



CLUB DU SAHEL

Aid Reform

A REVIEW OF AID:

CO-ORDINATION MECHANISMS

Drafted by Mr. Simon Mizrahi, Consultant of the Club du Sahel.

Contact: Joos Koster, Tel. 01 45 24 95 80, e-mail: jozias.koster@oecd.org

JT00101052

SAH/REFA(2000)3

**A review of aid:
Co-ordination mechanisms**

TABLE OF CONTENTS

1.	AID CO-ORDINATION: WHY AND HOW.....	7
	<i>1.1. Growing consensus on the need for better co-ordination</i>	<i>7</i>
	<i>1.2. A general agreement on principles and practical objectives</i>	<i>9</i>
	<i>1.3. Co-ordination difficult in practice.....</i>	<i>9</i>
2.	TYPOLGY OF INSTRUMENTS FOR CO-ORDINATION.....	11
	<i>2.1. Criteria used.....</i>	<i>11</i>
	<i>2.2. Inter-agency fora.....</i>	<i>12</i>
	<i>2.3. Strategic planning frameworks.....</i>	<i>14</i>
	<i>2.4. Consultation platforms.....</i>	<i>16</i>
	<i>2.5. African co-ordination platforms.....</i>	<i>17</i>
	<i>2.6. National platforms: Round Tables and Consultative Groups</i>	<i>19</i>
	<i>2.7. Operational co-ordination.....</i>	<i>20</i>
3.	CONCLUSION.....	22
	ANNEX: BIBLIOGRAPHY	23

This paper is intended to inform those involved in development co-operation of the issues related to aid co-ordination. The first part explains the issues and constraints; and the second describes the main aid co-ordination mechanisms available in sub-Saharan Africa with their objectives and operational scope.

For the purpose of this paper 'Aid co-ordination' refers to any institutional interface between a set of donors and partner recipient organisations.

Acronyms Used

ADEA	Association for the Development of Education in Africa
ADF	African Development Forum
AfDB	African Development Bank
CDF	Comprehensive Development Framework
CG	Consultative Group
CGAP	Consultative Group to Assist the Poorest
CGIAR	Consultative Group on International Agricultural Research
DAC	Development Assistance Committee
ECA	Economic Commission for Africa
GCA	Global Coalition for Africa
IMF	International Monetary Fund
NADAF	New Agenda for the Development of Africa
NGO	Non-Governmental Organisation
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
PRSP	Poverty Reduction Strategy Paper
RT	Round Table
SIA	Special Initiative for Africa
SIP	Sector Investment Program
PRSP	Poverty Reduction Strategy Paper
SPA	Strategic Partnership for Africa
UNDAF	United Nations Development Assistance Framework
UNDG	United Nations Development Group
UNDP	United Nations Development Programme

SAH/REFA(2000)3

Introduction

In recent years the international community has expressed a growing desire to strengthen aid coordinating mechanisms. The approach reflects two major concerns; the need to increase the effectiveness of development actions and the willingness to implement new development paradigms that improve ownership by granting recipient governments greater responsibility and control over external resources.

1. AID CO-ORDINATION: WHY AND HOW

1.1. *Growing consensus on the need for better co-ordination*

The proliferation of different actors and projects makes it hard for a country to manage its aid — The co-ordination of aid to developing countries has been increasingly discussed in recent years. In 1999, the World Bank and the UNDP produced critical assessments of their co-ordination platforms. In the same year, the World Bank began an ambitious programme, the Comprehensive Development Framework (CDF), which is intended *inter alia* to make aid co-ordination more effective. At Utstein Abbey in Norway, in July 1999, the development co-operation ministers of Germany, the Netherlands, Norway and the United Kingdom issued a joint statement calling for better co-ordination between donors.

The prime reason for this increased interest is the situation caused by the proliferation of projects, which is widely recognised by the international community:

“The largely dispersed and uncoordinated character of development co-operation is prejudicial at every level in development projects. This is an established fact. There is a general consensus on the need for change in the co-ordination of aid and the management of aid. Everyone recognises that the current situation in most developing countries is inefficient and wasteful, and is a major burden for the local administration, particularly in low-income countries” (UNDP 1996).

The lack of co-ordination places a heavy burden on recipient countries — Van de Walle and Johnston (1996) consider that “a conservative estimate for a typical African country is that 600 projects translates into 2 400 quarterly reports a year submitted to different overseeing entities; and more than 1 000 annual missions to appraise, monitor and evaluate. Each mission asks to meet with key officials, and each will ask the government to comment on its reports. The most common complaint voiced by officials is that aid ‘imposes too many administrative burdens.’ In Burkina Faso, the UNDP identified over 1,500 current projects.

Recent evaluations by the World Bank and the UNDP reached the conclusion that the lack of aid co-ordination caused significant costs both for the donors, who could otherwise use their resources more efficiently, and for the recipient country, which bears an administrative burden:

- *Major increased burden for local administration:* the presence of development programmes involves administrative tasks for the recipient country that may be considerable: receiving foreign missions, producing reports, monitoring accounts. When the donors' activities are numerous and uncoordinated this can seriously hamper governments' ability to plan and manage their ordinary activities.
- *Weakening of local administrative capacity:* With their higher salaries, the development co-operation agencies attract competent staff from the public sector. When these transfers are numerous or public administration is fragile, this can weaken the country's institutional capacity. Agreement on good practice in this area between development agencies would help reduce this problem.

Table 1. **Relative benefits and Costs of co-ordination**

		Benefits for the recipient country	
		Low	High
Costs for donors	High		<ul style="list-style-type: none"> • Untying for projects • Untying for aid import • Unearmarked contributions to the Common Fund • Common procurement and disbursement procedures • Increased selectivity
	Low	<ul style="list-style-type: none"> • Common budget cycles • Better information sharing 	<ul style="list-style-type: none"> • Joint missions • Earmarked Basket Fund contributions • Common reporting procedures • Increased coherence with country priorities

Source: World Bank, 1999a

- *Proliferation of country strategy documents*: a number of bilateral development co-operation agencies and most multilateral agencies design their own country strategy documents: Country Assistance Strategy in the case of the World Bank, Policy Framework Paper (IMF), Country Co-operation Framework (UNDP), etc. These documents are intended to analyse the country's development strategy, and to provide a business plan for that institution in that country. Despite the overlaps between all these documents, the analytical work is often carried out separately without consulting in advance the other donors performing the same exercise.

Changes in the international context are encouraging co-ordination — The need to co-ordinate aid is reinforced by a number of changes in the development landscape:

- *The decline in the flow of Official Development Assistance (ODA) means that donors are seeking efficiency gains*: the total volume of Official Development Aid has steadily declined since 1991. In real terms, ODA is 30% lower than in 1991.
- *Growing concentration of partners in particular sectors and countries*: according to an OECD report, in the ten poorest countries most dependent on aid, there are on average more than eight development agencies involved in the education and health sectors alone. In Mozambique there are 19 agencies for education, 16 for health, and 14 for agriculture.
- *Growing number of development actors*: the field for partnership has greatly expanded since the 1980s, with a growing role for non-governmental organisations (NGOs) operating in the development field. The number of NGOs registered in OECD countries rose from 1 600 in 1980 to 2,970 in 1993; the number of NGOs in the developing countries increased even faster. In Bolivia, for example, it rose from 100 in 1980 to 530 in 1992.

1.2. *A general agreement on principles and practical objectives*

Principles of co-ordination — The various international forums working on aid co-ordination have gradually developed the main outlines of a new model for development co-operation that stresses the responsibility of the recipients. The new model is based on the following principles:

- *Base development on a national long-term project devised by governments in the South:* the donors should encourage partner countries to define for themselves their own development strategies and priorities.
- *Make recipient governments the main actors in co-ordinating aid (ownership):* external partners should agree to comply more with the procedures adopted in the recipient countries.
- *Base co-ordination on a wider partnership (stakeholder participation):* this means including in co-ordination all the partners concerned by development, including those who have until now often been ignored in co-ordination attempts.
- *Define agreed criteria for monitoring performance, enabling development co-operation agencies to measure the effectiveness of the partner country's action and to account for the use of funds.*

Objectives of co-ordination — The practical initiatives taken by the international community to co-ordinate aid are intended to remove the obstacles that have so far hampered co-ordination. Their objectives are as follows:

- Formulate strategies that reflect a national consensus, i.e., one ensuring the representation of the main sectors in society, as a basis for co-ordination;
- Give recipient governments the means to efficiently take on responsibility for managing and monitoring aid;
- Integrate external and internal resources available for development more effectively;
- Promote greater selectivity of donor agencies so as to optimise collective action;
- Harmonise the donors' technical and administrative procedures.

Costs and benefits of co-ordination — While not negligible, the direct costs of measures to improve aid co-ordination are relatively low. The World Bank estimates that it spends 3% of its Development Services Budget on action to improve aid co-ordination, some \$2.8 million. The figure for the UNDP is of a similar order of magnitude.

For that cost, the benefits to donors and recipients of aid can be considerable. Table 1 describes various measures for improving aid co-ordination by their expected benefits to recipient countries and costs borne by the donors.

1.3. *Co-ordination difficult in practice*

Obstacles on the recipient government side — The main constraint perceived by the donors is that moving towards country-led co-ordination requires a radical change in the role played by recipient governments: from being junior partners, they become drivers; from being recipients they become managers accountable for the use of public aid. And it is this change of role that presents the main challenge:

- It is generally agreed that many developing countries lack the institutional capacity, and indeed the political will, to satisfactorily assume responsibility for managing aid;
- The donors consider that recipient governments' capacity for financial management is often inadequate and presents an obstacle to the transfer of responsibility.

Obstacles on the donor side — Meanwhile, the lack of harmonisation between donors does not help create an environment conducive to transferring responsibility to recipient governments:

- The costs imposed on the recipient administrations as a result of the variety and complexity of donor procedures (transaction delivery costs) are still high despite years of consultation;
- The principle of donor selectivity on the basis of each one's comparative advantage has seldom been properly applied;
- A recent World Bank survey (World Bank 1999) showed that over half of donor staff were disinclined to recognise the need to transfer responsibility for co-ordination to the recipient governments.
- The development co-operation agencies themselves are accountable for the funds they manage, to their parliaments and governments; as a result there is a potential trade-off between the latitude required by recipient country ownership and the risk of not being able to account for the funds.

Increasing numbers of partners — Co-ordination involves various partners pursuing different objectives and strategies. Where their strategies are greatly at variance, they may seek to form alliances to strengthen their negotiating positions. Fault lines may then appear, dividing partners into factions. Coalitions may be formed in various ways: according to institutional personalities, according to ideological positions (with respect, say, to the roles of State and civil society, or the market and public intervention), etc. (Gould *et al.* 1998).

The identity of partners involved in co-ordination will vary according to the co-ordination mechanism involved (donors' club, pan-African forum, sector co-ordination, etc.). Four major set of partners may be distinguished:

- *Recipient States*: the government institution is made up of a number of administrative levels concerned with co-ordinating aid. Decentralisation of the State and administrative devolution lead to a proliferation of political and administrative units involved in co-ordinating aid. Each level (region, district etc.) may have considerable autonomy and possess its own resources, and decisions taken at one level are not always followed throughout the system.
- *Donors* control the main financial technical assets at stake in aid co-ordination.
- *Non-governmental organisations*: their emergence as actors in development is one of the major features of the last twenty years. Whether or not NGOs should be senior partners within aid co-ordinating bodies is a controversial point. For NGOs and many donors, the participation of NGOs guarantees a greater representation of civil society in those countries where democratic traditions are not strong. This view is sometimes countered by recipient governments who argue that according to the principles of representative democracy it is the democratically elected governments, who are the most legitimate representative of national interests. According to this view, giving too large a place to NGOs amounts to undermining what are often fragile democratic institutions.

- *Private sector and civil society:* the private sector and socio-professional groups participate through intermediate bodies representing special interests: chambers of trade, trade unions, users' associations, etc. As yet aid co-ordinating mechanisms grant little place to these bodies, but this is likely to change.

An unequal partnership — The partnership formed between partners are one of the main factors that favour or hamper aid co-ordination. The negotiating capacity of the various actors is marked by a wide disparity in resources: on one side there are the donors, with considerable financial, political and technical clout, and on the other, governments enjoying political legitimacy but dependent on aid to finance their development, and sometimes even their day-to-day operations. According to these criteria, the other two partners—NGOs and civil society—are junior partners.

Two dimensions determine the environment of aid co-ordination on the donor side: the number of partners and their willingness to co-operate. As the number of donor agencies increases — all other things being equal — the environment for aid co-ordination becomes more challenging. The cohesion of donor's objectives and strategies is equally decisive and is influenced by a number of factors. The prominence of non-development motives for providing aid —such as commercial or political interests— can be, especially among the bilateral donors, a hamstring to aid co-ordination.

On the government side, there are two determining factors: the government's political will to assume major responsibilities in co-ordinating aid, and its institutional capacity to manage co-ordination:

- *Political resolution.* Although many developing countries have expressed their willingness to manage the process of aid co-ordination, few as yet have fully exercised this task (Korea, Malaysia, Thailand). A World Bank survey also shows that some governments agree, or indeed prefer, to delegate the management of aid co-ordination to multilateral bodies (World Bank, UNDP), which screens them from the political consequences of having to make unpopular choices (structural adjustment, devaluation, etc.).
- *Institutional capacity.* Managing the co-ordination of aid requires considerable management capacities, which developing countries do not always have.

2. TYPOLOGY OF INSTRUMENTS FOR CO-ORDINATION

2.1. *Criteria used*

Recent years have seen an increasing number of international initiatives for better co-ordination, originating from different, and sometimes competing, institutions. Somewhat paradoxically, there has grown up a complex thicket of co-ordination mechanisms and initiatives.

These instruments for co-ordination do not all have the same objectives, or involve the same partners. Below is a typology of all the instruments according to two dimensions: geographical scope and function (Table 2).

By geographical scope — Initiatives intended to improve aid co-ordination do not all operate at the same geographical scale. There are four major levels:

- *Global:* all developing countries;
- *Regional and sub-regional:* we shall only examine those operating in sub-Saharan Africa;

- *Single country.* The same instrument for co-ordination may be used in different countries, as in the case of Consultative Groups and Round Tables;
- *Sectoral:* one or more sector programmes—health, education, etc.

By function — Co-ordinating mechanisms may also be distinguished by their functions:

- Inter-agency fora;
- Strategic planning frameworks;
- Consultation platforms;
- Operational co-ordination.

Table 2.- Typology of aid co-ordinating mechanisms

		FUNCTIONAL CRITERIA			
		Inter-agency Fora	Strategic Planning frameworks	Platforms	Operational co-ordination
GEOGRAPHIC CRITERIA	Global	DAC		CGIAR CGAP	Horizon 2000
	Regional & sub-regional	ECA SIA SPA A D E A		Club du Sahel CMA FAD	
	Single country		CDF - PRSP UNDAF	Consultative Groups Round Tables	
	Local/Sectoral		Sector programmes		

2.2 *Inter-agency fora*

These are bodies whose purpose includes better co-ordination of aid, both in its procedures and the coherence of its strategies.

Development Assistance Committee (DAC) — The DAC is the main body by which OECD member-countries deal with issues related to co-operation with developing countries and seek to increase the effectiveness of their common effort to support sustainable development.

The members of the DAC are the main bilateral donors: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom, United States, and the European Commission; the IMF, UNDP and World Bank are permanent observers.

The DAC operates via various complementary mechanisms:

- *High-level meetings:* once a year the DAC brings together senior development co-operation officials to review work on current policy issues. These meetings provide an opportunity, at a political level, to adopt basic policy directions for the work of the Committee and the common efforts of its Members.
- *Peer-review:* The DAC conducts periodic critical reviews of its Members' programmes of development co-operation. These peer reviews, occurring at three-year intervals, examine how each individual Member programme applies DAC policy guidance, how the programme is managed (including co-ordination with other donors), coherence of other policies with development objectives and trends in the volume and allocation of resources. Each review is based on investigation by the Secretariat and by examiners appointed from two Member countries.
- *Thematic networks:* The DAC has also established working parties, expert groups, temporary task forces and informal networks, in which DAC Members are generally represented by specialists. Their respective mandates reflect major ongoing orientations of the Committee: financial aspects of development assistance; development assistance, the environment; statistics; aid evaluation; gender equality; participatory development and good governance; conflict, peace and development; and institutional and capacity development
- *The OECD Development Co-operation Directorate (DCD)* unofficially provides secretarial functions for the DAC. The DCD comprises four divisions: Peer Review and Policy Monitoring; Resource Mobilisation and Private Sector Development; Strategic Management of Development Co-operation; Reporting Systems (compiling donor declarations of aggregate aid flows).

The DAC has a number of features that give it a special place among instruments for co-ordination: first, the DAC is not a donor and does not implement any development programmes; second, it is the only body in charge of co-ordinating aid at a global level; and third, the DAC centralises the information and experience accumulated by the various bilateral and multilateral agencies. These features give it a neutrality and an authority that enable it to play an important part in harmonising donor actions.

Strategic Partnership for Africa (SPA) — The SPA was launched in 1987 (as the Special Programme for Africa) in response to the region's severe debt and development crisis.

The partnership today includes mainly bilateral donors and multilateral institutions: World Bank, IMF, African Development Bank, Belgium, Canada, Denmark, Economic Commission for Africa, European Commission, Finland, France, Germany, Italy, Ireland, Japan, The Netherlands, Norway, OECD Development Assistance Committee, Portugal, Sweden, Switzerland, United Kingdom, UN Development Program, and United States.

The partnership co-ordinates resources to support economic reforms and works to improve donor policies and practices for greater aid effectiveness. Specifically, it pursues four objectives:

- Mobilise resources for sub-Saharan Africa;
- Improve the quality and effectiveness of donor procedures;
- Establish a forum where policy and macro-economic issues can be debated;
- Monitor reforms in economic policy.

United Nations Convention to Combat Desertification (UNCCD) — UNCCD is an innovative framework for consultation. It is a result of the Rio Summit in 1992, and has gradually moved from an ‘environmental’ approach toward a mixed status covering the environment and development. The text of the Convention, ratified by most donors and African countries, contains a set of highly innovative provisions for development, dealing in particular with: the co-ordination of development strategies, participation of civil society, decentralisation of development co-operation, and the contractualisation of the development co-operation relationship on various geographical scales. Because it is an international convention, the provisions of the CCD apply in principle to development co-operation partners, North and South, via the formulation and approval of national action plans, called CCD NAPs. In practice, however, the origin of the CCD means that it has remained largely restricted to the environment community, and, despite its intrinsic value, has not managed to impose itself as a model for co-ordinating aid.

2.3. *Strategic planning frameworks*

Strategic planning frameworks are recent, relatively ambitious initiatives aimed at improving the implementation of aid within a given country, by setting up a framework that serves as a single reference document for all development partners. It is a programme that organises the action of the various partners in order to achieve a set of precise objectives. It requires that an agreement be reached between development partners at various levels:

- *Objectives pursued* (these should reflect a convergence of views on how to rank priorities for national development);
- *The development co-operation strategy* (refers both to the resources used to achieve the objectives and the internal organisation of responsibilities between the partners);
- *The mechanisms for implementing* (the framework should specify the joint operational mechanisms: consultation, financing system; evaluation, monitoring, etc.);
- *The allocation of resources* (refers to the breakdown of resources committed by programme and between the various partners);
- *The creation of a system to monitor performance* (is a necessary complement in order to confirm the results of collective action).

A number of initiatives aim at developing strategic planning frameworks. They are all at an incipient stage of development, and it is as yet difficult to assess their impact.

United Nations initiatives: ECA, NADAF, and SIA — In Africa, the United Nations has a range of institutions pursuing similar co-ordination objectives at different levels: building consensus on development priorities, strengthening and harmonising partnerships, mobilising external resources, building national competencies in African countries. At least three United Nations bodies or programmes include in their mandate the rationalisation of development programmes:

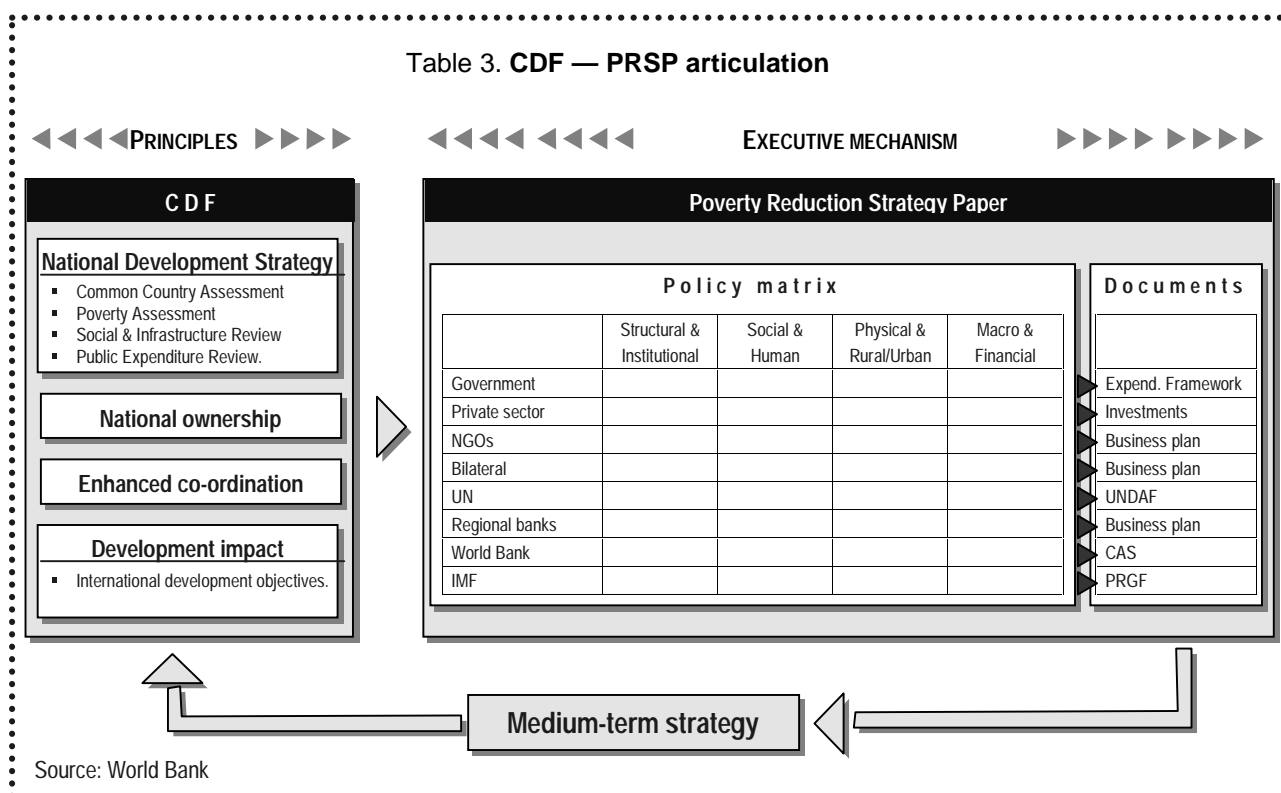
- *The Economic Commission for Africa (ECA)*: the ECA is the United Nations’ regional arm in Africa. Its mandate is to support the economic and social development of its 53 member-States. The ECA has set up the African Development Forum which to promote a consensus on development at pan-African level (see below).
- *UN New Agenda for the Development of Africa (UN-NADAF)* : Launched in the mid-1990s in response to the African economic crisis, NADAF aims to consolidate partnerships in Africa and mobilise external resources.

- *UN Special Initiative for Africa (SIA)* is in a way the implementation mechanism for NADAF. The SIA aims to give an impetus to the co-ordination of development programmes at national level. It has set itself five priority fields of action: health and education, peace processes, water and food security, competence building, and new information technologies.

Comprehensive Development Framework (CDF) and Poverty Reduction Strategy Paper (PRSP) —

In 1999, following a general rethink of its intervention policy, the World Bank devised two new programmes. The Comprehensive Development Framework (CDF) aims to lay down the principles for a new North-South development co-operation model. The subsequent Poverty Reduction Strategy Paper (PRSP) will complement the CDF with an operational mechanism. The articulations between the two programmes are presented in Table 3.

Table 3. **CDF — PRSP articulation**



The principles behind the PRSP are specified in the CDF: the idea is to consider development within a long-term, multi-dimensional approach—social, structural, macro-economic, etc. This approach gives pride of place to a system for co-ordinating development partners in which the recipient government takes on major responsibilities. The government's tasks are to:

- Establish a national development strategy for poverty reduction. This may be based on some of the donors' analytical instruments: Common Country Assessments, poverty evaluations, etc.;
- Base this development strategy on the principle of national ownership: the recipient government should exercise full sovereignty;
- Improve co-ordination and consultation between the various development partners;
- Concentrate the resources of the international community on programmes intended to reduce poverty.

The PRSP is an operational document stating, for a given country, the development priorities that aim at the objective of poverty reduction. It is produced by the recipient government with the help, if the government requests it, of development co-operation bodies. The PRSP comprises a number of documents:

- *Policy matrix:* The policy matrix describes the poverty reduction strategy in a set of documents. It defines for each actor (government, donor, NGO, etc.) their responsibilities for achieving the objectives set by the government after consulting the various development partners. Its objectives may be broadly summarised under four headings: structural and institutional, social and human, physical and rural/urban, financial and macro-economic.
- *Individual country assistance strategies:* Once the policy matrix has been produced, the partners involved must define their individual strategies for assisting the country. These strategies are defined in papers produced by each partner: medium-term expenditure plan for the government, Country Assistance Strategy for the World Bank, UNDAF for the United Nations agencies, etc.
- *Monitoring system:* to manage more closely the link between policy and expected results, the poverty reduction strategy includes a framework for monitoring progress and mechanisms for sharing useful information with a country's partners.

The conceptual bases of the CDF-PRSP have only recently been officially approved (December 1999) and have so far led to blueprints for implementation in a dozen pilot countries: Bolivia, Côte d'Ivoire, Dominican Republic, Eritrea, Ethiopia, Ghana, Jordan, Kyrgyzstan, Morocco, Romania, Uganda, Vietnam, West Bank and Gaza. The operational deployment of the CDF-PRSP system requires a long and complex dialogue with a large number of partners. For that reason the CDF-PRSP must necessarily depend, in each country, on platforms such as the Consultative Groups or the Round Tables. These platforms provide an institutional negotiating framework.

The World Bank considers that the formulation of a PRSP requires roughly two years' consultation. At the same time, the preparation of a PRSP is a *sine qua non* to be eligible for the Highly Indebted Poor Countries (HIPC) debt relief initiative: for that reason countries are allowed to produce an interim framework paper in six months, to trigger the HIPC process pending the medium-term preparation of a PRSP that is genuinely the responsibility of the country concerned.

United Nations Development Assistance Framework (UNDAF) — The United Nations Development Assistance Framework has the more limited goal of strengthening the co-ordination of the action of the various UN agencies working on development within a given country.

The preparation phase of the UNDAF is managed by the United Nations Resident Co-ordinator, one of whose functions is to bring the government authorities into the process. A working plan is then produced, which is the main instrument for managing the process. Once the UN agencies and the government agreement have agreed on a planning framework, the Resident Co-ordinator forwards it to the UNDG and the head offices of the various agencies involved. The production of the UNDAF takes about three months.

2.4. Consultation platforms

These are co-ordinating arrangements for discussions (platforms, forums) in which a wide range of partners from North and South (public authorities, development co-operation agencies, donors, NGOs, etc.) meet regularly to build a consensus on development strategies. These platforms operate at one of three levels—global, pan-African, and national.

Platforms operating at global level — Two have been identified, both of which have specific technical objectives:

Consultative Group for International Agricultural Research (CGIAR). The aim of the CGIAR is to strengthen and co-ordinate agricultural research in developing countries. Unlike the other instruments described, therefore, what is to be co-ordinated is not aid itself, but a topic that is essentially funded by aid. Activities are co-ordinated by a number of different mechanisms:

- CGIAR chairman: he maintains relations between members and their external partners.
- Six-monthly plenary session: the session examines policies, assesses the impact of research, approves research programmes, commits funds.

The CGIAR has no constitution and no statutes. Decisions are taken by consensus. Membership of the CGIAR is open to all governments and agencies who support the CGIAR's mission, take part in formulating policy and make a financial contribution to its research programmes.

- Members: 58 governments (mainly from industrialised countries) and development agencies;
- Partners: NGOs and research centres;
- Sponsors: FAO, UNEP, World Bank, UNDP.

Consultative Group to Assist the Poorest (CGAP). Founded in 1995, the CGAP is a specialist co-ordinating body aiming to improve donor co-ordination in micro-finance matters. The CGAP's goal is to reduce poverty by improving the access of the poorest to financial services. Specifically, this means:

- Harmonising and improving donor practice in micro-finance;
- Sharing knowledge and best practice in providing financial services to the poorest;
- Putting micro-finance at the heart of World Bank activities;
- Supporting selected micro-finance institutions.

2.5. *African co-ordination platforms*

Global Coalition for Africa — The Global Coalition for Africa (GCA) was founded in 1991. It is a North-South forum for building a consensus on development priorities, giving a priority role to African governments. The GCA holds a plenary session every five years that is attended by most African governments, the bilateral donors and the various multilateral bodies involved in development in Africa (OAU, World Bank, UNDP, IMF, etc.). The last GCA plenary was held in Maastricht in 1995.

The GCA forum has worked on the following topics:

- Governance and democracy: conflict management and reduction of military expenditure;
- Experience and expertise sharing on economic reforms;
- Regional economic integration and development co-operation;
- Population and farm production issues;
- Monitoring and analysis of development trends;
- Improved competitiveness for African economies.

African Development Forum — Unlike the donors' clubs, the ADF is an initiative of the Economic Commission for Africa (ECA) intended to support the preparation of development programmes produced by governments, and it reflects an inter-African consensus on development issues. It holds a meeting every year, prepared by a technical committee. The 1999 Forum discussed "Globalisation and the information age".

Association for the Development of Education in Africa (ADEA) — The Association for the Development of Education in Africa (ADEA) seeks to promote effective partnerships between African education ministries and their technical opposite numbers in the development co-operation agencies. In particular, ADEA seeks to:

- Promote dialogue and partnerships;
- Develop consensus on policy issues facing education in Africa;
- Reinforce African Ministries' capacities to develop, manage, and implement education policies;
- Promote the sharing of experiences and successful strategies;
- Promote nationally-driven education policies, projects, and programs;

To achieve its objectives, ADEA has a number of co-ordinating instruments:

- *Steering committee* is ADEA's governing body and primary instance for the co-ordination among funding agencies and African ministries of education. The Steering Committee is composed of ten African ministers of education, chosen by their peers, and funding agencies (currently 21);
- *Caucus*: central to ADEA efforts to strengthen dialogue on education policies. It comprises all African education ministers, and is a means for professional exchanges between ministers and making their voice heard by the financing institutions;
- *Biennial plenary meetings*: attended by ministers, senior officials from financing and development institutions, researchers and education professionals to discuss a particular topic;
- *Working groups*: engage in three types of activity: advocacy work, analytical work and capacity-building. There are at present eleven: books and learning materials, distance education and open learning, early childhood development, education research and policy analysis, education sector analysis, education statistics, female participation in education, finance and education, higher education, non-formal education, the teaching profession.

The Club du Sahel — The Club du Sahel's vocation is to encourage OECD member-countries to support the development endeavours of countries in the Sahel and West Africa and to promote the reform of development co-operation methods in order to increase aid effectiveness. The Club du Sahel forum comprises the development co-operation agencies active in West Africa, representatives of regional networks of policy-makers, entrepreneurs, farmers and local elected officials, and regional organisations. It regularly brings together its members from North and South for informal meetings. It focuses its activities on four priority topics:

- Promotion of practical reforms in development co-operation methods, its prime working purpose.
- Local development.
- Regional integration.

- Private sector development.

2.6. National platforms: Round Tables and Consultative Groups

The World Bank and the UNDP have operated national co-ordinating bodies for over thirty years. The World Bank calls them Consultative Groups and the UNDP Round Tables. One report estimates that within 15 months in 1996-97, over 70 Consultative Group and Round Table meetings were held.

These are two-day conferences held roughly every fifteen months, attended by a recipient country's political authorities and representatives of the multilateral and bilateral donors financing development actions in that country. The World Bank and UNDP are responsible for the conference secretariat: invitations, agenda, working papers; and also chair them. The CG conferences are usually held in Paris and concern some thirty countries. The RTs are held in Geneva and concern 25 countries, many of which are among the smallest and least developed (Petesch 1996).

The objectives pursued by these two types of co-ordinating body were not originally the same. The main objective of the Consultative Groups was to mobilise the external resources available for a country, whereas the Round Tables were designed rather to provide an enlarged area for discussion between partners working in a particular country. Since the 1990s, the objectives of the two mechanisms have converged, and are now to:

- Open an enlarged dialogue between the various partners concerned by development;
- Build a consensus on the policies, strategies and programmes necessary to ensure the recipient country's economic and social development;
- Co-ordinate the implementation of development actions;
- Mobilise the resources to finance the country's development.

The World Bank and UNDP recently carried out an evaluation of the Consultative Groups and Round Tables. One purpose of the exercise was to measure the performance of the two instruments as mechanisms for co-ordinating aid. In that respect their record is disappointing (Table 4). Although the effectiveness of these platforms as consultation instruments is generally recognised, their poor capacity for turning principles into action for effective co-ordination on the ground is criticised.

Table 4. Performance of national co-ordination platforms according to UNDP and World Bank

Function	Objectives	Performance
1.- Information	<ul style="list-style-type: none"> ▪ Make known policies, programmes and activities of each partner 	Good —platforms have greatly contributed to informing people about priorities and projects of various partners.
2.- Coherence of objectives	<ul style="list-style-type: none"> ▪ Build a consensus about common objectives and policies 	Good —conferences have given partners the chance to consult and adjust their objectives, although this has not in practice always led to concrete action.
3.- Mobilisation of resources	<ul style="list-style-type: none"> ▪ Increase volume of donors' financial commitments 	Mixed —It is not sure that platforms have helped raise the general volume of external resources available for a given country.
4.- Co-ordinating implementation of actions	<ul style="list-style-type: none"> ▪ Harmonise technical and administrative procedures; ▪ Build a country's technical co-ordinating capacities 	Poor —platforms are not the best co-ordinating mechanism for implementing operational co-ordination.

Sources: World Bank, UNDP

The World Bank and UNDP propose a series of reforms to make these platforms more effective (Table 5):

- Hold the conferences in the country concerned, in order to enable greater participation and interest from the various sectors of society;
- Have the conferences chaired by the government, in order to encourage greater national ownership;
- Introduce intermediate six-monthly conferences, in order to give the conference a more flexible monitoring mechanism.

Table 5. **Suggested reforms for national co-ordination platforms**

	Proposed change	Advantages	Disadvantages/constraints
Venue	<ul style="list-style-type: none"> • Hold conferences in country concerned, rather than Paris or Geneva. 	<ul style="list-style-type: none"> • Enables greater participation by national institutions : government, NGOs, decentralised administrations, etc. • Encourages national ownership; • Enables donors to better understand realities in the country; • Mobilises citizen interest; • Greater transparency. 	<ul style="list-style-type: none"> • Fewer donors may attend; • Political authorities sometimes express a preference for meetings outside the country because of the political sensitivity of certain issues addressed in the conferences.
Chair	<ul style="list-style-type: none"> • Conference to be chaired by the host country rather than World Bank or UNDP. 	<ul style="list-style-type: none"> • Encourages greater national ownership; • Defines an agenda better suited to country's priorities; • Encourages integration of external and local resources. 	<ul style="list-style-type: none"> • Requires political will to take on the role; • Technical capacities and resources needed to manage conference cycles.
Frequency	<ul style="list-style-type: none"> • Introduce intermediate six-monthly consultations. 	<ul style="list-style-type: none"> • Greater flexibility; • Facilitates monitoring of co-ordination process. 	<ul style="list-style-type: none"> • More work and more expense.
Objectives	<ul style="list-style-type: none"> • Gradualist strategy: define modest, precise objectives that can be easily achieved before moving to the next ones. 	<ul style="list-style-type: none"> • Helps consolidate dialogue within a more operational framework. 	<ul style="list-style-type: none"> • Overall development framework may be lost sight of.

Sources: UNDP, World Bank, author

2.7. Operational co-ordination

Operational co-ordination is the final-stage objective of co-ordination, the area where the need to harmonise donors' actions is felt most urgently. There are three specific types of co-ordinating action, aiming to:

- Strengthen recipient governments' capacity to programme, manage and monitor aid;
- Harmonise donors' technical and administrative procedures with those of the country concerned;
- Strengthen sectoral and multi-sectoral co-ordination and move from project approaches to programme approaches.

Strengthen recipient governments' capacity to manage aid — There are few convincing cases of actions intended to strengthen governments' capacity to manage aid.

The World Bank, for example, provided financial support to strengthen aid co-ordinating capacity in three countries in Central Asia. Three grants of some \$300,000 were made to set up aid co-ordination units.

In Kazakhstan, the unit set up and supported by the UNDP is generally considered to have been successful. It employs 15-20 staff and monitors annual aid flows of some \$500 million.

The aim of this unit, which reports to the government, is to optimise aid effectiveness by integrating external resources with internal resources. Its functions are summarised in Table 6.

Table 6. **Tasks of an aid co-ordination unit**

Feature	Description
Responsibility	<ul style="list-style-type: none"> The unit is accountable to the government.
Objective	<ul style="list-style-type: none"> Integrate external and national resources within development programmes.
Functions	<ul style="list-style-type: none"> Translate national priorities into an action plan that can be implemented by the various ministries and local authorities; Manage co-ordination conferences (Consultative Groups and Round Tables); Evaluate and approve external assistance; Monitor pledges and programme performance; Publish regular reports on government policies, programme progress and financial flows.

Source: UNDP and author

Harmonise technical and administrative procedures: The administrative burden and extra costs involved in the donors' complex and divergent procedures were described earlier in this paper. Harmonising technical and administrative procedures has therefore been identified as a priority for co-ordination. However little formal action has been taken, except under the Horizon 2000 initiative of the European Union.

- *Horizon 2000* (European Union)—The European Union adopted directives compliant with DAC principles to harmonise operational co-ordination between its Member-States and recipient countries.
- In May 2000, the DAC high-level meeting requested the OECD to organise a working group on this topic.

Co-ordination in sectoral programmes — Sectoral programmes are usually co-ordinated on the basis of *ad hoc* agreements between the government and the donors.

One example of sectoral co-ordination is the support project for the health sector programme in Ghana. Under the terms of this project, the donors (CIDA, DANIDA, DFID, GTZ, etc.) support the government's sector reforms by implementing a medium-term health strategy covering the five years from 1997 to 2001. This strategy describes all health development actions whether they are financed by the donors or the government.

A specific summary paper is devoted to co-ordinating aid within sectoral programmes.

3. CONCLUSION

In recent years a new development paradigm has emerged within the donor community. This model is based on two interdependent principles: the need to use official development assistance more rationally and effectively, and the transfer to recipient governments of more control over external resources and responsibility for justifying their use (national ownership).

A number of institutions, mechanisms and processes are devoted to promoting this new development co-operation paradigm in various ways: this paper, which is probably not exhaustive, has listed more than 15, and there is a definite risk that these initiatives will compete with one another or impose further burdens on the administrations of African countries. It is probably necessary to rationalise this system to avoid such initiatives proliferating and overlapping.

In practice, however, progress is slow. Whatever the principles, the incentive systems of most agencies encourage sound financial management and meeting deadlines, in other words control, rather than delegation to African partners and co-ordination, which are time-consuming, reduce visibility, and increase uncertainty, for results that are not perceptible in the short term. Strengthening the capacity of African countries to manage aid, which is the only long-term solution, is often only paid lip-service in order to achieve quick results, without devoting the time and resources needed for sustainable capacity-building in the design, implementation and monitoring of development co-operation and the debate needed for its management.

Current processes are providing the principles and leeway for aid reform in recipient countries, but they have no miracle solutions: co-ordination remains largely a matter of personalities and local contexts.

ANNEX: BIBLIOGRAPHY

- ARENSBERG Walter, FOLTZ Camilla, HAUSMAN Lawrence. 1997. *Coordinating International Development Assistance*. World Resources Institute. Washington DC.
- WORLD BANK, 1999, *The Drive to Partnership: Aid Co-ordination and the World Bank*.
- BERG Elliot. 1997. "Dilemmas in Donor Aid Strategies" in: *Perspectives on Aid and Development*. Catherine GWIN and Joan M. NELSON, editors. Overseas Development Council, Washington DC.
- CLIFT Charles. 1988. "Aid Coordination: Are there any lessons to be learned from Kenya?" *Development Policy Review*, 6. London.
- DIALLO Aliou, Jim KELLY, Amon NIKOI, W. Haven NORTH. 1991. *Capacity building for aid coordination in the least developed countries*. Vol. II. Central Evaluation Office, N° 4/91, UNDP, New York.
- DISH ARNE. 1999. *Aid coordination and Aid Effectiveness*. Commissioned by the Royal Ministry of Foreign Affairs. Econ Centre for Economic Analysis, Oslo. (typescript)
- FILLIP BARBARA. 1998. *Key Frameworks for Aid Coordination in Africa. Consensus Building, operationalization and Implementation*. Japan International Cooperation Agency (JICA), Washington DC.
- GOULD Jeremy, Tuomas TAKALA, Marko NOKKALA, 1998, *How Sectoral Programs Work — An Analysis of education and agriculture sector programs in Zambia, Ethiopia, Mozambique and Nepal*, IDS Policy Papers & University of Helsinki.
- GWIN Catherine. June 1999. *The New Development Cooperation Paradigm*. ODC Viewpoint. Overseas Development Council, Washington DC.
- HELLEINER Gerald, Tony KILLICK, Ngyuru LIPUMBA, Benno NDULU and Knud SVENDSEN. June 1995. *Report on the Group of Independent Advisers on Development Cooperation Issues between Tanzania and Its Aid Donors*. Royal Danish Ministry of Foreign Affairs, Copenhagen.
- HELLEINER Gerald. May 1999. *Changing Aid Relationships in Tanzania (December 1997 through March 1999)*. Prepared for the Tanzania Consultative Group Meeting, Paris.
- JONES Stephen. 1999. *Increasing Aid effectiveness in Africa? The World Bank and Sector Investment Programs*. Presented at Norad seminar on Sector Wide Approaches, Oxford Policy Management, Oxford.
- KJELLSTROM Sven et al. 1986. "Aid Coordination a Recipients Perspective. The need for, and obstacles to, better aid coordination in a small economy: The case of Togo." *Finance and Development*, 23, Washington DC.
- LISTER Stephen, Mike STEVENS, 1992, *Aid Coordination and Management*, Banque mondiale.
- OECD/DAC. 1999. *Sector Matrix*. Submitted by Danida. DAC Working Party on Aid Evaluation. 31st Meeting, 27-28 January 1999. Room document No. 7. OECD/DAC, Paris.
- PETERS David, Shiyao CHAO. 1998. "The Sector Wide Approach in Health: What is it? Where is it leading?" *International Journal of Health Planning and Management*, 13.
- PETESCH Patti, 1996, *Managing Aid for National Development — Moving Towards Ownership, Participation and Results*.
- STACY Roy. 1999. *Aid Coordination and Development Management in Botswana: A Case Study*, Draft prepared for UNDP.
- SWEDISH INTERNATIONAL DEVELOPMENT COOPERATION AGENCY. June 1997. "Measuring and Managing Results: Lessons for Development Cooperation." *Sida Evaluation Newsletter*, 6/97, Stockholm.
- WHITTINGTON Dale and Craig CALHOUN. 1988. "Who really wants donor-coordination?" *Development Policy Review*, 6.
- EVANS Alison and William BATTAILE. 1998. *1997 Annual Review of Development effectiveness*, World Bank, OED, Washington DC.
- GIBBS Christopher, Claudio FUMO and Thomas KUBY. 1998. *Nongovernmental Organizations In Bank Supported Projects: A Review*, World Bank, OED, Washington DC.
- JONES Stephen. September 1997. *Sector Investment Programs in Africa: Issues and Experience*. Africa Regions Series, World Bank Technical Paper No. 374, World Bank, Washington DC.
- PICCIOTTO Robert. 1998. *The Logic of Partnership. A Development Perspective*, World Bank, OED, Washington DC.
- UNDP, 1996, *Aid Co-ordination and Aid Management: a role for UNDP*.
- WOLFENSOHN James. 1999. "Aid Coordination and the Role of the World Bank. An OED Review (Phase 1)", World Bank, OED, Washington DC.
- WOLFENSOHN James. 1999. "Tracking of Support Provided under Sector Programs. SPA working group on Economic Management. Program Report prepared by the Task Group. SPA Plenary meeting, June 1999, World Bank, Washington DC.
- WOLFENSOHN James. 1999. "World Bank Supports New Partnership for Capacity Building in Africa." *News Release No. 99/2200/AFR*. May 21 1999, World Bank, Washington DC.