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DEVELOPMENT CO-OPERATION DIRECTORATE  
Development Assistance Committee

## Working Party on Aid Effectiveness

### MENU OF OPTIONS: THEMES FOR HLF4

*This document was prepared on the basis of theme proposals received from a large number of WP-EFF participants and affiliated working groups. It was used as a background document at the WP-EFF Executive Committee meeting on 9-10 March 2011 to feed into the work on expected outcomes of the 4th High Level Forum on Aid Effectiveness (HLF-4). It is a living document that will be updated as often as necessary during the preparations for the HLF-4 in Busan (29 November-1 December 2011).*

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## MENU OF OPTIONS

### Why a fourth High Level Forum?

HLF-4 is a key milestone for aid effectiveness and the MDGs. The Monterrey Consensus in 2002 recognised the critical role of ODA to reach the Millennium Development Goals (MDGs), and thus called for an increase in aid volumes after a decade of “aid fatigue”. However, while aid was considered “part of the solution”, it was also regarded as “part of the problem” – in some cases low quality aid has worked against the achievement of development results. The aid effectiveness agenda arose in response to this concern, beginning with the Rome High Level Forum on Harmonisation in 2003, and leading to the comprehensive agreements on aid effectiveness reached at the Second High Level Forum on Aid Effectiveness in Paris in 2005.

The Paris Declaration (2005) represents a real ‘give and take’ agreement between providers and receivers of aid: While donors committed to relax constraints on aid; recipient countries committed to improve overall governance through strengthening their institutions, policies, and systems. And both agreed to measure progress and regularly hold each other to account for the 65 mutual commitments and targets on aid effectiveness set for 2010. The commitments reached at the Third High Level Forum on Aid Effectiveness - a mid-term stocktaking on progress against the Paris Declaration held in Accra, Ghana in 2008 – brought further precision as well as breadth to the Paris commitments, and, importantly, brought all members of the aid community into the debate.

The Fourth High Level Forum on Aid Effectiveness, to be held in Busan, Korea on 29 Nov – 1 Dec 2011, marks the ‘due-date’ for this ambitious mutual accountability mechanism. The HLF-4 will review experience since Paris, and draw conclusions on whether the commitments and targets set for 2010 by the Paris Declaration and the Accra Agenda for Action have been achieved or not - and why. Furthermore, drawing on evidence, particularly from the Paris Declaration Monitoring Survey, the HLF-4 is expected to:

- reaffirm the core principles for high quality aid and agree a framework towards comprehensive implementation by 2015 and beyond;
- frame actions around “aid quality in the broader context of development effectiveness” to situate the role and impact of aid in the broad context of development, global challenges and partnerships.

### Why a Menu of Options?

It is important to take stock of the range of topics and expectations shared by various stakeholders at this stage – before all the evidence becomes available and negotiations on an outcome document begin in earnest. This “Menu of Options” thus maps out, as comprehensively as possible, what stakeholders wish to bring to Busan. It is intended as a tool to help ExCom participants start to build a consensus around the main themes.

Options are presented as possible themes that could become:

- events, of any kind, during HLF-4 (including identifying potential organisers based on expressed interest)
- elements of the HLF-4 outcome document

In reading this document, ExCom participants should bear in mind that the themes included in the “Menu of Options” will not automatically translate into events at HLF4 - nor does this menu provide a structure for the discussions at Busan. Furthermore, this document should not be seen as an early version of the Busan outcome document – drafting of the outcome document will not begin until after the evidence from the monitoring survey, evaluations and other workstreams becomes available in mid-2011. Rather, the Menu provides an organised and comprehensive outline of existing components that can be used to build the Busan discussions and outcome document.

### **What has informed the Menu of Options?**

All the themes included in the current version of the Menu of Options are derived from:

- Outcomes from initial discussions at the WP-EFF / ExCom meetings throughout 2010;
- Responses to the online consultation for partner countries (cf. annex 2), as well as from the five regional Paris Declaration Monitoring Survey workshops and other consultations which took place in 2010; and
- The 86 proposals received in response to the call for themes done at the end of 2010.

As might be expected, a large proportion of the proposals were received from WP-EFF clusters, workstreams and other relevant bodies within or outside the WP-EFF that have been tasked since Accra to facilitate implementation of specific Paris / Accra commitments. Some proposals were also received from individual WP-EFF participants, or from groups which so far have had limited contact with the WP-EFF.

The coverage of the topics is comprehensive. The four priority topics identified by the WP-EFF Partner Country Caucus (i.e. use of country systems, division of labour, predictability, and capacity development), as well as all topics raised during the WP-EFF plenary in October 2010 (cf. summary, point 10) are captured in the Menu, as well as the outcomes from the on-line consultation.

### **Menu of Options – Main Categories:**

The “Menu of Options” is organised around *two main categories*, in line with the expected HLF-4 outcomes, which are:

1. *Core “aid effectiveness” and / or “results” agenda:* These issues will be directly substantiated by evidence to be captured in the “Progress since Paris” report, including the results of the Paris Declaration Monitoring Survey. Some may however be presented from a different angle (e.g. the notion of risk management, “value for money” agenda). These issues could be discussed on day 1 at HLF 4 (“Unfinished Business”), and the outcomes should inform the possible core principles and framework for high quality aid towards 2015 and beyond.
2. *Aid in the broader development context:* The issues under this category can be considered as broader “development effectiveness” issues which situate aid as a catalyst in the broader development context. They include diversification of providers, partnerships and financial tools; differentiation of recipient country situations; policy coherence and the role of aid vis-à-vis other development policies and in response to global development issues. These issues could be discussed on day 2 at HLF 4 (“New Development Challenges”), and could provide a basis for a “new paradigm” of the aid-development nexus towards 2015 and beyond.

In addition to these two categories, a few of the proposed themes either describe overarching issues or propose future frameworks for action, which could be discussed on day 3 at the HLF-4. A selected number of sector “stories” are also included for the purpose of illustrating or contrasting experiences between sectors. A few other “stories”, coming from the “focus” countries of the WP-EFF, are also provided (see annex 3).

**Next steps:**

The current Menu of Options has been drafted based on inputs received by mid February 2011. Annex 1 lists all the 86 proposals received, which can also be viewed in full on the WP-EFF portal.

The 12 tables that follow synthesise the main content of these proposals, in addition to noting a few “orphan” issues where no proposal have been submitted so far. For many of the issues contained in the proposals, it is expected that the definitions as well as possible decisions will be further elaborated and concretised when various working groups deliver their final outputs / evidence by 31 March 2011 to inform the “Progress since Paris” report. The Menu of Options is a living document which will be regularly updated until June 2011, and will be used as long as necessary.

In parallel, in order to build a succinct Outcome Document for Busan, the topics will need to be narrowed down, simplified and prioritised into political recommendations. The Outcome Document is also expected to reflect inspiration for a new “aid and development consensus” as well as future agenda and framework towards 2015 and beyond. It will be the task of the delegates engaged in the Busan preparation to lead this process, starting with the WP-EFF ExCom meeting on 9-10 March 2011. The Menu of Options provides a background to facilitate this work.

## STRUCTURE OF THE MENU OF OPTIONS

<b>1. Core Aid Effectiveness Issues</b>	<b>2. Broader Development Issues</b>	<b>3. Overarching Issues – Future Framework</b>
<b>1.1 Ownership / Domestic Accountability / Governance</b>	<b>2.1 Diversification of Providers</b>	<b>3.1 Overarching Issues</b>
Leadership on development policies Institution building, role of Parliament, financial governance for accountability Enabling environment for non-state actors and their participation Capacity development for inclusive ownership	South-South Cooperation Private sector Decentralised cooperation <i>CSOs (as providers) and Foundations</i>	Capacity Development From aid to development effectiveness Aid exit Global aid governance
<b>1.2 Alignment / Strengthening and Using Country Systems</b>	<b>2.2 Diversification of Financial Tools</b>	<b>3.2 Future Frameworks</b>
Use of PFM and Procurement systems - Untying. Risk management Strengthening country systems	<i>Non-ODA flows from DAC donors</i> Innovative financing	A new aid effectiveness framework A new global partnership for development
<b>1.3 Harmonisation - Rationalising aid delivery channels</b>	<b>2.3 Differentiation of Recipients</b>	
Aid fragmentation and proliferation, aid architecture Aid modalities: budget support, projects, PBA. Territorial approaches	Situations of fragility and conflicts - Humanitarian Aid Aid to MIC, differences among regions	
<b>1.4 Predictability / Transparency</b>	<b>2.4 Beyond Aid / Aid as a Catalyst / Aid and Global Issues</b>	<b>3.3 Sector Stories</b>
Transparency Predictability Conditionality	Aid as a catalyst Aid for Trade Aid and climate Change Financing	Health Agriculture and rural development Statistics
<b>1.5 Results / Value for Money / Mutual Accountability</b>		
Results-based public sector management Results measurement Statistical capacity building Mutual accountability		

1.1 Ownership			
Topics	Issues / Required decisions in Busan	Main proposals	Related proposals
Country leadership for designing development policies	<ul style="list-style-type: none"> <li>• Governments to strengthen their role in preparing and implementing adapted development policies, negotiated with relevant stakeholders.</li> <li>• Issues of power imbalances, vested interests and institutional weaknesses to be addressed, to make strong ownership possible.</li> <li>• Development policies to fully respect internationally agreed commitments on human rights, decent work (reference to ILO convention), gender equality and women empowerment. Creation of specific indicators for measuring progress on these issues.</li> </ul>	Cluster A 1 Peer 1 Betteraid2,3,4 Gendernet GOVNET2 Korea5	US1
Strengthening governance as a requisite for ownership	<ul style="list-style-type: none"> <li>• Strengthen <b>parliamentary</b> processes. Increase involvement of Parliaments in institutional reform, budget transparency, financial oversight, public resources monitoring, UCS and aid priorities. Aid to respect and promote this constitutional role.</li> <li>• Strengthen the role of Supreme Audit institutions.</li> <li>• Address corruption by improving systems of investigation, legal redress, accountability and transparency in the use of funds.</li> <li>• More coherent international collective action to build tax systems.</li> </ul>	AWEPA, Govnet1, IBP/Brookings Tax&Devt Cluster B	OAS
Enabling environment for development actors	<ul style="list-style-type: none"> <li>• Strengthen the role of <b>local governments</b> in development and in institutional building. Increase support to decentralisation as a building block for good governance.</li> <li>• Government and donors to enable <b>CSOs</b> as development actors to operate and exercise the freedoms of expression, association and assembly. CSO to implement Istanbul Principles on CSO Development Effectiveness</li> <li>• Support free, professional and plural <b>media</b> to contribute to domestic accountability and transparency. Set up long-term supports, with local as well as international partners, aiming at financial sustainability beyond the donor intervention.</li> <li>• Create a conducive climate for domestic <b>private sector</b>. Governments to build adequate infrastructure and support human capital development.</li> <li>• Reaffirm the right of development actors, beyond the executive, to receive <b>external</b></li> </ul>	BetterAid5 Cluster A 2 CIDA3 UCLG AWEPA	BetterAid1 Cluster A 1 IDEA

	<b>financing</b> for development initiatives, in respect of national development processes, sufficient transparency and constitutional roles.		
Broad participation and domestic accountability	<ul style="list-style-type: none"> <li>• Strengthen the AAA commitments by recognising, encouraging and institutionalising the participation of citizens and relevant stakeholders in development processes.</li> <li>• Donors to promote inclusive ownership by providing space for local dialogue and negotiation. Ensure that aid will ‘do no harm’ and support rather than undermine domestic accountability.</li> <li>• Look for methodologies and indicators to understand status and progress of inclusive ownership and measure the extent to which the voice of social actors has been meaningfully taken into account in development plans and policies.</li> </ul>	Cluster A 1 IDEA BetterAid1 GOVNET and TTMA	Poland1 US1
Capacity development for inclusive ownership and institution building	<ul style="list-style-type: none"> <li>• Capacity to design, adopt and implement policies and reforms. Empowering agents of change, reform “champions”.</li> <li>• Use the power of knowledge to advance stakeholder ownership, state and non-state. CD to integrate marginalised stakeholder.</li> <li>• Set home-growth capacity agendas. Refusing unhelpful imported notions.</li> <li>• CD as an enabling environment for better use of domestic human and financial resources (aid exit)</li> <li>• How can donors reconcile the influence of their domestic constituencies for short-term “value-for-money”, and institutional cultures with donor practices required to deepen a capacity development culture in international cooperation?</li> </ul>	WB3, POL4, Korea3	Japan Cluster A 1

1.2 Using and Strengthening Country Systems (Alignment)			
Topics	Issues / Required decisions in Busan	Main proposals	Related proposals
Using Country Systems, Untying.	<ul style="list-style-type: none"> <li>Re-affirm commitments to use recipient PFM and procurement systems as the default option, with a graduated approach (not ‘all or nothing’). Increase use of country planning and monitoring systems (MTEF and IFMS). Use country systems at sub-national levels as well.</li> <li>Procurement: <b>untie</b> all aid from all donors to all countries; give preference to local and regional procurement.</li> <li>Promote joint assessments of PFM and procurement reforms, joint risk assessment tools, and forward looking plans on proposed assessments at country level.</li> <li>Reformulate indicators post-Busan and promote evidence on impact of UCS on quality of partner systems and accountability structures.</li> <li>Engagement of new donors (Global Funds, emerging economies, climate change funds) to use CS. Elaborate a set of principles for UCS to climate change financing.</li> </ul>	Germany1 Lesotho TT PFM Cluster B  BetterAid6 TT Procurement  TT PFM  Germany1 Environet	GF, GPLP, WB5
Risk Management	<ul style="list-style-type: none"> <li>How donors can move from fiduciary risk avoidance to risk management practices. Managing risk by focusing on performance and results of improved systems (see also 1.4).</li> <li>Apply differentiated approaches to risk management to the specific context of fragility and transition (reform procurement rules, streamline accountability and reporting requirements).</li> </ul>	TT Procurement, Cluster B, AsDB2  INCAF 2	GF
Strengthening country systems	<ul style="list-style-type: none"> <li>From basic to complex PFM <b>reforms</b>: sharing knowledge on institutional arrangements, on capacity development, on the role of aid, and on what has worked and what has not.</li> <li>Build/support sustainable public procurement agencies and procurement programmes.</li> <li>Better knowledge on how non-DAC donors strengthen national institutions</li> <li>Harmonise training for donors on strengthening national institutions at country level</li> </ul>	BetterAid AsDB2, Lesotho  TT Procurement  Cluster B	



<b>1.3 Rationalising aid delivery channels</b>			
<b>Topics</b>	<b>Issues / Required decisions in Busan</b>	<b>Main proposals</b>	<b>Related proposals</b>
Fragmentation, proliferation of ODA delivery channels	<ul style="list-style-type: none"> <li>• Improve in-country donor complementarity and division of labour, implement the good practice principles.</li> <li>• Improve data and evidence on aid allocation across recipient countries, set up a coordination mechanism to address the issue of aid orphans, and further reduce cross country aid fragmentation.</li> <li>• Trends in global aid flows (more providers, more channels, diverse methods): what are the policy implications?</li> <li>• Agree on a mechanism to define areas for new global partnerships, implementation of the “think twice” principle for new Global Programmes, drawing lessons from aid allocations across multilateral channels.</li> </ul>	Germany2 Luxembourg Germany2, Luxembourg  WB9, GPLP Germany2 GF, WB9, Korea2, GPLP	
Aid modalities (projects vs budget support)	<ul style="list-style-type: none"> <li>• Scale up projects : expanding , replicating, adapting and sustaining pilot projects, programmes and policies in broader geographic space and over time, to reach a greater number of people and create institutional change.</li> <li>• Scale up use of Budget Support and other programme based approaches</li> <li>• Delink the use of country systems from aid modalities (UCS is not about budget support). Donors to reform their own systems to facilitating UCS across aid modalities.</li> </ul>	Brookings 3  UKAN  Germany1	Korea 3   Cluster B
Territorial approaches	<ul style="list-style-type: none"> <li>• Focus on an integrated way on specific territories to reduce aid fragmentation and contradictions, support application of national policies (including decentralisation), and facilitate involvement of local governments. See also 1.1 and 2.1.</li> </ul>	Italy 2	UNDP UCLG

<b>1.4 Predictability and Transparency</b>			
<b>Topics</b>	<b>Issues / Required decisions in Busan</b>	<b>Main proposals</b>	<b>Related proposals</b>
Transparency	<ul style="list-style-type: none"> <li>• Recognition that better transparency requests high level political commitment and new agreements.</li> <li>• Explicitly link aid transparency and budget transparency; particularly in terms of budget management, addressing the off-budget problem as a precondition for greater budget transparency and facilitating downward accountability in highly aid dependent countries.</li> <li>• Endorsement and adoption of an international transparency standard for all donors: standardisation of information formats has practical advantages and increases the rate of return of investments made in greater information disclosure. It can help maximise the impact of scarce resources and demonstrate value for money to taxpayers.</li> <li>• Promote transparency and accountability at decentralised level.</li> </ul>	<p>WB 12</p> <p>Brookings 1, PWYF</p> <p>PWYF</p> <p>UCLG</p>	
Predictability	<ul style="list-style-type: none"> <li>• Further improve medium-term aid predictability and the emergence of new multiple channels of finance for development.</li> <li>• Recognition that aid predictability is closely linked to transparency and conditionality, to be tackled within the broader agenda of country reform programmes</li> <li>• Release under a disaggregated format of the donor forward spending data collated by OECD/DAC.</li> </ul>	WB 5	
Conditionality	<ul style="list-style-type: none"> <li>• Ownership dimension: what policy space for partner countries in global policy dialogues, and in defining aid targets?</li> <li>• Revisit AAA to agree time-bound, monitorable commitments aimed at developing transparent and mutually agreed aid contracts</li> <li>• Predictability &amp; conditionality: predictable aid can be linked to underlying principles and results indicators as long as these are appropriate and transparent</li> </ul>	<p>BetterAid 7</p> <p>WB 5</p>	

<b>1.5 Results, value for money, accountability</b>			
<b>Topics</b>	<b>Issues / Required decisions in Busan</b>	<b>Main proposals</b>	<b>Related proposals</b>
Results-based public sector management	<ul style="list-style-type: none"> <li>• Endorse principles for country owned results-based public sector management reforms and capacity development initiatives, including for the role of aid in supporting such efforts.</li> <li>• Disseminate lessons learned from implementing results-based reforms and how “results-based public sector management systems” enable states and institutions to better manage development processes.</li> </ul>	AsDB2	
Results measurement, accountability and risk management	<ul style="list-style-type: none"> <li>• Development of agency-wide result frameworks building on progress made by MDBs on: clarification of what key results are; common standards of performance indicators; qualitative assessments and metrics of hard to measure outcomes (e.g. institutional capacity, gender equality, long term value for money); and experimentation with new forms of impact evaluation, randomised control trials and outcome mapping.</li> <li>• Promote greater convergence between donors and partner countries’ needs for information through accessible and transparent databases, aligned to country systems and reducing parallel reporting processes.</li> <li>• Promote greater tolerance to risk that supports the testing of innovative approaches complemented by a focus on evidence of what works and what doesn’t, and propose risk mitigation in every aid intervention.</li> </ul>	USA2, CIDA1, AsDB1  USA2, CIDA1  CIDA1	
Statistical capacity development	<ul style="list-style-type: none"> <li>• Propose a revised set of actions for statistical capacity development (the 2004 Marrakech Action Plan for Statistics) towards 2015 and beyond on data openness, improved dissemination and better use of improved statistics by decision-makers.</li> <li>• Call for renewed attention to the importance of high quality statistical and information systems, and increase investment in those systems.</li> </ul>	Paris21 WB4  Paris 21	POL4 (CD)

DCD/DAC/EFF(2011)1

Mutual Accountability	<ul style="list-style-type: none"><li>• Set up joint performance assessment frameworks for monitoring joint commitments on aid effectiveness at the country level. However, any mutual accountability mechanism must reinforce rather than undermine domestic accountability.</li><li>• Use the findings from these mechanisms in international MA frameworks. Define better ways to conduct global assessments of progress within the broader development effectiveness agenda.</li></ul>	PEER2 Govnet-TTMA UNDESA US2 CIDA1	Cluster A
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<b>2.1 Diversification of providers of development cooperation</b>			
<b>Topics</b>	<b>Issues / Required decisions in Busan</b>	<b>Main proposals</b>	<b>Related proposals</b>
South-South Development Cooperation	<ul style="list-style-type: none"> <li>• Recognise the potential, as well as its particular characteristics and development experiences of middle income countries (as recipients and providers) in the new international cooperation architecture.</li> <li>• Commit to strengthen dialogue and innovative bridges between SS partners and DAC/ODA providers, to increase their collective impact on growth and reducing poverty</li> <li>• Recognise and learn from the experience of South-South partnerships (and emerging Asian donors) in providing development cooperation as a contribution to improving principles and practices of development and aid effectiveness.</li> <li>• Recognise the value of South-South knowledge exchange as an effective and innovative tool building capacities and addressing global development challenges (i.e. good fit technical cooperation).</li> <li>• Commit to strengthen capacities in all developing countries to scale up south-south and triangular cooperation, and match supply and demand for development solutions.</li> </ul>	<p>OAS</p> <p>TT-SSC, China-DAC SG TT-SSC, China-DAC SG, TAF 2</p> <p>TT-SSC, OAS</p> <p>TT-SSC, OAS</p>	Korea 2 TAF2
ODA flows from decentralised governments	<ul style="list-style-type: none"> <li>• Decentralised cooperation (from regions, cities...) is part of ODA. Better recognize and promote its role of expertise and knowledge sharing on <b>local</b> planning and management.</li> <li>• Decentralised cooperation to apply the Paris principles, while keeping its specificity and richness, and coming in addition to, not as a fragmentation of, DAC country efforts</li> <li>• Decentralised co-operation to strengthen decentralisation processes, good governance, inclusive ownership, and accountability mechanisms at <b>national</b> level.</li> <li>• Strengthen decentralised cooperation a key tool for making public aid closer to people, both in the North and the South.</li> </ul>	UNDP	UCLG
Non-for-profit Organisations and Foundations	<ul style="list-style-type: none"> <li>• CSO principles and commitments for development effectiveness (the Open Forum to develop the Istanbul principles).</li> <li>• Foundation principles of effectiveness ?</li> </ul>	-	

The role of the private sector	<ul style="list-style-type: none"> <li>• Partners and donors to guide and catalyse the development of domestic (and foreign) private sector, cf. 1.1 enabling environment: legal framework, regulatory and consultation mechanisms, capacities...)</li> <li>• Identify principles outlining what aid effectiveness means for the private sector. The private sector to benefit from working with and contributing to host governments' development strategies. Donors to facilitate these interactions.</li> <li>• Promote mechanisms to encourage the private sector to engage in effective development with other partners (PPPs, Inclusive Business models or other innovative approaches)</li> <li>• Reaffirm commitments taken at global level to foster public private co-operation (UN Global Compact, Bilateral Donor Statement) and promote further convergences across these recent and ongoing processes and commitments. Support these partnership commitments; a report could be prepared as part of the MDGs review in 2015, in particular on MDG 8</li> </ul>	IGPS, US3, Canada	Korea2

<b>2.2 Diversification of financial tools</b>			
<b>Topics</b>	<b>Issues / Required decisions in Busan</b>	<b>Main proposals</b>	<b>Related proposals</b>
Non-ODA flows from DAC donors	<ul style="list-style-type: none"> <li>• Non-concessional loans</li> <li>• Guarantee systems</li> </ul>	-	
Innovative Financing for Development	<ul style="list-style-type: none"> <li>• What have been the contributions of main schemes of innovating financing for development so far (new public revenue streams, debt-based instruments and frontloading, public-private incentives, guarantees and insurance, voluntary contributions...)? Have they complemented traditional sources and delivery channels or competed with them? What has been the impact of IFD on the aid architecture?</li> <li>• Has IFD supported country ownership, alignment of aid and helped countries to address volatility and predictability issues?</li> <li>• Do specific countries and sectors offer better conditions than others for IFD?</li> <li>• What are the existing tools and frameworks to assess and share knowledge on IFD early implementations to guide future decisions on IFD? What are the risks presented by the growth of IFD and how can they be best tackled?</li> </ul>	World Bank 2 /OECD	Global Fund, WP9, GPLP

<b>2.3 Differentiation among recipient countries</b>			
<b>Topics</b>	<b>Issues / Required decisions in Busan</b>	<b>Main proposals</b>	<b>Related proposals</b>
<i><b>Differentiation with regard to regional contexts and levels of development</b></i>			
Differences of context among regions and categories of countries	<ul style="list-style-type: none"> <li>• Understanding the diversity of contexts among low income countries, middle income countries, and situations of conflict.</li> <li>• Learning from growth experiences in Asia and in the Americas, from public administration reforms in post-Soviet states, etc...</li> <li>• Dealing with the persistence of strong inequalities within countries and grave development challenges.</li> </ul>	Belgium Poland 2, OAS TAF 2 OAS	
Impact to the optimal approach of aid effectiveness	<ul style="list-style-type: none"> <li>• Presenting the results of the PDMS according to the categories of levels of development (MICs, LICs and fragile states).</li> <li>• Adapt the aid and the aid effectiveness agendas to the situations. High interest for Technical Assistance in MICs, but interrogations on the future of grants (justified by the persistence of poverty in many MICs ?)</li> <li>• Possibilities of regional cooperation among neighbours.</li> </ul>	Belgium Poland 2, OAS OAS	
<i><b>Situations of Fragility and Conflicts</b></i>			
Setting an international framework for peace and state building	<ul style="list-style-type: none"> <li>• Establishing a set of international <b>goals</b> for peacebuilding and statebuilding.</li> <li>• Agreeing a set of <b>actions</b>, which can be used as a framework for scaling up cooperation with marginalised states.</li> <li>• Adapting or setting up frameworks to <b>monitor</b> the quality of international assistance in fragile and conflict affected settings at country and international level.</li> </ul>	g7+, INCAF1, USA4, Korea4, CIDA2	
Agreeing on <b>principles</b> for	<ul style="list-style-type: none"> <li>• Coordination among donors under national leadership.</li> </ul>	WB6	



engagement in conflict-affected and fragile settings	<ul style="list-style-type: none"> <li>• Coordination and coherence of aid with security, diplomatic and economic agendas.</li> <li>• Coordination between humanitarian aid and the requirements for state-building</li> <li>• Resolving inconsistencies between the various internationally agreed aid guiding principles: good humanitarian donorship of neutrality and impartiality, Fragile States principles, and the Paris Declaration's emphasis on government ownership.</li> <li>• Adapting PD to the specific fragility context: political dialogue, inclusive development programming, procedures, use of country systems, risk management.</li> </ul>	WB6 PEER3  PEER3  INCAF2, TAF1, Korea4	
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2.4 Beyond aid: Aid as a catalyst / Aid and global issues			
Topics	Issues / Required decisions in Busan	Main proposals	Related proposals
Aid and other policies related to development	<ul style="list-style-type: none"> <li>• Policy coherence: apart from aid, domestic policies from donor countries (in areas such as trade, investment, agriculture, fisheries, taxation, security, innovation, migration...) can undermine development in developing countries.</li> <li>• Aid as a catalyst: better understand and improve the potential of aid in developing countries in areas such as debt, domestic taxation, tax evasion, private investment policies, social protection, trade, commodity prices, migration, security, environment. Are there roles for aid which have not been explored yet?</li> <li>• Aid as a leverage for other funding sources (also see 2.2). What does it mean to “integrate aid and non-aid sectors” (Seoul G20 development consensus) ?</li> </ul>	OECD 3	CIDA1
Aid for trade	<ul style="list-style-type: none"> <li>• Aid for trade is part of ODA, and mainly aims to building country capacities for export-oriented development strategies. In Busan, case stories can show the difficulty of assessing its “catalytic” effect: measuring outcomes and attributing the impact of aid.</li> </ul>	OECD2	
Aid and global issues: the case of climate change finance.	<ul style="list-style-type: none"> <li>• Relationship between the climate change financing architecture and the instruments to channel ODA flow. To what extent could they reinforce each other?</li> <li>• Agree on a set of principles to use fifty years of development experience and the Paris Declaration principles for the modalities of climate financing. Can climate financing follow domestic policies and systems? Agree on a monitoring framework to review its quality, within the post-Busan framework.</li> <li>• Enhance the capacity of partner countries to effectively use climate financing to achieve <b>both</b> climate and development outcomes.</li> </ul>	Brookings 2 Environet	

<b>3.1 General and cross-cutting issues</b>			
<b>Topics</b>	<b>Issues / Required decisions in Busan</b>	<b>Main proposals</b>	<b>Related proposals</b>
Capacity development as a cross cutting issue	<ul style="list-style-type: none"> <li>• CD main modalities: the limits of Technical Assistance, developing and formalising networks of knowledge, including South South Cooperation, joint learning events.</li> <li>• CD and inclusive ownership, CD for reinforcing country systems, CD in specific sectors, CD in situation of fragility and conflict, CD for trade and cultural exchanges, etc...</li> </ul>	OECD4, Korea3, Train4dev. OECD4	Brookings3
From aid effectiveness to development effectiveness	<ul style="list-style-type: none"> <li>• Need to commonly agree on a definition of the scope of “development effectiveness” as a holistic approach.</li> <li>• Need to identify possible indicators to measure it.</li> </ul>	Italy 1	Korea 1
Aid exit	<ul style="list-style-type: none"> <li>• What is aid dependency? For which countries is it a problem? Can it prevent recipient countries from exploring other sources for development?</li> <li>• Learn lessons on development and aid policies from countries which have succeeded in development over year. Focus on economic growth?</li> <li>• Ownership over development policies, governance, institution building, tax mobilisation (Cf.1.1); capacity development (Cf. 1.1 and 3.1); aid as a lever to benefit from a variety of resources and catalyse other development components (Cf.2.6.)</li> </ul>	Japan	Korea3, Italy1
Global aid governance	<ul style="list-style-type: none"> <li>• Need and role of a multilateral and multi-stakeholder body or forum for resolving issues of aid architecture and development effectiveness. Links between WP-EFF, UNDCF, and G20 Seoul Development consensus.</li> </ul>	Korea2 BetterAid10	GPLP

<b>3.2 Future agenda and framework</b>			
<b>Topics</b>	<b>Issues / Required decisions in Busan</b>	<b>Main proposals</b>	<b>Related proposals</b>
Aid effectiveness framework	<ul style="list-style-type: none"> <li>• How can we move the long list of Paris and Accra commitments to a short list of more binding or normative commitments?</li> <li>• How can we ensure that the political level will stay engaged in a more continuous manner?</li> <li>• How can we systematically accelerate implementation at the country level?</li> <li>• Which enforcement and monitor mechanisms have to be built in to ensure that the Busan political commitments will be implemented?</li> <li>• What will be the mandates and roles within the post-Busan governance structure (UN, DAC and its subsidiary bodies, South-South), and how can they be made complementary?</li> </ul>	EU	
A new global partnership for development?	<ul style="list-style-type: none"> <li>• The need for principles for a New Global Partnership on wider effective development. The scope for discussion and the role of aid in this broader context (leverage and catalyse).</li> <li>• Busan and the aid/development effectiveness as a part of the G20 Multi Year Action Plan for development.</li> <li>• Which future forum to discuss development effectiveness (possibility of holding a HLF5?) ? Which framework (and indicators?) to measure progress and monitor activities?</li> </ul>	Korea 1	Italy 1

3.3 Sector stories			
Topics	Issues / Required decisions in Busan	Main proposals	Related proposals
<i>Who runs health?</i>			
Aid/development and scaling up towards the MDGs	<ul style="list-style-type: none"> <li>Recognise that aid to health (critical to achieve the MDGs and sustainable growth) offers a unique story about progress towards more effective aid, involvement of new actors and results with critical issues to be addressed/lessons to be shared with other areas (climate change, food security)</li> </ul>	Task Team on Health as a Tracer Sector (TT HATS): Mali, WHO, Ghana, Madagascar, Belgium, Sweden, Global Fund, GAVI Alliance, UNAIDS, UNICEF, UNFPA, Action for Global Health, World Bank	
Global governance	<ul style="list-style-type: none"> <li>The donor community needs to rationalise the health aid landscape, building on evidence and demand from partner countries (think twice with “teeth”)</li> <li>Recognise ongoing efforts to learning and sharing experience across Global Programs and partnerships and the need to use more information to support collective action for sustainable results.</li> </ul>		
Mutual accountability	<ul style="list-style-type: none"> <li>Recognise the progress made through the International Health Partnership in countries and encourage further change behaviour and implementation of the PD/AAA through IHP+</li> </ul>		
Country ownership	<ul style="list-style-type: none"> <li>Share and promote examples of leadership and ability of Ministers and members of Parliaments from partner countries to manage the increased diversity of health partners.</li> </ul>		
Alignment/use of country systems	<ul style="list-style-type: none"> <li>Recognise progress made by countries to encourage more “trust”.</li> <li>Discuss and take action to address the remaining political obstacles for making more progress towards use of country systems, predictability and more appropriate technical assistance</li> </ul>		
Supporting country-led results	<ul style="list-style-type: none"> <li>Reject donor driven aid mechanisms and stress the need to further strengthen the information systems, statistical capacities of countries, building on existing partnerships and tools such as the DHS, MICs...</li> </ul>		
Working with new providers/forms of aid	<ul style="list-style-type: none"> <li>Provide examples of effective PPPs and promote good practice on aid supporting more effective private sector contribution to national strategies.</li> <li>Showcase implementation of Innovative Financing for Development in the health sector and</li> </ul>		

	support the creation of a learning process/CoP to guide future decisions for IFD		
<i>Stories from other sectors</i>			
Aid for Trade	<ul style="list-style-type: none"> <li>The Aid for Trade initiative is guided by the principles of the Paris Declaration. Its story shows that the main challenges are about country ownership, transparency, and measuring outcomes</li> </ul>	OECD 2	
Agriculture, Rural Development and Food Security	<ul style="list-style-type: none"> <li>Differentiate understanding and approach of the Paris principles among sectors. ARD is different from social sectors: many actors – public, private and civil society – large and small – formal and informal; conflicting interests; complex and difficult policy making.</li> <li>Cover the investment needs: ARD has become an orphan sector, mainly because the role of the state has been reduced. How to support a sector where the state is not the main actor?</li> </ul>	BetterAid 9 OECD 1	
Climate change mitigation and adaptation	<ul style="list-style-type: none"> <li>Though climate change financing is not traditional ODA, does it convey new approaches (such as payment for performance, crowding in private sector, guarantees, rejection of IFI intermediation...) which could spark innovation in “traditional” development finance?</li> </ul>	Brookings 2	Environet

## ANNEX 1 – LIST OF PROPOSALS

AsDB 1 - Ensuring Impact: MDB's Approach to Managing for Results  
 AsDB 2 and CoPs - Results-Based Public Management and Development Effectiveness  
 AWEPA 1 - Parliaments and PFM  
 AWEPA 2 - Ownership and Public Budgets  
 AWEPA 3 - Public Financial Management  
 Belgium - Differentiation of development cooperation approaches to socio-economic groups of countries  
 BetterAid 1 - From country ownership to democratic ownership  
 BetterAid 2 - Decent work for socially inclusive and sustainable development  
 BetterAid 3 - Gender equality  
 BetterAid 4 - Human Rights and rights based approaches  
 BetterAid 5 - CSOs enabling environment  
 BetterAid 6 - Sustainable procurement  
 BetterAid 7 - Conditionality  
 BetterAid 8 - Transparency and Accountability  
 BetterAid 9 and GDPRD - A multi-stakeholder approach and impact in the agricultural sector  
 BetterAid 10 - Building an inclusive development cooperation architecture  
 Brookings 1 IBP - Linking Aid transparency and Budget transparency  
 Brookings 2 - Leveraging climate change financing  
 Brookings 3 - Scaling up of project  
 China-DAC Group - Engaging with China on Effective aid to Africa  
 CIDA 1 - Results and accountability  
 CIDA 2 - Context matters: fragile states  
 CIDA 3 - Finding synergies among actors: Private sector and CSOs  
 Cluster A 1 - Inclusive ownership  
 Cluster A 2 - CSO Enabling Environment  
 Cluster B - Building Stronger and more Sustainable State Institutions  
 Cluster B TT PFM - Strengthening and using country Public Financial Management (PFM) systems  
 Cluster B TT Proc - Procurement as strategic public policy tool and function  
 Cluster C TT Trans - Improving aid transparency  
 Cluster C TT Pred - Improving aid predictability  
 Environet - Climate change financing and aid effectiveness  
 EU - Post Busan aid effectiveness framework  
 g7+ INCAF - Effectiveness of development assistance in conflict-affected states  
 Gendernet - Gender equality and women's empowerment  
 Germany 1 - Use of Country Systems: Public Financial Management  
 Germany 2 - Dev architecture and fragmentation  
 GFATM - Global programs and aid effectiveness  
 Govnet 1 - Anti-corruption  
 Govnet 2 - Human Rights  
 Govnet and TT MA - Aid and accountability in donor and partner countries: striking a balance  
 GPLG - Address imbalances and inefficiencies of the current aid architecture  
 IDEA Int. - Ownership by people  
 IGPS - Towards More Effective Public Private Cooperation  
 INCAF 1 - Development assistance in fragile and conflict-affected states  
 INCAF 2 - Risk management in transition contexts  
 Italy 1 - From aid to development effectiveness

Italy 2 - Territorial approach  
Japan - The departure from aid dependency: exit strategies  
Korea 1 - From Aid Effectiveness to Effective Development  
Korea 2 - Global Aid Architecture: Toward a New Global Development Partnership  
Korea 3 - Capacity Development: Opening the black box  
Korea 4 - Fragile States: what works?  
Korea 5 - Gender Equality  
Lesotho - Medium-Term Expenditure Framework - Integrated Financial Management Information Systems  
Luxemburg - Division of labour  
OAS - Development Effectiveness; the Americas perspective  
OECD 1 - Food security: Managing for results  
OECD 2 - Aid for Trade  
OECD 3 - Aid as a catalyst and policy coherence  
OECD 4 - Capacity Development  
OECD 5 - Domestic resource mobilisation, taxation and development  
Paris 21 - Statistical Capacity Development  
PEER 1 - Ownership and leadership  
PEER 2 - Mutual Accountability at country level  
PEER 3 - Resolving the conflict between different aid guiding principles (Humanitarian aid)  
Poland 1 - Democracy as a vehicle for effective development  
Poland 2 - Regional dimension of aid effectiveness  
Publish What You Fund (PWYF) - Aid Transparency  
TAF 1 - The Asian foundation: Statebuilding  
TAF 2 - The Asian foundation: Asian Approaches  
Train4Dev - Joint Learning Events  
TT HATS - Who runs health?  
TT SSC - Effective South-South Cooperation as a driver for "horizontal partnerships"  
UCLG - Can local governments and their associations help?  
UKAN - Creating the political commitment to scale-up the use of budget support and other PBAs  
UNDESA - Mutual Accountability  
UNDP - Decentralized cooperation in the global aid architecture and its contribution to local development  
US 1 - Country Ownership  
US 2 - Results and Accountability  
US 3 - Private Sector  
US 4 - Fragile and conflict affected states  
WB 2 - The role of innovative financing in enhancing development effectiveness  
WB 3 - Strengthening stakeholder ownership through capacity development  
WB 4 - "Managing for Results" through improving country statistical capacity  
WB 6 - National leadership for coherent and coordinated action in fragile and conflict-affected situations  
WB 9 - The evolving aid architecture

These papers are available on the [WP-EFF portal](#).



## ANNEX 2

**WHAT DO PARTNER COUNTRIES WANT FROM HLF-4?  
RESULTS OF THE ONLINE CONSULTATION (OCTOBER TO DECEMBER 2010)**

**Summary**

**163 individuals** representing governments, donors and non-state actors in **over 60 developing countries** responded to a web-based questionnaire on their priorities and ideas for the Fourth High-Level Forum on Aid Effectiveness (Busan, Korea, 29 November - 1 December 2011). The objectives, methodology and sample employed for the online consultation are explained on page 6.

Respondents felt quite strongly that **HLF-4 should place emphasis on the Paris Declaration and AAA commitments** and a focus on high quality aid. Many respondents – particularly partner government officials – emphasised the **need for accountability and action to implement existing commitments**. Some see **continued monitoring** of efforts as an important element. **Alignment, capacity development, managing for results and transparency** were highlighted as particularly important areas of the aid effectiveness agenda to date. Civil society representatives stress the importance of **deepening implementation of commitments on the role of civil society** and the environments within which it operates in developing countries.

Alongside this, respondents expressed **a range of views on how and whether the agenda should be broadened** to consider more actors, other sources of finance, and non-aid dimensions of development effectiveness. For example, aid from **non-DAC donors, climate change financing**, and aspects of **domestic revenue mobilisation** featured in the responses, as did the **role of aid in fragile states**, issues relating to **aid exit strategies**, and **aid to middle income countries**.

Partner countries have stressed the need for their **active involvement in preparations for HLF-4**. Several respondents highlight the need for **political-level engagement**, and for opportunities to support this before HLF-4. Consulting a **broader set of stakeholders** (civil society, private sector...) was deemed important by some respondents. Providing **adequate and timely information on HLF-4** and its preparation process is also important.

**Identifying the focus of HLF-4: Emphasising an unfinished agenda, with some interest in broadening its scope**

When asked about their preferences in terms of the overall scope of HLF-4, the vast majority of respondents described an emphasis on assessing Paris / Accra commitments and agreeing on features of high quality aid as “very important” or “important” (93% of all respondents; 96% of partner government officials). Several respondents point to frustration and bottlenecks in the implementation of the Paris Declaration and Accra Agenda for Action at the country level, emphasising the need for stakeholders to hold each other accountable for implementing existing commitments on aid effectiveness, prioritising these over new commitments or a broader set of issues.

Alongside this, most respondents also agreed that HLF-4 could present opportunities to broaden the scope of the agenda to consider different dimensions of aid and development effectiveness: looking at how aid effectiveness principles are applied in differing regional and country contexts (88%); considering the effectiveness of all development finance (78%), and putting greater emphasis on non-aid policies and their impact on development (67%).

Box 1 highlights the range of views expressed by respondents on the overall scope of HLF-4.

**Box 1. What do they think? Views on the overall scope and focus of HLF-4 (selected comments)**

*Representatives of partner country governments:*

“How valid are donors’ commitments? What recourse if they don’t honour them?”

“Aid has increased over the last 5 years, but behaviour change amongst donors and partner countries has been slow. We need to discuss “why?””

“HLF-4 should first deal with aid effectiveness as foreseen in the PD and AAA. Then it could be applied to other forms of finance.”

“Relations with non-OECD countries.”

“We need to bear in mind the complexity of development processes – it’s not only aid that contributes to development. It’s only one aspect among others.”

“Middle income context and impact on aid / grant funding, private investment.”

“How to reduce aid dependency of recipient countries.”

“Assess progress and agree on an agenda to 2015 to reflect the specificities of each region...”

“Many donors who have signed Paris on the ground refuse to apply principles of aid effectiveness.”

“...revised / new indicators according to various sources of funding.”

“Innovative mechanisms for taxation in developing countries.”

*Civil society organisations:*

“HLF4 should be a forum for identifying the next phase of aid reform commitments that donors and recipients make and its outcome document should include a commitment to these reforms, targets for recipients to meet and a process for monitoring progress.”

“[The Rome, Paris and Accra agreements] were just politically binding agreements. Obviously this did not create sufficient pressure for ensuring implementation by all actors and in all areas. Therefore, it might sense to consider a framework for aid and development effectiveness that is to a maximal extent legally binding.”

“HLF should discuss/debate and come as much as possible to a consensus on [...] the conditions Governments and Donors should accept for assuring an enabling environment for the CSOs, to fulfil [...] their role in the sustainable and equitable development of their own countries, of the developing countries and of the world.”

*Officials of bilateral and multilateral aid agencies in partner countries:*

“How can aid remain effective in times of crisis and post crisis when domestic fiscal space and discipline is necessary for external aid to be effective and have a greater quality impact?”

“How to keep the momentum moving forward.”

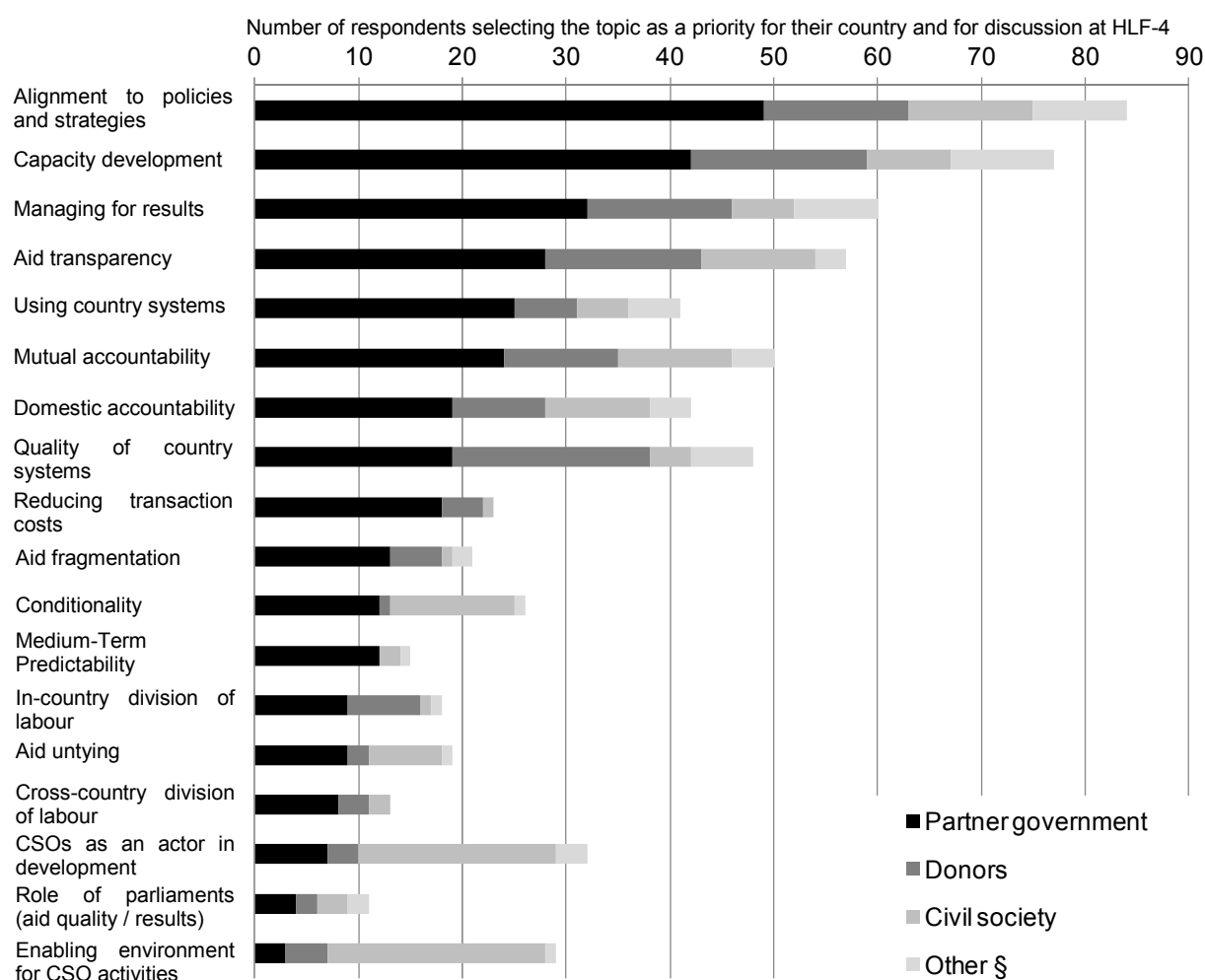
“Political ownership by partner countries.”

Note: these quotes have been selected to represent the broad range of views provided by respondents and should not be seen as representative of all respondents or an exhaustive list of ideas and inputs provided.

## Priority topics within the Paris Declaration and Accra Agenda for Action

When asked to identify the most important PD / AAA –related themes for their countries from a list of issues, partner country officials emphasised **alignment, capacity development accountability and transparency** as key points for discussion at HLF-4 (Figure 1). Civil society actors tended to emphasise the enabling environment for CSO activities, the role of civil society as an actor in development, conditionality and alignment as priority topics, whereas donor respondents – most of whom are based in partner countries – emphasised capacity development, the quality of country systems and transparency as topics of primary importance to them.

**Figure 1. PD / AAA topics selected as priorities for discussion at HLF-4**



§ “Other” includes representatives of parliamentarians, academia and regional institutions.

Comments by partner country government officials tend to suggest that these are some of the areas of commitment where progress has taken longer than expected to materialise. Several respondents mentioned political and institutional bottlenecks to change, with several suggesting that continued efforts to monitor, score or assess progress would be desirable beyond HLF-4. Some non-state actors highlighted the importance of democratic and broad-based ownership, as well as mechanisms for ensuring the implementation of existing commitments.

## **Diverse partner country views on the role of aid in the evolving development landscape**

Respondents were invited to rate each item on a list of possible topics or areas of work that might see the aid effectiveness agenda being broadened in some way, or in which lessons from global work on aid effectiveness to date might lend themselves to other, broader development issues. The following topics were most frequently selected for their relevance to respondents' priorities:

- Sector application of aid effectiveness principles (75% of respondents rated this topic as “relevant” or “highly relevant”)
- The role of aid in catalysing development (70%)
- Climate change financing and aid effectiveness (66%)
- Reducing aid dependency (64%)
- Non-traditional aid providers and aid effectiveness (63%)
- South-South Co-operation and aid effectiveness (63%)

Although some topics were highlighted rated less highly on aggregate, many country / context-specific issues were flagged, including the role and availability of aid in fragile states, and issues specific to aid to middle income countries. Issues of broad-based ownership and state capability feature prominently in feedback from civil society stakeholders, some of whom suggest that international efforts towards effective aid should go further in advancing the implementation of commitments on democratic ownership. Box 2 below offers a sample of comments and suggestions provided by respondents.

### **Box 2. Aid and the broader development landscape: Suggestions for HLF-4 (selected responses)**

“Good governance, peace and security. Ensuring that aid is available for fragile states.” “Linking partners’ diplomatic efforts in fragile states to support development.”

“Moving from aid to developing a domestic resource base.” “Channeling domestic resources into the development process in a transparent, accountable and participative way.”

“Bringing others (China, Arab funds) into aid transparency processes.” “Non-DAC donors do not subscribe to aid effectiveness principles.”

“Aid fatigue and exit strategies.”

“Combating pervasive corruption.”

“Where are the boundaries between donor support and sovereign decisions on policies?”

“Though [my] region has middle income countries, great inequalities exist.”

“Increasing civil society participation in the context of a restrictive environment for social action.”

“The role of multilateral organisations at the country level should be clarified.”

Note: these quotes have been selected to represent the broad range of views provided by respondents and should not be seen as representative of all respondents or an exhaustive list of ideas and inputs provided.

## How do partner countries want to prepare for HLF-4? How can their views feed into preparations effectively?

The active participation of partner countries in preparations for HLF-4 will be critical to its success. Respondents were invited to provide feedback on how partner countries' views can be best fed into preparations for HLF-4.

Suggestions and responses included:

- Several referenced the political nature of HLF-4, and the need to engage with partner country politicians. Suggestions included having a high-level political meeting immediately after publication of the evidence (monitoring/progress report, evaluation).
- Respondents representing civil society emphasised the need for consultation of a broader set of actors, including civil society, the private sector and other non-state actors.
- The need for partner country views to be accorded priority in discussions on HLF-4.
- Establishing (a) forum / fora for partner countries to discuss and agree on common position(s) for Busan. The suggestion that a proposed partner country contact group might play this role.
- Several comments on the need to make adequate information available in a timely manner to partner country stakeholders to help them prepare: online / web-based communication tools, email networks and regional workshops were all suggested as possible opportunities for this.
- Draw evidence from WP-EFF Focus Countries to ensure that this is fed into HLF-4.

\* \* \* \* \*

### **Methodological note: What is the online consultation? What is it not? Where does this evidence come from?**

The roadmap to HLF-4 foresees a broad multi-stakeholder consultation process to identify priorities and shape both the content and outcomes of HLF-4 (DCD/DAC/EFF(2010)2/REV1). In addition to other consultation activities and events planned both within and outside the WP-EFF, an online consultation tool was developed by the OECD in collaboration with the African Development Bank, Asian Development Bank and UNDP to provide a simple means of gathering the views of partner country stakeholders as one input – amongst others – to the consultation process.

Members of the WP-EFF, participants at a number of regional and sub-regional events and members of regional communities of practice were invited to respond to a semi-structured web-based questionnaire over the period October to December 2010. The tool asked respondents to identify both priority issues within the exiting aid effectiveness agenda, and to make suggestions for the scope and other issues to be discussed at HLF-4.

163 individuals covering 63 partner countries and territories completed the online questionnaire. Approximately half of the respondents are partner country government officials, with the remainder of the responses coming from representatives of civil society organisations (21%), bilateral and multilateral donors (18%), parliamentarians (1%) and others (academia, regional organisations etc).

Most respondents participated in a regional event on aid effectiveness and/or launch workshops for the 2011 Survey on Monitoring the Paris Declaration. Most are mid- to senior-level officials from central government agencies in partner countries, representatives of civil society umbrella organisations, and donor staff or technical advisors based in partner countries. As such, the results of this exercise should not be seen as representative of all partner countries, nor of all interested stakeholders in partner countries. This note is intended to provide a starting point for further consultation and discussion over the course of 2011, and is by no means exhaustive in its analysis of the issues identified by respondents. Summaries of findings by region are available on the WP-EFF portal ([www.wpeff.net](http://www.wpeff.net)).

**LIST OF COUNTRIES, TERRITORIES AND ORGANISATIONS REPRESENTED THROUGH  
THE ONLINE CONSULTATION**

***Partner country governments (includes central and local government officials)***

Afghanistan	Indonesia
Albania	Jamaica
Algeria	Jordan
Bangladesh	Madagascar
Benin	Malawi
Bolivia	Mali
Burkina Faso	Mauritania
Burundi	Moldova (Republic of)
Cambodia	Mongolia
Cameroon	Mozambique
Cape Verde	Nepal
Chad	Niger
Colombia	Pakistan
Comoros	Peru
Congo	Philippines
Cote d'Ivoire	Saint Vincent and the Grenadines
Democratic Republic of the Congo	Samoa
Dominican Republic	Sao Tome and Principe
Egypt	Solomon Islands
El Salvador	Thailand
Fiji	Timor-Leste
Gabon	Togo
Grenada	Tonga
Guatemala	Viet Nam
Guinea-Bissau	Zimbabwe
Honduras	

***Civil society organisations and networks***

ActionAid  
African Forum and Network on Debt and Development (AFRODAD)  
African Women's Development and Communication Network (FEMNET)  
Arab NGO Network for Development (ANND)  
Asia Pacific Research Network  
Association for Women's Rights in Development (AWID)  
CIVICUS World Alliance for Citizens Participation  
CONCORD - European NGO Confederation  
Coordinadora Civil Nicaragua  
Coordination SUD  
European Network on Debt and Development  
Fondation Conseil Jeune (Cameroon)  
GRAPAD / Better Aid  
IBON/Reality of Aid  
Institute for Climate and Sustainable Cities

InterAction (member of the Better Aid coalition)  
International NGO Forum on Indonesian Development (INFID)  
International Trade Union Confederation (also affiliated with TUAC)  
CESVI (Link2007 network; Alliance 2015)  
Open Forum for CSO Development Effectiveness  
PSO  
Reality of Aid Network Asia/Pacific  
Social Watch International Secretariat  
The Arab NGO Network for Development (ANND)  
The National Women's Studies and Information Center "Partnership for Development" (CPD), Moldova  
UK Aid Network  
Zimbabwe Coalition on Debt and Development (ZIMCODD)

***Bilateral and multilateral aid providers***

African Development Bank  
Belgium  
Canada  
France  
Germany  
GTZ GmbH  
PAHO / WHO  
UNDP  
Office of the UN Resident Coordinator / UN integrated missions (various locations)  
USAID  
World Bank

***Parliamentary networks***

AWEPA  
Network of African Parliamentarians

***Others***

African Community of Practice on MfDR  
Initiative Prospective Agricole et Rurale, Senegal  
Pacific Islands Forum Secretariat  
SENCOP / Communauté de pratiques de gestion axée sur les résultats, Senegal  
University of Zimbabwe  
Anonymous – [International Non Governmental Organisation (NGO) dealing with capacity building]  
Anonymous – [Consulting Economist]

### ANNEX 3

#### **WP-EFF FOCUS COUNTRIES UPDATE – JANUARY 2011**

##### **Background and Rationale**

There is full recognition in the Working Party on Aid Effectiveness (WP-EFF) that more progress in implementing the Paris Declaration and Accra Agenda for Action needs to take place at the country level, driven by partner countries as well as by donors. As a result, the Working Party on Aid Effectiveness has been providing support at country level through the Focus Country Approach (see the Annex for guiding principles and a detailed methodology). This approach is intended to ensure increased consistency between HQ and field level implementation of Aid Effectiveness commitments, and to ensure technical work defined at the international policy level is both relevant and enables progress and impact at the country level.

The Focus Country approach builds on the response from partner countries to the letter from the co-Chairs sent to Working Party members in December 2009 requesting that partner countries outline whether they would value WP-EFF support at country level – and if so, in which areas. The concept and approach were discussed at the WP-EFF plenary meetings in December 2009 and adopted (including outlining a detailed methodology) by the Executive Committee (July 2010).

The main rationale for the Focus Country Proposal is to foster improved results on aid effectiveness in the countries where the Working Party on Aid Effectiveness can provide support. This includes facilitating policy dialogue in specific areas identified by country authorities and representatives of donor organisations at the country level; brokering agreements on specific actions to be reported at HLF-4 (including issues arising from discrepancies between field and HQ); and disseminating results of good practice across regions in the implementation of Paris Declaration commitments at country level.

The co-chairs of the Working Party on Aid Effectiveness, Talaat Abdel-Malek and Koos Richelle, have played a key role in supporting the focus country process – and more specifically in providing the political impetus for change at the country level.

Significant work has been undertaken within the WP-EFF workstreams to support the focus country approach. The policy guidance that results from this work can benefit from dissemination and discussion at country level and by being informed by more context-specific ways of implementing the Aid Effectiveness agenda. The focus country approach can therefore assist to spur stronger and broader dynamics for change across countries and areas of work.

It is expected that selected main messages (positive or negative) from Focus Countries will feed into the preparation of HLF-4, including, when relevant, the political debates, and the outcome document. Experience from focus countries will also provide lessons on the value added of the Working Party on Aid Effectiveness at country level and its potential role as a broker in implementing and contextualising the Paris Declaration commitments.

The following provides updates on the countries that have expressed an interest to be focus countries and have received support from the Working Party on Aid Effectiveness.



## ECUADOR

### Rationale

In October 2009, Ecuador endorsed the Paris Declaration and the AAA. This decision was taken, after a participative debate, based on the conviction that the application of the aid effectiveness principles will improve the quality of aid and reinforce Ecuador's ownership over its development process.

Despite not having endorsed the Paris Declaration prior to 2009, Ecuador had already made some advances in crucial areas related with the effectiveness agenda. These included:

- National strategy for development defined in Ecuador through the "Plan Nacional de Desarrollo (2007-2010)" and updated with the "Plan Nacional del Buen Vivir (2009 – 2013)".
- The creation in 2007 of a new unit, AGECI, to manage international cooperation and to coordinate different actors. This unit has recently (July 2010) changed its name to SETECI and received increased responsibilities.
- Discussion groups with donors in the most relevant sectors, with a perspective to foster increased harmonisation in others.
- Elaboration of a procedure (currently under negotiation) to channel aid flows through national systems.
- The building of an online system to identify and monitor aid flows, to provide Ecuador with a global overview of all stakeholders including NGOs.

### Approach

Ecuador is not a WP-EFF participant, but their experience is relevant as a new endorser of the PD and as an example of a Middle Income Country in Latin America. In February 2010, AGECI expressed its interest to be a WP-EFF focus country.

On March, 22-23, Koos Richelle, WP-EFF co-chair, visited Ecuador and met with representatives of the Ministry of Foreign Affairs and Ministry of Planification, representatives from AGECI and other members of the executive and with the main donors.

### Results

During the visit, Ecuador expressed its main priorities with regards to collaboration with the WP-EFF. These included:

- Guidance on Paris Declaration Indicators
- Guidance on how best to Monitor and Evaluate aid flows
- Strengthening use of country systems and implementation of the aid channelling procedure noted above
- Untying Aid

It was decided that a commission would be created to develop and implement this approach.

### Next Steps

Due to internal domestic issues, including the restructuring of AGECI into SETECI, the original workplan presented was delayed. However, Ecuador has recently indicated that it is now ready to refocus on this.

The WP-EFF will follow up with Ecuador once they have provided further details on the support needed.

## GHANA

### Rationale

Ghana has requested that the Working Party on Aid Effectiveness facilitate the implementation of the Paris Declaration in Ghana. This request was made on the basis of a number of relevant factors, namely:

- Aid remains an important resource for Ghana, accounting for close to 20% of the total annual Government budget resources and 10% of GDP. There are approximately 23 multilateral and 24 bilateral development partners in Ghana. There is therefore a strong need to ensure that these resources are managed effectively.
- Although progress has been made, the evaluations of Ghana's Joint Assistance Strategy point to continuing weaknesses in the dialogue on aid effectiveness at country level. The evaluation calls for increased efforts to broaden national participation; invest in building up the Ministry of Finance & Economic Planning as the lead agency on aid management; develop a stronger Performance Assessment Framework for development partners; as well as provide a space for dialogue on aid effectiveness with non-budget support donors.
- The results from the 2008 Survey on Monitoring the Paris Declaration showed a need for increased engagement in particular where there continue to be clear bottlenecks such as on the use of country systems (where an increase in the quality of Ghana's PFM systems did not lead to an increase in their use). Country assessments such as the Public Expenditure and Financial Accountability diagnostic highlighted a number of weaknesses in Ghana's PFM systems due to the lack of close alignment of donor funded projects<sup>1</sup>.
- The Government has presented the Ghana Aid Policy and Strategy with as its main objectives: to align aid flows to the Ghana Shared Growth and Development Agenda (including taking into consideration Ghana's legal framework), strengthen financial oversight and accountability, increase the use of country systems and procedures, and improve mutual accountability.
- The Government and its development partners are measuring the extent to which they are accountable to each other through a Development Partner Performance Assessment Framework (DP-PAF) which includes 23 indicators on harmonisation, alignment, predictability and transparency.

### Approach

The approach adopted in Ghana builds on the support provided at the request of the Government by the Global Partnership on Country Systems since December 2009<sup>1</sup>. The Global Partnership facilitated a dialogue with Government and CSO representatives (including line Ministries) which concluded that a number of focused actions should be undertaken. These were presented to Development Partners in a second dialogue in 2010. Following these discussions, a number of focused issues were identified as areas where progress could be envisaged before the next high level forum in Busan. These were:

- **Using one combined assessment tool** that meets the requirements of each donor (e.g. sharing the terms of reference for the EU's five pillar assessment needed to bypass EDF procedures or

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<sup>1</sup> See Ghana's Country System Initiative Concept Note and Summary of Phase 1 (February 2010)

USAID’s “pre-award surveys” or the OECD-DAC’s assessment for procurement as a basis for testing the use of country systems in selected areas).

- **Audit:** e.g. contracting private auditors (through a framework agreement signed with Development Partners) supervised and owned by Ghana’s Audit Service.
- **Budget:** e.g. organising a meeting prior to the finalisation of the budget to ensure data provided by donors is accurately reflected and there are no discrepancies.
- **Accounting:** e.g. by transferring financial data to the Controller and Accountant General systematically.
- **Statistics:** e.g. through Ghana’s leadership role of the Statistical Development Plan.

The Government of Ghana requested that the Working Party on Aid Effectiveness co-chairs support this process in order to increase the visibility of this work at HQ level but also to spur stronger and broader dynamics for change across the aid effectiveness agenda (not only as it relates to Country Systems). It is in the context of Ghana’s Consultative Group meetings that Koos Richelle travelled to Ghana (22-24 September 2010). Koos Richelle met with a number of key stakeholders in Ghana to raise awareness of the aid effectiveness agenda at the international level and to bring back key messages to donor HQs on the aid effectiveness challenges in Ghana. He met with the Vice President, Minister and Deputy Minister of Finance, Parliament, Civil Society, Development Partners including non-DAC donors, and met with the Press. In addition the co-chair addressed the technical session of the Consultative Group meeting, which was attended by all stakeholders.

The results of the Focus Country approach in Ghana are expected to be reported during the consultations prior to HLF-4 and during the critical political debates at HLF-4.

## **Results**

1. A number of results are already apparent. First, as a result of the ongoing work on country systems, the Government of Ghana (GoG) and Development Partners (DPs) have achieved progress in a number of critical areas:

### ***1) Audit***

The Government and DPs identified a number of specific actions which would lead to increased use of Ghana’s Audit systems. A coordinating body has been created and has started work to harmonise audit language and terminology; harmonise donor audit requirements on the GoG audit systems to reduce the burden on Ghana’s Audit Service (GAS); Co-ordinate DP support to Ghana’s Audit Service; and facilitate and coordinate policy dialogue.

### ***2) Budget Preparation***

Following the DP Dialogue, it was ascertained that DPs would benefit from a better understanding of GoG budget practices. The Government therefore organised a seminar for DPs (attended at a high level) to highlight Ghana’s budget practices including timetable, etc. Development Partners and the GoG have also begun identifying ways of improving the quality and reliability of DP projections in the budget. A number of possible actions have been identified including a common three-year rolling financial forecast template and cross-checking DP information before finalising budget appendices and their presentation to Parliament.

### **3) Accounting Systems**

Development partners and the GoG have identified a number of ways of improving the use of country accounting systems. There are a number of proposed immediate and medium-term actions (DPs send their figures on commitments and payments on a regular basis; the Ministry of Finance & Economic Planning sends a report on aid flows, including commitments/payment figures on a 6-monthly basis; dialogue between DPs main accounting officers to discuss accounting reporting formats, and ways of increasing use of accounting systems).

Beyond the work on country systems, however, and as part of Ghana's Aid Policy, a number of other areas were identified following Mr. Koos Richelle's visit as requiring support from the Working Party on Aid Effectiveness – in particular:

- Mutual Accountability- whilst the DP-PAF has been elaborated, discussions during the Consultative Group meeting highlighted the need to increase GoG ownership over this process. It was proposed that a dialogue similar to that organised for the country systems discussions could be a useful next step.
- Engagement with non-DAC donors and the new aid architecture in Ghana (as a result of oil revenues).
- Transparency and Predictability – including the need for donors to provide timely and forward looking information on aid flows.

#### **Next Steps**

- Present the results to the Working Party on Aid Effectiveness with a particular focus on those areas identified by GoG and DPs in Ghana where progress is needed (and is currently stalled) - i.e. in Procurement, or Mutual Accountability.
- Request that relevant workstreams (Cluster A and C) engage with GoG on possible next steps to assist in the implementation of Ghana's Aid Policy and PD commitments
- Support Ghana in the preparation of HLF-4 and showcasing progress in each of the identified areas

## MALI

### Rationale

**Aid Effectiveness is a priority in Mali and is progressing well.** A national plan on aid effectiveness was adopted by the Government of Mali in 2007. The Government of Mali together with CSOs and all development partners have adopted a Stratégie Commune Assistance Pays (SCAP, 2008-2011) which includes an action plan. The quality of dialogue is an obvious asset in Mali. The government and its partners meet regularly with 13 thematic bipartite commissions, a joint annual review of the budget and monthly meetings between the Ministry of Economy and Finance and the donor group/Troika (currently led by Canada, other members are UNDP as previous chair and African Development Bank which will chair starting from 2011).

**Under the oversight of the SHA (Secretariat d'Harmonisation de l'Aide), important processes are underway and 2010 will be a turning point:**

- The Paris Declaration Evaluation Phase 2 is underway: Mali will report on this by December, together with the review of the SCAP and Action Plan on aid effectiveness
- An evaluation of the PAGAM (Programme d'Appui gouvernemental à l'Amélioration et la Modernisation de la Gestion des Finances publiques) has just been achieved and shared with development partners
- A report of evaluation of budget support is being finalised and a draft report on Public Expenditure and Financial Accountability is also being finalised
- (Mali is a pilot country for the Fast Track Initiative on division of labour: consultation will take place before end of 2011 to prepare the next steps towards a common European programming process
- Mali is one of the IHP+ (International Health Partnership) countries and has signed a compact with all the donors who support its health strategy (PRODESS 2, which should be jointly assessed in 2010)

### Approach

In a letter sent on 10 May 2010 to the co-Chair of the WP-EFF Koos Richelle, the President of the SHA listed the three areas in which Mali was expecting support: alignment, managing for development results and division of labour. On 27 May, a formal invitation was sent to Koos Richelle by the Minister of Economy and Finance and Canada, as lead donor.

Prepared by a series of informal discussions on 2 June 2010, a multi-stakeholders meeting took place on 3 June at the UNDP delegation and involved about 40 participants. Following these meetings, the SHA formalised a note to the WPEFF which presented a set of both technical and political actions that the WP EFF could undertake in the three identified areas (alignment, managing for development results and division of labour). Examples of technical support include: in the area of alignment, a study on the main constraints for donor alignment, building on a Public Expenditure Tracking Survey which results would be widely shared with the donor community; in the area of managing for development results, technical support and training for high-level civil servants in relation with existing communities of practice and other

relevant groups. Building on progress made in the health sector, and work done jointly by the TT HATS and the Global Partnership on Country Systems (meeting on 22-23 March 2010 in Bamako) the request for support by Mali refers to health as a tracer sector.

### **Results**

The letter sent by Mali was shared with the members of the Executive Committee of the WP EFF in early July. Communication has been ongoing with the secretariat regarding activities and processes.

In the health sector, although terms of reference for the Joint Assessment of National Strategy were ready by the summer, the JANS itself has been delayed.

### **Next Steps**

A joint meeting of the Global Partnership on Country Systems and the Task Team on Health as a Tracer Sector is scheduled on 26 October 2010: this meeting will offer opportunities to hear back from Mali regarding progress and challenges in the health sector and to discuss concrete next potential joint efforts, including support for the JANS and a PETS in the health sector.

The secretariat needs to formalise with the SHA, the new lead person of the Troika and other relevant groups, other concrete possible activities are in the area of Managing for Development Results and Division of Labour.

## RWANDA

### Rationale

The Government of Rwanda has shown significant leadership in advocating and planning for the implementation of the PD and AAA at the country level. It was the first country in sub-Saharan Africa to set out a National Aid Policy (2006), which builds on and localises the Paris commitments to the country context. Both government and donors have taken significant steps to systematise country-level fora for dialogue on development co-operation at the country level, and some efforts have been made to include non-state stakeholders in this dialogue. Against this backdrop, Rwanda has made progress in implementing concrete tools to support aid effectiveness at the country level, including the installation of a mutual review process with both donor and government performance assessment frameworks and, most recently, the promotion of a Government-led blueprint for donor division of labour across sectors.

In its request for support to the WP-EFF Co-Chairs, the Government of Rwanda notes that efforts have been made to identify and discuss bottlenecks to PD and AAA implementation at the country level, but that further progress – underpinned by political-level dialogue and agreements – is needed. The Government of Rwanda invited the then WP-EFF Co-Chair, Koos Richelle, to its biennial high-level Government and Development Partners' Meeting in November 2010 to play a role in brokering dialogue on obstacles to using country systems and enhancing the medium-term predictability of aid.

### Approach

Rwanda has emphasised that the support brought by the WP-EFF must build on existing systems and processes. To this end, the results of Rwanda's 2010 Donor Performance Assessment Framework were the basis for prioritisation of issues for discussion at the high-level meeting attended by the WP-EFF Co-Chair. This coincided with the publication of initial findings of Rwanda's second Public Expenditure and Financial Accountability (PEFA) assessment. Prior to the visit of the WP-EFF Co-Chair, the GoR and development partners agreed on two specific areas in which bottlenecks to full implementation of the Paris Declaration and AAA persist: (i) increasing use of Rwanda's PFM system by donors in light of evidence of their strength; and (ii) enhancing medium-term predictability of aid consistent with the AAA.

Koos Richelle, WP-EFF Co-Chair, co-chaired a high-level session of the annual GoR and Development Partners with Rwanda's Minister of Finance, with the aim of achieving a better understanding of progress and bottlenecks on the two themes identified above. This event saw the WP-EFF Co-Chair play a brokering role in discussions, bringing international perspectives to a country-level discussion which took place within an existing forum.

### Results

The agreements reached during the conference led to the endorsement of the Kigali Statement of Action – an action-oriented outcome document negotiated by the GoR with its development partners, with inputs provided by the WP-EFF Co-Chair. In particular, Government and Development Partners agreed that:

- i) *Rwanda's PFM systems are now considered to be of sufficient quality for donors to rely on them extensively.* Donors recognised that their decisions to limit use of Rwanda's PFM system were now motivated less by technical or fiduciary reasons, but rather by political decisions. Donors committed to new targets for the implementation of aid by government agencies, and on actions such as the phasing out of all parallel project implementation units by 2012. They also agreed on

actions to render more transparent the reasons behind their decisions to limit use of Rwanda's PFM system, including legal constraints.

- ii) *Progress in improving medium-term predictability is being hindered at least in part by donors' own legal constraints.* The Kigali Statement of Action sets out the progress made by each donor in implementing its AAA commitment on medium-term predictability and commits those who have yet to implement it fully to engage with headquarters with a view to identifying workable solutions. The GoR also seeks further collaboration with the OECD to ensure that the survey on DAC members' forward spending plans can strengthen country-level initiatives to enhance predictability.
- iii) *Political issues and perceptions – including those relating to good governance and human rights – do influence donors' decisions on development co-operation, and can impact on both the decision to use government systems and donors' abilities to be predictable.* All stakeholders recognised this, and saw the discussion as an opportunity to further improve processes designed to generate credible, internationally accepted evidence on the state of progress and challenges in this area. The GoR and its Development partners used this discussion as an opportunity to reaffirm their commitment to the Joint Governance Assessment process as a framework for gathering evidence and engaging in dialogue on these issues.
- iv) *Some areas will require further discussion and dialogue with a view to identifying and agreeing on principles, priorities and actions.* For example, interesting discussions on the role of non-governmental organisations in the delivery of aid highlighted the need for further dialogue on the role of state and non-state actors in public service delivery and in different aspects of Rwanda's development more broadly.

### Next Steps

- OECD (DCD) is currently collaborating with the Ministry of Finance and Economic Planning to ensure that the Rwandan authorities are able to make good use of information provided through the survey of DAC members' forward spending plans, with a view to better identifying where and why discrepancies arise between information communicated at headquarters level and at the country level.
- March / April 2011 (TBC): Government of Rwanda and Development Partners Retreat – an opportunity for Rwanda and development partners in-country to take stock of progress and work at the technical / policy level to refine approaches and actions. This event is also likely to provide a platform for discussions on the legal constraints faced by some donors in the use of Rwanda's systems and in the provision of forward spending information.



## **MALAWI (INITIAL STAGES)**

### **Rationale**

Malawi has requested that the Working Party on Aid Effectiveness facilitate the implementation of the Paris Declaration in-country. This request was made on the basis of a number of relevant factors, namely:

Aid constitutes an important resource for Malawi, accounting for 80% of Malawi's development budget and 40% of total public expenditures. Aid disbursements in the first half of 2008/2009 alone totalled USD 0.41bn of which 85% was derived from six sources (EU, Global Fund, DFID, Norway, AfDB and the World Bank). As reported in the Survey on Monitoring the Paris Declaration, this level of aid dependence means it is vitally important to identify concrete actions to improve aid effectiveness.

The Government has taken important steps to implement the Paris Declaration including by launching the Development Assistance Strategy; Sector Working Groups in key areas and the Aid Management Platform. Malawi has shown improved results on Aid Effectiveness in the Survey on Monitoring the Paris Declaration, but continued challenges exist in a number of areas including in Mutual Accountability and Using Country Systems. The Common Approach to Budget Support evaluation shows that there is scope for further improvement in coordination including with greater policy engagement on issues such as alignment and mutual accountability. The review noted that the performance Assessment Framework is heavily weighted towards government (out of 25 indicators on PFM for instance, only one assesses the performance of donors).

The focus country approach was highlighted as an opportunity to showcase work underway in Malawi and to assist in building a stronger dialogue around issues perceived to be critical by the Government of Malawi.

### **Approach**

A first dialogue co-hosted by the Government and the OECD (ENVIRONET and the Global Partnership on Country Systems) was organised in March 2010. The meeting provided a forum to discuss the management of climate change financing and to ensure this new financing would be provided in an effective manner in Malawi. Discussions focused on the need to manage environment through existing country systems; capacities for Integrating Environment in National Planning and Budgetary Processes; the Role of Donors in Supporting Capacity Development; and the Challenges and Opportunities of Climate Adaptation Finance for the Strengthening and Use of Country Systems.

Further discussions were held with the Ministry of Finance and Planning as well as local Development Partners to outline a possible approach on country systems and the specific actions which would be useful in the Malawi context. These included facilitating a discussion around Mutual Accountability and Country Systems.

### **Next Steps**

The Global Partnership on Country Systems along with CABRI (Collaborative African Budget Reform Initiative whose members are African Senior Budget officials) have outlined a possible approach in a communication to the Minister of Finance in Malawi. The Global Partnership and other workstreams will respond to any specific actions which the Government and local Development Partners identify following this communication.

## GUIDING PRINCIPLES AND METHODOLOGY

The following methodology presented at the ExCom in July 2010, draws from the lessons learned from ongoing initiatives (in particular those developed by the Global Partnership on Country Systems and the Task Team on Health as a Tracer Sector in Ghana and Mali) about what works to foster change. The methodology is not intended to be followed to the letter by each and every focus country. It is to be used, instead, as a guide which countries may wish to follow but may also wish to amend to fit their particular circumstances.

### Key Considerations and Guiding Principles for effective Focus Countries

In developing focus country proposals, the WP-EFF and its subsidiary bodies are guided by a number of key principles which ensure that this initiative directly responds to the needs expressed by the countries and brings a real added value for the countries themselves:

- Focus country proposals can only be developed on the basis of a clear, written demand by the country, with mention of specific areas for further support from the WP-EFF;
- There will be effective communication within the WP-EFF on the plans regarding focus country proposals, including visits to the countries, so that, early in the process, close coordination is ensured with the work already undertaken in these countries as part of the work programme within the WP-EFF.
- **The proposals will capitalise on the work undertaken in the countries by the Working Party on Aid Effectiveness workstreams**, including existing methodology for working at the country level and/or sector approaches, to ensure effective coordination and participation in the design of country-level support activities so as to **avoid potential duplication, confusion, fragmentation and the unnecessary burden** posed by multiple missions, events and initiatives in any given partner country;
- **Focus country activities/interventions will be grounded in the calendar of partner country activities and existing mechanisms** for dialogue and implementation (including existing country action plans, aid policies and strategies, consultative groups, tools and mechanisms for dialogue), and avoid proposing new or parallel initiatives where existing approaches can be built upon;
- **Explicit commitment will be required from key stakeholders** present in the country to assume responsibility and act on emerging recommendations: for example, donors participating in focus country activities commit to ensuring that systemic bottlenecks requiring a change in policy or operational guidance are communicated internally at an appropriate level;
- **Cost effectiveness:** stand-alone events, missions and assignments will be avoided and the focus country proposal will instead capitalise on in-country events and resources already in place to minimise cost;
- **There will be regular reporting** about the focus country proposal within the WP-EFF through all appropriate events and channels;

- To the extent possible, the **impact of support activities will be monitorable** in the context of the country's overall monitoring mechanism or framework for aid effectiveness.

### **Methodology**

The focus country proposals so far have shown that the support can take place in three distinct phases. These are described below:

Phase 1: Facilitate a dialogue on bottlenecks and opportunities to implement the Paris Declaration Commitments in-country. This may include:

- Supporting a dialogue with focus country representatives (including the Executive, and non-Executive, and CSOs) and a separate dialogue with development partners to identify the key constraints to reaching the Paris Declaration targets.
- Identifying the priority areas for the country.
- Drawing up a number of concrete recommendations on how to foster change around those priority areas.
- Identifying the appropriate and existing fora at country level to take forward the implementation of these priority areas and to communicate the results in country (this could include, sector working groups, heads of cooperation meetings, parliamentary committees etc).

In this phase, the Government and other key stakeholders will voice their preferences for concrete areas where change is realistic and feasible prior to HLF-4. The dialogues will also identify mechanisms for reporting to local stakeholders but also to the Working Party on Aid Effectiveness progress – so that valuable lessons can be learned and disseminated to other countries and organisations.

Phase 2: Identifying concrete and realistic outputs and providing technical support from WP-EFF workstreams. This may include:

- Drawing from the conclusions of the dialogues in country and the priority areas, setting out a number of key and joint (country-donor) recommendations for action prior to HLF-4.
- Identifying groups that are available to provide technical support in these areas (such as clusters, Task teams, relevant workstreams, including across the OECD-DAC).
- Where relevant, additional analysis can be undertaken to identify how these priority areas should be implemented and technical sessions to facilitate the implementation organised at country level (following the demand from the country).
- The workstreams available to provide support should report to the Working Party on progress in supporting the implementation in the key priority areas.

Phase 3: **Ensuring political impetus for change and sharing lessons and evidence for HLF-4.** The exact modalities of this last phase are to be determined by the country and the local development partners, but may include:

- Visit from the co-Chairs of the Working Party on Aid Effectiveness to provide political impetus to the recommendations defined at the country level and to communicate upwards to the Working

Party on Aid Effectiveness and the DAC key action points that are expected to be delivered before HLF-4.

- The elaboration of a timeline for implementation, including responsibilities for different stakeholders and clear actions to follow up the process. Reporting of actions taken in the specific and concrete areas identified is also necessary in order to guarantee a good communication among different participants.
- The DAC Secretariat will ensure that the lessons from the focus country process are disseminated widely across aid effectiveness community.

### **The role of the co-Chairs of the Working Party on Aid Effectiveness**

The co-chairs of the Working Party on Aid Effectiveness, Talaat Abdel-Malek and Koos Richelle, play a key role in supporting the focus country process- and more specifically in **providing the political impetus for change at the country level**. Their support is envisaged as follows and builds on the letter from the co-Chairs sent to Working Party members in December 2010:

- In the early phases of the focus country process, they, and/or the leaders of the relevant workstreams can facilitate and broker the discussions around the key bottlenecks and opportunities in implementing the Paris Declaration commitments.
- In the third phase of the focus country process, they can also provide the political impetus through their visit to the country concerned in highlighting the recommendations drawn up jointly between the country and the local development partners.
- When specific challenges arise at country level, they may be called to facilitate mediation or resolution of sensitive issues.
- In this work, the co-Chairs will be supported by the WP EFF secretariat in all phases of preparation, in close coordination with the government and the Lead donor in the country.
- Critical interlocutors should be identified upfront and systematically met by the co-Chair(s), including, as much as possible, non traditional donors, even on a bilateral basis.

Members of the **Development Assistance Committee, and its chair, also have an important role to play** in the delivery of the Focus country process. In particular, DAC members can pre-alert their colleagues working in countries and make sure they are aware of the WP EFF ways of functioning and comparative advantage in order to avoid misunderstanding. They also may wish to support the dialogues to identify challenges and opportunities of implementing the Paris Declaration commitments as well as the technical discussions, where relevant. This will ensure better understanding of the challenges at country level, and at times some inconsistent messaging between headquarters and the field.