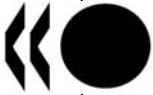


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Organisation de Coopération et de Développement Economiques
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**DEVELOPMENT CO-OPERATION DIRECTORATE
DEVELOPMENT ASSISTANCE COMMITTEE**

**DCD/DAC/EFF/A(2004)13
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Working Party on Aid Effectiveness and Donor Practices

**DRAFT ANNOTATED AGENDA FOR THE FOURTH MEETING OF THE JOINT VENTURE ON
PUBLIC FINANCIAL MANAGEMENT**

**To be held on 17 November 2004 (9h00 — 18h00) and 18 November 2004 (9h00 — 13h00)
at the World Bank Office, Paris.**

Contact: Mr. Simon Mizrahi (simon.mizrahi@oecd.org) Tel. +33-1 45 24 78 41

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DAC WORKING PARTY ON AID EFFECTIVENESS AND DONOR PRACTICES

JOINT VENTURE ON PUBLIC FINANCIAL MANAGEMENT

DRAFT ANNOTATED AGENDA OF THE FOURTH MEETING

To be held on 17 November 2004 (9h00 — 18h00) and 18 November 2004 (9h00 — 13h00) at the
World Bank Office, 66 avenue d'Iéna, Paris 16ème

Agenda Item	Documents
1. Adoption of the agenda and summary of the last meeting	DCD/DAC/EFF/A(2004)13 DCD/DAC/EFF/M(2004)10/PROV
2. Preparations for the 2 nd High Level Forum on Aid Effectiveness	DCD/DAC/EFF/(2004)18 DCD/DAC/EFF/(2004)20
3. Good practice paper on budget support	DCD/DAC/EFF/(2004)21
4. Good practice paper on capacity development in PFM	DCD/DAC/EFF/(2004)22 Room Document 1 DCD/DAC/EFF/(2004)15
5. Good practice paper on predictability	DCD/DAC/EFF(2004)23 Room Document 2
6. Towards a strengthened approach to supporting PFM reforms	DCD/DAC/EFF(2004)25
7. Accounting for development and humanitarian assistance	Room Document 3
8. Next steps on combining the good practice papers into a single DAC Reference Document	DCD/DAC/EFF(2004)24
9. Other business and next steps	

ANNOTATIONS

Item 1: Adoption of the Agenda and Summary of the last meeting

1. Members will be invited to adopt the agenda [DCD/DAC/EFF/A(2004)13] and the summary of the last meeting held on 8-9 July 2004 [DCD/DAC/EFF/M(2004)10/PROV]

Item 2: Preparations for the 2nd High Level Forum on Aid Effectiveness

a) Issues Paper: Framework for an HLF 2 Declaration and Agenda for Action

2. In preparation for the Second High Level Forum on Aid Effectiveness (HLF-2), the Issues Paper is intended to facilitate discussion on the possible key elements of an HLF-2 Declaration [DCD/DAC/EFF(2004)18] Members are invited to provide comments and to suggest additional or alternative actions which might be undertaken particularly in the area of public financial management. It is hoped that discussions will lead to identifying a core set of strengthened and more specific commitments, and possibly time-bound targets (with relevant indicators) to further improve aid effectiveness.

3. Suggestions received from all the regional workshops, the WP-EFF subgroups, the WP-EFF plenary (19 November), the DAC (22 November) will be combined into a revised paper to be submitted for discussion at the DAC Senior Level Meeting (8 December). It is expected that the process of consultation will continue beyond the SLM with the objective of reaching consensus by the time of the Paris High Level Forum (28 February-2 March 2005).

b) Progress Report on Aid Effectiveness

4. The HLF2 Report provides an overview of what has been accomplished since Rome both in terms of progress towards harmonisation and alignment at country level and also achievements in collecting good practice and providing guidance in areas such as public financial management, procurement and managing for development results [DCD/DAC/EFF(2004)20]. The Report also looks forward to additional steps and action on the ground that need to be taken in the years ahead, thus helping to pave the way for the Declaration.

5. Members are invited to share their views on the Report and provide inputs particularly in the area of public financial management, building on the work of the Joint Venture. Written comments by e-mail ahead of the meeting would likewise be much appreciated. The Report will be revised and submitted to the DAC SLM for discussion with a view to publishing a final version for the Paris High-Level Forum.

Item 3: Good practice paper on budget support

6. The European Commission (EC) in close collaboration with the World Bank and IMF was charged by the Joint Venture with elaborating a good practice paper on the provision of budget support. Following comments made at the last meeting in July, the EC will present the latest version of the draft [DCD/DAC/EFF(2004)21].

Item 4: Good practice paper on capacity development in PFM

7. Following the last meeting, Germany and the World Bank have elaborated jointly a good practice paper on capacity development in the area of public financial management [DCD/DAC/EFF(2004)22]. Germany will present the latest version of the paper drawing from the findings of the workshop they hosted in Bonn on 14-15 September 2004 on capacity development.

8. In close connection to this exercise, the DAC network on Governance (GOVNET) and the WP-EFF Joint Venture on Procurement are also elaborating good practice papers on capacity development. While the paper developed by GOVNET's task team focuses on capacity as a crosscutting issue and key driver of development effectiveness [Room Document 1], the work on Procurement looks at how donors can best support partner country efforts to develop national procurement systems [DCD/DAC/EFF(2004)15]. Representatives from these two groups will update members on progress underway in these areas with a view to identifying possible synergies.

Item 5: Good practice paper on predictability

9. The UK Department for International Development (DfID) was charged by the Joint Venture with elaborating a good practice paper on predictability and accountability of aid flows. Following comments made at the last meeting in July, the UK will present the latest version of the draft [DCD/DAC/EFF(2004)23]. In this connection, DfID commissioned a companion study on increasing the predictability of aid flows [Room Document 2].

Item 6: Towards a strengthened approach to supporting PFM reforms

10. The Public Expenditure and Financial Accountability programme (PEFA), has been elaborating, in close connection with the Joint Venture, a strengthened approach to supporting PFM reforms [DCD/DAC/EFF(2004)25]. At the last meeting in July, it was agreed that this conceptual work would underpin the good practice papers elaborated by the Joint Venture. Nicola Smithers (PEFA) will present the latest version of an integrated approach.

Item 7: Accounting for development and humanitarian assistance

11. The Public Sector Committee of the International Federation of Accountants (IFAC-PSC) will update members on progress accomplished in the development of accounting standards [Room Document 3].

Item 8: Next steps on combining the good practice papers into a single DAC Reference Document

12. Given the strong linkages between the good practice papers produced by the Joint Venture and the need to avoid overlap and duplication, it is suggested that the Joint Venture consider combining the current set of papers into a single DAC Reference Document covering the following topics:

- Budget Support (good practice paper).
- Capacity Development in PFM (good practice paper).
- Predictability and notification of aid flows (good practice paper).
- Performance framework in PFM (status to be determined).
- IFAC accounting standards (status to be determined).

13. In addition to these papers, members' guidance is sought on the value of incorporating a good practice paper on providing support to sector programmes [DCD/DAC/EFF(2004)24]. This paper was elaborated under the aegis of the Task Team on Harmonisation and Alignment and will be discussed at their meeting on 15-16 November 2004. It is also submitted to the Joint Venture in this context.

14. Finally, at the last meeting of the Joint Venture it was agreed that a brief framework chapter (chapeau) would clarify the inter-linkages between the topics presented above and the respective good practice papers. The OECD Secretariat will present some specific proposals for discussion.

Item 7: Links with Other Processes and Next Steps

15. The Joint Venture will decide on appropriate next steps that will support advancement of its work programme. This includes the proposal to organise within the Working Party on Aid Effectiveness a special session devoted to the various volumes of good practice papers currently being elaborated by the various subgroups of the Working Party in January 2005.