

Unclassified

DCD/DAC/EFF(2006)8

Organisation de Coopération et de Développement Economiques
Organisation for Economic Co-operation and Development

16-Jun-2006

English - Or. English

DEVELOPMENT CO-OPERATION DIRECTORATE
DEVELOPMENT ASSISTANCE COMMITTEE

DCD/DAC/EFF(2006)8
Unclassified

Working Party on Aid Effectiveness and Donor Practices

SUMMARY PROGRESS UPDATE ON JOINT MDB, OECD-DAC, UNDP WORK ON ALIGNING GLOBAL PROGRAMS AT THE COUNTRY LEVEL- JUNE 2006

To be held on 5-7 July 2006

This document is submitted to the WP-EFF for discussion under agenda item V-A

Contact: Ms. Stephanie BAILE; Email: Stephanie.BAILE@oecd.org, Tel: +33 (0)1.45.24.90.30

JT03210828

Document complet disponible sur OLIS dans son format d'origine
Complete document available on OLIS in its original format

English - Or. English

**SUMMARY PROGRESS UPDATE ON JOINT MDB, OECD-DAC, UNDP WORK
ON ALIGNING GLOBAL PROGRAMS AT THE COUNTRY LEVEL
JUNE 2006**

The Issue

1. Mandate-specific programs have long been part of development architecture (e.g., several UN specialized agencies), frequently fulfilling a need to address specific global concerns, particularly related to the production of global public goods. However, their growth in recent years has been remarkable. Existing major programs include GFATM, GAVI, GEF, CGIAR and EFA-FTI. The trend seems to be in the direction of more global initiatives and global programs. Among recent examples, already in place or being discussed: an Africa Catalytic Fund, an IFF for Immunization, an Infrastructure Fund, a Global Migration Facility, a Climate Change Fund, an Avian Flu Facility, and a considerable enlargement of the Integrated Framework for Trade Related Technical Assistance and of the Catalytic Fund for EFA-FTI. At the same time, long-standing institutions like the World Bank and the Regional Development Banks are extending their role and recognizing that their legitimacy will increasingly be found in the realm of global public goods, which is where the primary rationale for global programs is also found.

2. Ideally, global mandates and programs, and country based development activities should come together seamlessly at the country level, utilizing complementarities between the approaches. But, while that potential certainly exists, in the current efforts to increase the development effectiveness of aid -which puts premium on country ownership, on achieving results and on country based coordination and harmonization -finding the right balance between global programs and country based ones, and linking them in coherent implementation, remains elusive. The challenge remains for countries and donors to integrate global and broad based country programs into coherent development strategies, country by country. Recent evaluations of major global programs in health, some prepared in connection with the High Level Forum on Health in December 2005, have provided on-the-ground evidence of challenges in securing coherence and complementarities between country based development cooperation and global programs. But, these same studies also suggest a number of steps, some of which appear generally applicable, to address them.

3. With the **Paris Declaration**, adopted by the Paris High Level Forum on Harmonization and Alignment, in March 2005, the international development community called for a common approach to when and how global/regional initiatives and programs that fund significant activities at the country level are introduced into country strategy work (including PRSs, budget frameworks and assistance strategies) and included in country based coordination initiatives and country operations. In the Declaration the challenge is stated as follows: "**We commit ourselves to taking concrete and effective action to address the remaining challenges... iv. Insufficient integration of global programs and initiatives into partner countries broader development agendas, including critical areas such as HIV/AIDS**"(Para 4). The same message was also sent by the Heads of Multilateral Development Banks in the 2005 "Update on Cooperation Among Multilateral Development Banks", consistent with their increasing attention to global issues and the provision of global public goods.

Addressing the Issue

4. In late 2005, the co-sponsors of the Paris High Level Forum – OECD-DAC, the MDBs and UNDP – proposed to take up the challenge posed by the Paris Declaration regarding global programs and to embark on work to identify ways and means for better alignment between global and country based programs in-country, and to advocate for that alignment in the development community (developing countries, bilateral and multilateral donors, and global programs). While this work builds on the work in the health sector, it seeks to expand the scope and adapt it for cross-sector application, including cross-checking for relevance of recommendations in a broader setting, aiming for a generally applicable set of recommendations.

5. The effort has been endorsed by the Presidents of MDBs, in their February 2006 meeting, and included in the 2006 work program of the DAC Working Party on Aid Effectiveness. It involves close collaboration and consultation with key members of the health forum, a range of important global programs such as GFATM, GAVI, EFA-FTI, GEF and CGIAR, the Gates Foundation, a major contributor to global programs, bilateral donors and, last but not least, developing countries. Germany, Norway, Sweden, UK and OECD's Development Centre have offered financial or in-kind support to the initiative. Throughout there has been very significant support for the initiative and general interest to be a part of the process.

The Task and the Process

6. The task was defined in a joint Concept Note, which has been shared with members of the Working Party. The short-term objective is to improve the understanding of obstacles to alignment, leading to consensus in the development community -including the main global programs- for a set of Good Practice Principles on aligned implementation between global and country based programs at the country level. All this is aimed at changing the behavior of all participants on the ground, in order to improve the development effectiveness of aid through a combination of global and country based programs. In this the approach is similar to that of the principles for global health programs and for fragile states.

7. Further analytical work is being undertaken to help develop the proposed Good Practice Principles. While considerable high quality analytical work on alignment has been done in the health sector, and a major evaluation of the World Bank's global programs provides information on wide spectrum of programs, the initiative will add to this body of knowledge through several supplementary country studies to assess implementation, integration and adaptation of global programs across sectors. Education, environment and agriculture are receiving particular attention. Furthermore, the initiative is working in close cooperation with two major global programs – EFA-FTI and CGIAR- to look in more depth at their experience with integration, adaptation and implementation in a country context.

8. Following the completion of the country and program studies, the sponsors will analyze the studies and draft the Good Practice Principles, in a process of iteration and consultation with partners. The Principles will be accompanied by guidance notes, including examples, in a form not yet determined. In addition to the studies mentioned above, the health sector studies, the World Bank global programs' studies and other reports on global programs will be used as guidance. The recently adopted "Draft Best Practice Principles for Engagement of Global Health Partnerships at Country Level" will be an important reference.

9. As an important part of the effort to develop a consensus around good practice and the draft principles, the work of the initiative will be the focal point of a special international workshop in Paris on December 5, linked to the DAC Senior Level Meeting.

Analytical Work

10. Currently, the emphasis is on the country and program studies that are being undertaken to complement existing analysis and guidance. Six, possibly seven, countries were selected for a broad look at alignment issues facing governments and their partners¹. They are: Bangladesh, Kenya, Ghana, Tunisia, Nicaragua and Brazil. A country study of Mali is being considered. These countries represent a variety of country situations, from countries where global programs play a very significant role to ones where their importance is quite marginal.

11. Interviews have been completed in two countries, Bangladesh and Tunisia, and draft summaries prepared. Interviews will be completed in Ghana, Kenya and Nicaragua by the end of June and initial impressions communicated to the sponsors in time for a feedback to the Working Party meeting in early July. The Brazil country study will be conducted during July and August.

12. Two programs were selected for specific studies of successes and challenges with integration and alignment in-country: Education for All-Fast Track Initiative (EFA-FTI) and the Consultative Group for International Agricultural Research (CGIAR). Their stories are interesting for different reasons. EFA-FTI exemplifies a global program which from the outset was designed more as coordinating vehicle than a financial one, with most of the funding associated with the program channeled through country based programs. While this simplifies alignment, some of its sponsors fear that the lack of a sizeable designated global fund for EFA-FTI may hamper the program's overall development effectiveness. The study, done in cooperation with the EFA-FTI Secretariat, aims to throw a light on how effective the set up has been in supporting implementation and coordination in the participating countries and what effect it may have had on resources. CGIAR is a long-standing global program, producing global agricultural knowledge that can be utilized for significant gains in agricultural efficiency and for improved food security. While the program has achieved significant, and at times dramatic, success, there is a strong sense that more could be achieved, if countries were more aware of the outputs of the CGIAR centers and were quicker to adopt them in their agricultural strategies.

13. The CGIAR study is already underway, in cooperation between the CGIAR Secretariat and the sponsors. It will be completed by late July, but first impressions will be available by late June. The EFA-FTI study is under preparation and is expected to be completed by the end of July.

14. Other analytical work, which will be used in conjunction with the studies above, includes work on global programs in health (Caines et.al, McKinsey, Shakow) and program studies done by the World Bank's Operations Evaluations Department, as part of their evaluation of the World Bank's participation in global programs. Among these are studies of GEF, the Montreal Protocol, the Prototype Carbon Fund and the Global Water Partnership, the last one an example of an advocacy global program.

Steps toward the International Workshop

15. Considerable work on analysis, drafting, consultations and workshop preparation needs to take place to feed into a discussion on good practice, including draft Good Practice Principles, at the Workshop in Paris in December. The timeline and main activities are envisaged as follows:

¹ In the Terms of Reference for the studies, the objective is described as follows: "The aim would be to cast a light on whether, and to what degree, the problems and solutions suggested for vertical health programs apply more broadly. Furthermore, the country studies should add to the health sector studies in terms of challenges facing governments and government officials in managing the inclusion and alignment of vertical programs across multiple sectors ("the adding up problem")."

- Completion of Country Studies and Program Studies by late July – with the first studies ready for discussion by early July.
- Analysis of Country and Program Studies, drafting of Synthesis Report – late July to early September.
- Technical Workshop, with participation by sponsors, consultants and individuals involved in the country and program studies, representatives of key global programs, independent experts, others as feasible and relevant – first half of September.
- Drafting of Good Practice Principles and accompanying Guidance Notes – through iterations and consultations – from September to early November.
- Consultations with global programs, donors, academics, developing countries representatives – September to November
- Preparations for International Workshop – October and November

16. Following the discussions at the Workshop, and assuming the participants are supportive, further refinement of Principles and Guidance, moving toward monitored implementation in selected countries. Continued participation of the MDBs, UNDP and DAC, including the Working Party, would be expected.