture, the SPA and PARIS 21.

C. Enhance existing mechanisms for maintaining peer pressure

16. Donors agreed at the Rome High Level Forum on Harmonisation that existing mechanisms for maintaining peer pressure would be used to support implementation of the agreements on harmonisation. In this connection, the Task Team will help (i) mainstream the harmonisation agenda in peer reviews and (ii) undertake a review that provides a more detailed and focused assessment of the application of the harmonisation agenda at country level.

i. Mainstreaming the harmonisation agenda in Peer Reviews

17. The DAC undertakes peer reviews to monitor individual members' policies and programmes and to assess their effectiveness against the goals and policies agreed in the DAC, as well as nationally established objectives. The Peer Reviews in 2004 as well as future Reviews will cover main issues on harmonisation and alignment, though they will not be able to cover the full range of points included in the Rome Declaration. While aspects of the harmonisation agenda are already considered in Peer Reviews as part of the more general issues of partnership and local ownership, efforts to cover main aspects of harmonisation and alignment will require additional work.

18. The Task Team will support appropriate treatment in DAC peer reviews of issues related to the harmonisation agenda and help promote the awareness and implementation of the DAC good practices on harmonisation.

ii. Joint Country Learning and Assessment

19. The Task Team will undertake, in the course of 2004, a Joint Country Learning and Assessment (JCLA) on harmonisation in tentatively two countries and as requested by partner country governments. This review will provide a more detailed and focused assessment of the application of the harmonisation agenda at country level. The objectives of the JCLA are to learn from field experience, to assess how partner governments and donors are improving aid effectiveness on the basis of the Rome Declaration and the DAC Good Practice Papers and to facilitate implementation of harmonisation actions. More specifically, the JCLA will take a look at the process by which partner governments and donors work jointly on harmonisation and alignment.

20. A report will be prepared in the context of this exercise that will feed into the SLM 2004 and the High-Level Forum (HLF) 2005. In this respect, the JCLA will also contribute to a continued and ongoing process of harmonisation in the partner country (e.g. the development of an agenda or action plan on harmonisation and alignment, to be agreed upon by the partner government and donors). In this respect the JCLA will be closely linked to the facilitation network, as another important activity of the Task Team.

V. WORKING MODALITIES

A. Membership

21. The Task Team is open to all Members of the DAC, as well as its regular observer organisations (World Bank, IMF, UNDP). In addition, the Task Team will invite participation from a range of development organisations including the Regional Development Banks and the SPA (Strategic Partnership

with Africa). There will be broad interaction with other DAC bodies, especially with the DAC Network on Development Evaluation whose Chair is an ex-officio member of the Working Party. Other organisations may be invited as deemed desirable by the Joint Venture.

B. Interaction with Partner Countries

22. The Task Team will invite participation from fourteen developing countries:

- *Africa (7 countries)* — Ethiopia, Morocco, Mozambique, Niger, Senegal, Tanzania and Zambia.
- *Asia (4 countries)* — Bangladesh, Cambodia, Kyrgyz Republic and Vietnam.
- *Latin America (2 countries)* — Nicaragua and Bolivia.
- *Pacific (1 country)* — Fiji.

23. Representatives of these countries will be invited to participate in Task Team meetings. They will interact throughout the stages of the Task Team's work in various ways as deemed efficient and effective.

C. Time frame and reporting procedures

24. The Task Team will report to the DAC Working Party on Aid Effectiveness. The products emerging from the Task Team will be forwarded to the Working Party and where appropriate to the DAC for discussion at the appropriate level, before they are finalised and disseminated.

D. Support and finance

25. The Task Team will receive staff support from the OECD Secretariat supplemented by voluntary contributions. For work that needs to be commissioned, the Task Team will rely on its members for financing and taking responsibility for carrying out the agreed tasks.

E. Frequency and venue of Task Team meetings

26. The Task Team will convene as often as members deem necessary and feasible. In order to facilitate interaction with the WP-EFF Joint Venture on Public Financial Management the Task Team will, when appropriate, organise its meetings back-to-back. In principle the venue will be the OECD in Paris.