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English - Or. English

DEVELOPMENT CO-OPERATION DIRECTORATE
DEVELOPMENT ASSISTANCE COMMITTEE

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DAC Network on Poverty Reduction

POVNET's 2011-12 Programme of Work and Budget

Templates

23-24 (a.m.) March 2010, OECD, Paris

This document is for DISCUSSION under Item V of the agenda for the meeting of the DAC Network on Poverty Reduction (POVNET) [DCD/DAC/POVNET/A(2010)2]

This document contains the Templates for POVNET's Programme of Work and Budget 2011-2012:

Part I: Templates proposed for adoption, included in the Budget

Part II: Templates for information, not included in the PWB

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English - Or. English

PART I: TEMPLATES PROPOSED FOR ADOPTION, INCLUDED IN THE BUDGET

GREEN GROWTH AND POVERTY REDUCTION

1. Theme and Responsible entity

This theme is situated in the Economic Growth and Policies, but there are clear synergies with the Climate Change and Environmental Sustainability pillar.

The responsible entity is DAC/POVNET, in close collaboration with ENVIRONET

2. Outputs. Please indicate after each output (new work) or (on-going work).

The ‘development dimension’ in the OECD Green Growth strategy needs to be more fully conceptualised and articulated, particularly in respect of poor developing countries and poor women and men. The focus of the work proposed remains on economic growth and poverty reduction, but with a perspective of greening that growth in ways that still, and effectively, promote sustainable long term poverty reduction. This work therefore expands the notion of pro-poor growth as developed in Povnet and refines it to address the additional challenges of environmentally sustainable growth for long term poverty reduction. The work therefore complements proposed work by Environet (looking at natural resources, low carbon growth paths and climate resilient growth) by addressing the political economy, institutional frameworks and incentives structures concerning the policy choices faced by poor countries and their implications for the livelihood decisions of poor women and men.

The final output will be donor guidance on how best to help partner countries embrace the green growth agenda in ways that support poverty reduction. Intermediate outputs will include (i) Bringing in the perspectives of the global South (governments, business, civil society, research) on the questions of the compatibility between green growth and poverty reduction strategies, the design and decisions on policies and incentives, and on opportunities to embrace green growth; (ii) assessing positive and negative impacts of green growth scenarios on poverty reduction and better management of policy trade-offs; (iii) assessing changes needed in sector support in areas such as agriculture and infrastructure to make these more supportive of greening pro-poor growth strategies. Collectively, DAC work should strengthen the development dimension of the OECD Green Growth strategy and its subsequent implementation phase.

This is a new area of work for Povnet, but builds on earlier work on Pro-poor Growth, including that on agriculture and private sector development.

3. Please describe the proposal in a way that is succinct and self-explanatory.

Work will apply POVNET work on managing trade-offs in pro-poor growth and its application at sectoral levels (e.g. agriculture) to investigate the likely positive and negative impacts of green growth strategies in developing countries, often dependent on environment sensitive livelihoods. Work will investigate what greening growth implies for the pro-poor nature of growth (pace and pattern), its impact on the livelihoods and fragility of the poor and on poverty reduction, and what this implies for effective donor support. The work will engage with corporate/business green growth strategies as well as support efforts with other policy communities to show how OECD and DAC can help, e.g. by promoting more/better green growth technology transfer and assistance. This work is complementary and additional to that proposed by ENVIRONET on “supporting developing countries to pro-poor green growth”.

4. How does this link to the following?

Reflection Exercise: The food security connection (jeopardised by climate change and where pro-poor growth is essential to improve affordability) responds to DAC interests to integrate GPG and PCF dimensions into work and the need to use aid to mobilise other resources (both public and private) as the DAC evolves from a focus on ‘development co-operation’ to ‘development’.

Policy Directors’ Meeting results: Combines the pillars of Economic Growth and Policies and Climate Change and Environmental Sustainability

Programme Implementation Report rating: POVNET work on pro—poor growth rated ‘high’ on quality (3.7) and ‘medium/high’ on impact (3.32).

5. Accountability: How are you ensuring Member application of guidance/guidelines in your area?

The 2013/14 biennium will see a deepening of 2011/12 work in areas such as managing trade-offs and application to specific sectors. That biennium will also focus on the operationalisation of the 2011/12 work through the development a communications and dissemination strategy to engage all stakeholders in the debate and through monitoring the take up and relevance of policy guidance through self assessment and regular reporting back to POVNET.

List of Guidance/Guidelines relevant to your area Pro-poor Growth (and sectoral reports) OECD 2006-09)

When are you monitoring the application of each of the above (on going, 2011-12, or 2013-14)? Ongoing

6. Why is the DAC the most appropriate forum to undertake this work (i.e. what is its comparative advantage?)

The Council has identified the DAC as the appropriate forum to co-ordinate donor approaches to green growth. The DAC comparative advantage lies also in developing policy synergies across its pro-poor growth and climate change agendas together with integrating policy perspectives from other areas such as environment, investment, agriculture, etc.

7. Please describe the way in which the output(s) is expected to contribute to Member behavioural change and ultimately results in our partner countries?

The main end users will be policy makers and practitioners in donors and developing countries. DAC will be able to build on its extensive knowledge and legitimacy to provide timely guidance and practical advice in realistic ways, e.g. by including partner country perspectives, by approaches to managing trade-offs and by appropriate incentives frameworks. The work will contribute to behaviour change by promoting the perspective that pro-poor economic growth is still critical for poverty reduction, but that we need to develop and implement strategies greening that growth.

8. Please explain whether this joint work with other DAC subsidiary bodies (There must be an agreement at least among the Secretariat staff).

The work will involve close co-operation between POVNET, ENVIRONET and GENDERNET.

9. Please explain whether this joint work with the Development Cluster or other OECD policy communities (There must be an agreement at least among the Secretariat staff). Will the other units/directorates financially contribute to this joint work? If so, how much (provisionally)?

It will be important to involve EPOC and other policy committees active in the OECD’s green growth agenda (e.g. agriculture, investment).

10. Inclusiveness: Who are the other stakeholders (e.g. international organisations, civil society, partner countries) who will be participating in this work and what are their roles?

UNEP, UNDP, World Bank, WTO, South Centre, Network-IDEAS, IIED, WRI. Together with developing country stakeholders, the involvement of these organisations will seek to build a more shared view of the agenda on greening growth.

11. Is this linked to Policy Coherence for Development. If so, please explain?

There are important PCD issues stemming from possible trade-offs within and between countries in relation to growth versus green growth and in relation to growth versus pro-poor growth, with the resulting dangers that different interest groups and different political economy perspectives promote quite different agendas with significantly different impacts on long term poverty reduction. Proposed work will address these very important political economy perspectives, currently underemphasised in present work.

12. Is this linked to Global Public Goods? If so, please explain

To the extent we are better able to pursue strategies greening pro-poor growth, this will contribute to achieving more sustainable poverty reduction, which will be a major global public good.

13. Direct Budget Cost for 2011-12 (excluding central overhead cost).

TOTAL: EUR 517,000

PART I: TEMPLATES PROPOSED FOR ADOPTION, INCLUDED IN THE BUDGET

GLOBAL FOOD SECURITY

1. Theme and Responsible entity

The Global Food Security theme is situated in the Economic Growth and Policies pillar. The work will be conducted under the responsibility of DAC/POVNET in close collaboration with other OECD Directorates and Committees (agriculture, trade, investment, environment, etc.) and International Organisations (FAO, UN HLTF, IFPRI, etc.)

2. Outputs. Please indicate after each output (new work) or (on-going work).

The final output will be a progress report on donor policy adaptation of donors for a more effective support for agriculture and food security. This will build on earlier DAC/POVNET work, particularly on Pro-Poor Growth and Agriculture, but also on Employment, Social Protection and the current Empowerment work stream. The intermediate outputs will include (i) A monitoring and accountability report on tracking L'Aquila pledges on agriculture/food security; (ii) donor dialogue and debates on effective support for investment in agriculture and food security, including on public-private investment opportunities and relevant instruments (e.g. insurance instruments); and (iii) a report on operationalising the Paris Declaration principles/AAA for a more effective delivery and strategic co-ordination of support to agriculture/food security, which is a particularly complex development area.

3. Please describe the proposal in a way that is succinct and self-explanatory.

The work will contribute to the overall OECD objective of a stronger, cleaner and fairer world economy with a strong PCD component on the road to Seoul 2011:

i) Tracking L'Aquila pledges for agriculture/food security

There is high political momentum to support food security, underlined by donor pledges totalling \$22 billion at the 2009 L'Aquila G8 for agriculture and food security. The L'Aquila Food Security Initiative has mandated OECD/DAC to track these pledges and to produce an accountability report by end 2011. This implies a considerable effort to mobilise and track the total amounts pledged, to identify how much of these represent 'new' money and to identify the types of activities being supported. Building on this, a policy discussion note will seek to build shared views on the main components of food security in order to support better co-ordination among donors.

ii) Donor dialogue and debates on effective support for investment in agriculture and food security, including on public-private investment opportunities: With the outlook for more public support for agriculture (by developing countries and donors), it is essential to build the public and private capacities needed to strengthen framework conditions and develop and implement comprehensive and 'bankable' agriculture and food security strategies. It is critical to identify and tackle the barriers that result in significant underinvestment and low productivity in agriculture in poor developing countries and to strengthen the contribution of agriculture to pro-poor growth and income generation to make food more available and affordable. Aid alone cannot respond to the massive investment needed to improve global food security. Aid thus needs to leverage private investment, to increase the productivity and profitability of smallholder agriculture, to promote better PPPs and to help build social protection floors to ensure food is available, accessible and affordable. Fostering the dialogue between aid agencies with the private sector, civil society and partner countries will identify entry points to support the framework conditions and clarify the role of the public and private sectors for responsible investment in agriculture and food security.

iii) Report on examples for how to operationalise the Paris Declaration principle/AAAs for a more effective delivery of support to agriculture/food security: Delivering aid for agriculture/food security according to Paris Declaration Principles/AAA needs to take into account the specificities of this activity: agriculture in poor developing countries is a private sector activity, mainly done in the informal economy and with a strong female participation. Donors need much stronger co-ordination around and support for sound and comprehensive national agriculture/food security strategies to replace the often ad hoc and fragmented approaches characterising present support, at both bilateral and multilateral levels. Coordination of support to agriculture at all levels (global, regional, national) needs to be strengthened and effective donor engagement clarified to enhance the effectiveness of ODA investment in agriculture and food security.

4. How does this link to the following?

Reflection Exercise: The food security theme responds to DAC interests to integrate GPG and PCF dimensions into work and the need to use aid to mobilise other resources (both public and private) as the DAC evolves from a focus on ‘aid’ to ‘development’.

Policy Directors’ Meeting results: Task Team 1. Pillar 1: Economic Growth and Policies

Programme Implementation Report rating: POVNET work on pro—poor growth rated ‘high’ on quality (3.7) and ‘medium/high’ on impact (3.32).

5. Accountability: How are you ensuring Member application of guidance/guidelines in your area?

The relevant dimensions in the suggested work cover POVNET’s pro-poor growth and agriculture, the L’Aquila tracking exercise (baseline) and the PD/AAA. All outputs are monitoring exercises that will contextualise the available policy guidance and recommend particularities for more effective implementation. In particular, tracking the L’Aquila commitments is a component of the broader G8 accountability exercise. The 2011/12 work areas will be continued and intensified in the following biennium, with particular attention to operationalising the policy guidance and getting feedback from clients (donors, developing countries, the private sector) on how to improve it. Efforts to mobilise and effectively spend ODA for food security will continue in close co-operation with other relevant policy areas, including agriculture, trade, environment, investment and innovation in order to support global strategies and partnerships.

6. Why is the DAC the most appropriate forum to undertake this work (i.e. what is its comparative advantage?)

Global food security is a topic that links the OECD community with the developing countries, where efforts from both OECD countries as well as developing countries are needed. Only in the OECD can donors and agriculture policy communities (and others e.g. trade, innovation, environment, investment) get together to identify common strategies. The DAC has already a strong and recognised position in this work, related i.e. to earlier and well received work on agriculture and pro-poor growth but also as OECD/DAC is seen as a key participant at the global level (e.g. members of the UN HLTF and our mandate to track L’Aquila commitments). The DAC can similarly continue its OECD role of bringing together the relevant policy communities to strengthen policy coherence related to promoting global food security.

7. Please describe the way in which the output(s) is expected to contribute to Member behavioural change and ultimately results in our partner countries?

The outputs are of high relevance to both donors (policy and operational levels) and partner countries in implementing the Accra Agenda for Action. The work will focus on a highly complex economic sector that needs a knowledge intensive dialogue with investment stakeholders (farmers, private sector enterprises, donors and governments). Work will link field experience with policy guidance from HQ. Donors and their partners need a considerable step change of they are to support food security more effectively and proposed work will help them in identifying priorities and provide guidance on spending expectedly higher volumes of aid for food security more effectively and sustainably.

8. Please explain whether this joint work with other DAC subsidiary bodies (There must be an agreement at least among the Secretariat staff).

The proposed work requires constant and broad-based interaction, e.g. with GENDERNET because agriculture is the main source of income for women, with ENVIRONET to enhance food security and agriculture in the climate change discussions and with WP/STAT on statistical/tracking issues. Specific outputs will include joint ventures, e.g. with WP-EFF for donor coordination and PPPs and with WP-STAT on tracking food security.

9. Please explain whether this joint work with the Development Cluster or other OECD policy communities (There must be an agreement at least among the Secretariat staff). Will the other units/directorates financially contribute to this joint work? If so, how much (provisionally)?

DCD work will be implemented as a de facto joint programme with TAD/CoAg and in ways that link up with other directorates, such as ENV, DAF and DSTI and their respective policy committees. In this way, we will build new OECD networks and enhance external co-operation.

10. Inclusiveness: Who are the other stakeholders (e.g. international organisations, civil society, partner countries) who will be participating in this work and what are their roles?

The work is of direct relevance for the UN-HLTF on the Global Food Security Crises and the G8/G20 on-going accountability reporting and future agenda setting. Partner countries, regional farmer platforms, but also agribusiness will be involved in a regular or ad-hoc basis. The work will be undertaken in close liaison with other relevant organisations including FAO, World Bank, IFPRI and the Global Donor Platform in order to ensure a strong and complementary contribution to the global partnership.

11. Is this linked to Policy Coherence for Development. If so, please explain?

Global Food Security is a horizontal theme in the OECD. Agriculture is explicitly mentioned as a PCD theme, with key policy linkages in areas such as trade, OECD agriculture policies and markets, innovation and intellectual property rights and environment/climate change.

12. Is this linked to Global Public Goods? If so, please explain

Global Food Security has important elements of a GPG, connected to feeding the world in 2015 and avoiding the negative collateral from food insecurity such as pressures on conflict, migration and health/disease.

13. Direct Budget Cost for 2011-12 (excluding central overhead cost).

TOTAL: EUR 746,000

PART I: TEMPLATES PROPOSED FOR ADOPTION, INCLUDED IN THE BUDGET

PROMOTING A GLOBAL SOCIAL PROTECTION FLOOR

1. Theme and Responsible entity

The global social protection floor theme is situated in the Economic Growth and Policies pillar, but has links to the Global Development Governance pillar. The work will be conducted under the responsibility of DAC/POVNET and should be of relevance to GENDERNET, INCAF and DELSA.

2. Outputs. Please indicate after each output (new work) or (on-going work).

The final output will be a report on why this area is central to equitable global development, poverty reduction, pro-poor growth and to longer term strategies of developing countries to recover from the global economic crisis and to lessen the impact of future shocks. The report will show why a global approach would be advantageous. Intermediate outputs will include (i) a stocktaking of initiative and lessons learned and (ii) advocacy to promote greater donor engagement in this area.

This work is new. It will be developed on the basis of earlier POVNET work on social protection and pro-poor growth (2007-08) and work in the current biennium to better measure the amount of ODA supporting social protection.

3. Please describe the proposal in a way that is succinct and self-explanatory.

Food, fuel, financial and economic crises highlight the fragility of poor people's livelihoods and their vulnerability to shocks and hold back progress towards the MDGs. Urgent attention is required on the social impacts of the current crisis and the ongoing vulnerabilities that have contributed to them, but there are many competing demands on scarce resources and capacities. The work would set out how donors can best support partner countries to define and build – through coherent inter-sectoral cooperation – more permanent and sustainable national and global systems that protect a minimum level of access to essential services and income security and which help poor people to better withstand future shocks.

The work would take as its starting point the UN 'Social Protection Floor' initiative, and build on recent Povnet work on the importance of social protection for pro-poor growth. Its value added will be to engage bilateral donors on this issue, which contains global public goods dimensions (e.g. aggregate demand stabilization, conflict reduction, equitable development, disaster risk reduction) and which needs strong policy co-ordination and coherence if efforts are to be effective. Work would look at what is needed to define and secure a minimum level of rights, income and services (in areas such as health, housing, water and sanitation, food and nutrition, etc.) and how to maximise access to these. Work would investigate how to build on existing (but generally inadequate) systems of protection and provision, how to help people and nations save for and pool resources for managing social risks, how to avoid longer term dependency and how to ensure predictable funding, nationally and globally. This discussion connects to that on innovative sources of financing for development and what can be taken from it to support more credible and sustainable financing commitments.

4. How does this link to the following?

Reflection Exercise:

Policy Directors' Meeting results:

Programme Implementation Report rating:

Medium Term Orientation survey:

Others

No input as this is a *new* theme.

5. Accountability: How are you ensuring Member application of guidance/guidelines in your area?

List of Guidance/Guidelines relevant to your area: Promoting pro-poor growth – Social protection (OECD, 2009).

When are you monitoring the application of each of the above (on going, 2011-12, or 2013-14)?

Other comments on accountability – The work plan will include developing a plan to assess take up by partner countries and how donors have been responding to advocacy (in 2013/14). It will also contribute to the regular “show and tell” events organised by the World Bank and response to the ‘call for action’ in the Livingston Declaration.

6. Why is the DAC the most appropriate forum to undertake this work (i.e. what is its comparative advantage?)

This work is closely related to the DAC objective of achieving the MDGs by 2015. The gap to fill and the task ahead is to analyse initiatives taken, to share best practices and raise awareness among bilateral donors of the importance of this theme and the need to more actively support related programmes in-country. It is an issue being discussed in the lead up to the MDG 2010 review and the post 2015 discussion. This work can only be done in the DAC. Successful efforts from the poorest partner countries will be predicated on the ability of bilateral donors to co-ordinate support in coherent ways (i.e. in support of overall partner country programmes, more so than on individual elements.)

7. Please describe the way in which the output(s) is expected to contribute to Member behavioural change and ultimately results in our partner countries?

The advocacy work, together with a synthesis of lessons learned, is intended to strengthen and expand dialogue among donors, developing countries and international organisations on the value and best practices of this approach to poverty reduction and how to go about implementing it in practical and sequenced ways.

8. Please explain whether this joint work with other DAC subsidiary bodies (There must be an agreement at least among the Secretariat staff).

While the work will be undertaken in Povnet, it should be of interest to other DAC subsidiary bodies such as Gendernet (related to the role of women and empowerment) and INCAF (in respect of application to fragile states).

9. Please explain whether this joint work with the Development Cluster or other OECD policy communities (There must be an agreement at least among the Secretariat staff). Will the other units/directorates financially contribute to this joint work? If so, how much (provisionally)?

This is not foreseen for the time being as joint work with other parts of the Development Cluster (no obvious PWB connections) or OECD policy communities (although we will try to explore possible links with DELSA).

10. Inclusiveness: Who are the other stakeholders (e.g. international organisations, civil society, partner countries) who will be participating in this work and what are their roles?

International organisations (particularly the UN and Development Banks) partner country governments and civil society will be key stakeholders

11. Is this linked to Policy Coherence for Development. If so, please explain?

Coherent inter-sectoral co-operation across relevant developing country Ministries and with donors collectively is fundamental to building effective and substantial national systems in this area. There are always competing demands on limited resources, even more so now in the global recession, but a more coherent policy packaging of short term essentials with longer term exit strategies is paramount to making progress, rather than leaving social protection initiatives ‘to a better day’.

12. Is this linked to Global Public Goods? If so, please explain

Reducing abject and longstanding poverty in developing countries is a global public good (with many positive externalities related to e.g. migration, conflict, health etc). Social protection, itself, is a public good, but one which is severely underprovided as donors and partner governments are often reluctant to engage in financially supporting social protection systems as, in the political debate, shorter term fiscal costs frequently outweigh the longer term and less understood social and economic benefits.

13. Direct Budget Cost for 2011-12 (*excluding central overhead cost*).

TOTAL: EUR 322,000

PART II: TEMPLATES FOR INFORMATION, NOT INCLUDED IN THE PWB

LEVERAGING INVESTMENT FOR INFRASTRUCTURE WITH AID

1. Theme and responsible entity

The theme of Leveraging investment for infrastructure with aid (AfI) is situated in the Economic Growth and Policies pillar, but is also related to Aid Effectiveness and Global Development Governance. It is conducted as a joint project by DAC and the Investment Committee within the framework of the NEPAD-OECD Africa Investment Initiative.

2. Outputs. Please indicate after each output (new work) or (on-going work).

Final output result: Enhanced empirical basis and improved effectiveness of ODA programs aimed to leverage ODA towards better development results. Strengthened partnerships among various providers of development cooperation and development partners are also expected.

Intermediate outputs:

- Case studies on how ODA has been used to strengthen countries' policy design and institutional frameworks for infrastructure investment, and dialogue among key stakeholders involved in infrastructure development in Africa;
- Analysis of the impact of PPPs in infrastructure on economic and social progress, including on expanding access to economic opportunities for vulnerable groups
- Operational guidance on how to implement existing relevant DAC and Investment Committee guidelines (i.e. OECD Principles for Private Sector Participation in Infrastructure; Pro-poor Growth – Infrastructure; Promoting private investment for development – the role of ODA);
- Enhanced partnership with African partners and other providers of development cooperation including the private sector.

3. Please describe the proposal in a way that is succinct and self-explanatory.

The proposed programme is to be undertaken jointly by the DAC and the Investment Committee and executed within the framework of the NEPAD-OECD Africa Investment Initiative in partnership with NEPAD, the AfDB and other organisations. The project would be a vehicle to analyse and evaluate the role of ODA in boosting both physical infrastructure and the policy environment that catalyses private investment and other non-ODA resources for the development of the infrastructure and the extent this contributes to pro-poor growth. The work will apply existing guidance to the realities and political economy of infrastructure investment in developing countries and identify ways to get feedback on its usefulness and take up.

4. How does this link to the following?

Reflection Exercise: An important element of the work will be to identify and promote realistic and effective ways by which ODA can effectively leverage other financial resources for development.

Policy Directors' Meeting results: *This project is the concrete response to the topic "Investment, including economic infrastructure development in cooperation with the NEPAD-OECD Investment Initiative" resulting from the Policy Directors meeting.*

Programme Implementation Report rating: *(please describe clearly)N/A*

Medium Term Orientation survey:*N/A*

Others *N/A*

5. Accountability: How are you ensuring Member application of guidance/guidelines in your area?

One of the goals of the DAC is to assist member countries to make their aid more effective through peer learning. The work will allow stocktaking on the part of donors and other key stakeholders of how ODA is being deployed for the policy design that supports private investment in infrastructure, and how donor-partner country interaction is undertaken. The results will allow DAC and Investment Committee members to learn from each other in a spirit of accountability and transparency.

6. Why is the DAC the most appropriate forum to undertake this work (i.e. what is its comparative advantage?)

This work provides a concrete opportunity for DAC members to explore ways to leverage the use of ODA to improve development outcomes. Investment and Infrastructure are obvious areas where aid can play a catalyst role in regard to private financial flows. Through this project, the DAC, together with African countries, can reflect on how aid can be used more effectively towards development outcomes.

This project can be a tool for DAC member countries to enhance partnership with African countries, from whom there is an evident demand but also with a growing number of other development finance” providers including China and private investors, who assist African countries through investment and infrastructure. The DAC is a unique place to conduct such dialogue, with strong convening power.

The work will test the practical relevance of principles developed earlier in OECD (DAC and Investment Committee) and these are thus the appropriate bodies to oversee this work and learn from the case studies and experience sharing.

7. Please describe the way in which the output(s) is expected to contribute to Member behavioural change and ultimately results in our partner countries?

This work will bring together perspectives and principles of the two policy committees in operational ways. It will permit more coherent and effective approaches to help developing countries tackle their serious infrastructure deficit and its negative impact on the growth and poverty reduction outlook. Work will include a focus on the often forgotten dimension of ‘soft infrastructure’ (e.g. management capacity, maintenance systems, improving investment policy to catalyse private sector investment), hopefully encouraging more donors to be active also in this area. The results will serve as the basis for practical engagement with NEPAD and for peer dialogue at the Initiative’s annual high-level meetings. It will also seek to influence other fora, including the Infrastructure Consortium for Africa – and to encourage donors to give more consideration to ODA’s multiplier effects and development effectiveness.

8. Please explain whether this joint work with other DAC subsidiary bodies (There must be an agreement at least among the Secretariat staff).

This work will provide a useful input to Aid for Trade as its main theme concerns how aid for infrastructure which comprise more than half the amount of Aid for Trade can become more effective when complemented by ‘soft infrastructure.’ It also requires close cooperation with POVNET and its pro-poor growth objectives. The work will be of evident interest to the WP/EFF (applying Paris Declaration principles and AAA to the field of infrastructure for more effective uses and delivery of aid. The focus on boosting capacity and policy design in African countries should attract GOVNET interest. Furthermore, the results may be of interest to China, one of the largest donors to African infrastructure and who recognises the need for soft infrastructure; therefore, the project could also build on the findings of the work of the China-DAC Study Group in relation to its work on infrastructure.

9. Please explain whether this joint work with the Development Cluster or other OECD policy communities (There must be an agreement at least among the Secretariat staff). Will the other units/directorates financially contribute to this joint work? If so, how much (provisionally)?

The work will be a joint initiative of the DAC and the Investment Committee.

10. Inclusiveness: Who are the other stakeholders (e.g. international organisations, civil society, partner countries) who will be participating in this work and what are their roles?

Other important stakeholders include the members of the Initiative, African governments and the private sector and possibly other providers of development finance who assist African countries in Investment and Infrastructure.

11. Is this linked to Policy Coherence for Development. If so, please explain?

The work programme will promote policy coherence by strengthening the development dimension of work to promote infrastructure in Africa. It will present developing countries, investors and donors with the opportunity to mobilise and deliver around country priorities.

12. Is this linked to Global Public Goods? If so, please explain

One of the keys to developing Africa's infrastructure is to develop better coordination and harmonisation of policy frameworks at regional level. Infrastructure has thus important regional public goods dimensions and thus needs greater regional co-operation. In light of the expected impacts of climate and African growth models, there is a need to better equip African countries to change their infrastructure designs to make them more suitable to these challenges. Investing in renewable energy and developing policy frameworks for this area, for example, are good approaches that need donor support.

13. Direct Budget Cost for 2011-12 (excluding central overhead cost).

PART II: TEMPLATES FOR INFORMATION, NOT INCLUDED IN THE PWB

PROMOTING PRIVATE SECTOR DEVELOPMENT AND EMPLOYMENT IN FRAGILE STATES

1. Theme and Responsible entity

Themes: Joint pillars of Economic Growth and Policies and Conflict and Fragility

Responsible entity: DAC/POVNET and DAC/INCAF

2. Outputs. Please indicate after each output (new work) or (on-going work).

Final output result: Practical guidance, based on lessons of experience, on how donors can best support private sector development and employment in fragile states.

Intermediate outputs: i) Identify where donors can support the minimum framework conditions needed for the private sector to function and the main non-government sources of employment generation; ii) Assess how to engage with the private sector when state institutions are weak, not functioning or non-existent; and iii) Identify required modifications to 'traditional' means and innovative approaches to kick start private sector development and employment generation in fragile states.

3. Please describe the proposal in a way that is succinct and self-explanatory.

Private sector development and employment (productive employment and decent work) are critical avenues for economic growth and poverty reduction. Real and sustainable progress is difficult in general, but much more so in fragile states. At the same time, progress in fragile states is even more essential as the uneven distribution of power and benefits is at the root of the problem. Credible approaches are badly needed to help states rehabilitate themselves and their societies towards peace-time prosperity and socially just welfare. This work will therefore develop operational synergies between recent POVNET work on pro-poor growth (including private sector development, agriculture and employment) and INCAF work on fragile states concerning Good International Engagement in Fragile States.

4. How does this link to the following?

Private sector development and employment (productive employment and decent work) are critical avenues for economic growth and poverty reduction. Real and sustainable progress is difficult in general, but much more so in fragile states. At the same time, progress in fragile states is even more essential as the uneven distribution of power and benefits is at the root of the problem. Credible approaches are badly needed to help states rehabilitate themselves and their societies towards peace-time prosperity and socially just welfare. This work will therefore develop operational synergies between recent POVNET work on pro-poor growth (including private sector development, agriculture and employment) and INCAF work on fragile states concerning Good International Engagement in Fragile States.

5. Accountability: How are you ensuring Member application of guidance/guidelines in your area?

During the second biennium (2013-14), take up of the proposed practical guidance can be monitored through self assessments and reporting back at POVNET and INCAF meetings and independent verification through external evaluations, including joint evaluations at the country level.

6. Why is the DAC the most appropriate forum to undertake this work (i.e. what is its comparative advantage?)

The DAC's comparative advantage is its ability to exploit synergies between POVNET work on growth, private sector development and employment and INCAF work on good international engagement in fragile states. The DAC also has a demonstrated ability to advocate and provide operational guidance.

7. Please describe the way in which the output(s) is expected to contribute to Member behavioural change and ultimately results in our partner countries?

Policy makers and practitioners in fragile states and DAC members/other donors are the expected end users. The expected impact is stronger, more sustained and more inclusive growth in fragile states and thus a contribution to them becoming more functional states.

8. Please explain whether this joint work with other DAC subsidiary bodies (There must be an agreement at least among the Secretariat staff).

The work will be pursued jointly by POVNET and INCAF, with strong involvement from GENDERNET.

9. Please explain whether this joint work with the Development Cluster or other OECD policy communities (There must be an agreement at least among the Secretariat staff). Will the other units/directorates financially contribute to this joint work? If so, how much (provisionally)?

It will be important to bring in other OECD policy communities including the Investment Committee (through their work on investment in weak governance zones) and the Committee on Enterprise, SME and Local Development (CFE).

10. Inclusiveness: Who are the other stakeholders (e.g. international organisations, civil society, partner countries) who will be participating in this work and what are their roles?

This work will bring in the DAC Observers (World Bank and UNDP) as well as other donor co-ordination groups including the Donor Committee on Enterprise Development.

11. Is this linked to Policy Coherence for Development. If so, please explain?

In all contexts, effective private sector development requires coherence across a range of policy domains, from health and education, to governance, to trade and investment policies.

12. Is this linked to Global Public Goods? If so, please explain

Problems arising because of fragile states result in important negative externalities beyond their borders. Progress can only be made towards the global public goods of peace and security, control of infectious diseases, an accessible and an equitable international trading system if fragile states are developing and becoming more functional states.

13. Direct Budget Cost for 2011-12 (excluding central overhead cost).