Evidence on
Trends in Fragmentation and Proliferation
and
Implementation and Results of Division of Labour Processes

Key Messages for HLF 4 and Beyond

TT DoL (WP-EFF, Cluster C) – May 4, 2011

Since the Paris Declaration (PD) and reconfirmed by the Accra Agenda for Action (AAA), Division of Labour (DoL) both at country level (“in-country DoL”) and across countries (“cross-country DoL”) has emerged as an approach to the PD principle of harmonization that directly addresses the fragmentation of contributions by Development Partners (DPs), fostering specialization, complementarity and predictability of aid relations and striving for a reduction of transaction costs for both partner countries and DPs.¹ This process has been supported by the Task Team on Division of Labour and Complementarity (TT DoL) under the Working Party on Aid Effectiveness (WP-EFF) since before HLF 3. In addition, since 2008, the EU Fast Track Initiative on Division of Labour and Complementarity (FTI DoL), which involves the European Commission (EC) and currently 14 EU member states as facilitators, has supported DoL processes in approximately 30 partner countries.

Trends in fragmentation and proliferation of donor contributions, and progress in implementation and results of country-led and cross-country DoL among DPs are being monitored and evaluated through several processes until HLF 4, in many cases due to the initiative taken by TT DoL. This paper gives an overview of the main findings and emerging key messages in the following four sections:

I. Statistical Trends in Fragmentation and Proliferation and Their Implications
II. Results of In-Country Division of Labour Processes
III. Results of the International Dialogue on Cross-Country Division of Labour
IV. Emerging Key Messages for HLF 4 and Beyond

Two boxes provide information on the strongly country-led division of labour process in Rwanda and on the implementation of the International Good Practice Principles for Country-Led Division of Labour and Complementarity (GPP DoL).

The annexes substantiate the findings and refer to the sources of quantitative and/or qualitative evidence (each of them contains an explanation of the methodology used).

¹ Relevant documents are available on the TT DoL website: http://www.oecd.org/document/12/0,3343,en_2649_3236398_45466380_1_1_1_1,00.html.
Main Findings

I. Statistical Trends in Fragmentation and their Implications
(For details on sources and methodology of data analysis, see mainly Annexes 2 and 5)

1. Both in-country aid fragmentation and in-country donor proliferation have increased considerably from 2005 to 2009, according to statistical analyses of OECD DAC data on Country Programmable Aid (CPA) covering 86 partner countries which participated in the 2011 PD Monitoring. This increase coincides with a 21% increase in overall CPA (see Annex 2 and individual country trends). Taking into account the (insufficiently documented but increasing) aid interventions by “new” or “emerging” donors, vertical funds (also for issues like climate change), foundations etc., one can assume that aid fragmentation has seen a strong increase over the last years.

2. The most recent OECD DAC statistical analyses of donor-partner country aid relations show that cross-country fragmentation also remains a problem, especially for aid-dependent countries in Africa. However, many bilateral donors have recently announced a further reduction in the number of partner countries which could reduce cross-country fragmentation and will pose challenges for coordinated exit strategies (see Annex 5).

3. Fragmentation is distributed unevenly across continents and income groups. Low income and least developed countries are most affected. Fortunately, CPA volume increased significantly in this group of countries. Still, fragmentation seems to be worst where capacities to deal with it are already stretched. This also includes many fragile states (see Annex 2).

4. In a number of countries simultaneous negative trends of increasing proliferation and falling CPA volumes can be observed (see Annex 2). This should alert donors and partner countries to pay special attention to the focused allocation of the remaining funds when a donor reduces CPA volumes to a partner country.

5. Aid in some sectors is far more fragmented than in others. The sector “Government and Civil Society” received aid on average from more than 13 donors per country in 2009 while “Environment” was supported by 7 donors. Social sectors are more fragmented than productive sectors. “Population Policies/Reproductive Health” and “Water Supply/Sanitation” saw the biggest increase in fragmentation from 2005 to 2009 (see Annex 2).

6. Proliferation data at partner country level reveals that a small number of donors perform much better than others and manage to reduce their sector engagements at country level while holding their overall CPA volumes constant or even increasing it (see Annex 2). These donors prove that change in aid allocation patterns is possible.

7. The link between in-country and cross-country proliferation needs closer attention. Only very few donors managed to reduce their proliferation on both dimensions between 2005 and 2009. Recent announcements by European donors to reduce their number of partner countries (cross-country dimension) are not yet reflected in 2009 data. However, impact on the ground is increasingly felt, including significant changes in concessionary character, modalities and thematic patterns of aid relations (source: Regional DoL Workshops, see Annex 1, Item 8).

II. Results of In-Country Division of Labour Processes
(for details, see Annexes 2, 3 and 4 as well as Regional DoL Workshop reports in Annex 1, Item 8)

1. Effects of DoL efforts on sectoral fragmentation and proliferation cannot be traced (yet) in CPA data analysis. The EU Code of Conduct on Complementarity and Division of Labour (2007) is the most demanding normative framework on DoL so far. However, up to 2009, EU donors have contributed to the increase in sectoral fragmentation in the same way as other donors according to CPA data analysis. It is not (yet) possible to identify trends towards a reduction of fragmentation and proliferation in the partner countries covered by the EU FTI DoL, which started only in 2008. This is certainly also due to the time lag between donor aid allocation decisions and changes in disbursements traceable in this data set. Considering the initial levels of fragmentation in the countries covered by the FTI, it certainly makes sense to focus EU attention on these countries (see Annex 2).

2. With regard to the implementation of DoL processes at country level in the context of the EU FTI DoL, there is now widespread use and institutionalization of donor mappings as an aid management instrument, an upward trend in country-level agreement on sector definitions as an important precondition for DoL and a solid use of lead donor arrangements that can generate more momentum for DoL. Perceived partner country commitment to DoL processes in the FTI DoL has also improved (for an example, see Box on Rwanda). Considering the results of in-country DoL processes, these are increasingly positive with regard to the quality of sector dialogue and, at a lower level, the rationalization of aid allocations. Finally, there is an increasing expectation of positive contributions to aid and development effectiveness (see monitoring results of the FTI DoL since 2008, Annex 3). The EU Code of Conduct has also facilitated the implementation of innovative mechanisms within the EU: The EU Fast Track Initiative itself brings together about 30 partner countries and 14 EU Member States and the Commission to better implement division of labour (see Annex 7). In the framework of the so-called Mutual Reliance Initiative (MRI) of European development financing institutions, AFD, EIB and KfW are jointly elaborating a mechanism for a better DoL (see Annex 8).

Country Leadership in DoL in Rwanda
Rwanda has emerged as a success story in national development and aid effectiveness, although it is still classified as an LDC and HIPC country and more than 50% of the national budget continues to depend on aid. DoL is an important aspect of the Government of Rwanda’s (GoR) insistence on greater harmonization and alignment of DPs with national priorities (for details, see Annex 6).

Lessons:
- Strong GoR leadership has driven the process and ensured national ownership.
- A well-established and effective aid coordination and management system has facilitated the DoL process, including a Development Assistance Database (DAD) and an annual Donor Performance Assessment Framework (DPAF).
- Strong EU support (from HQ and field offices) for the DoL process has been useful.
- A culture of delivery and accountability that is already well established in Rwanda has also contributed to the DoL process, since GoR and DPs are accustomed to being publically called to account for progress on promises.

In addition, the following characteristics of the DoL proposal itself made it pragmatic and flexible and therefore easier for DPs (both at country and HQ levels) to accept:
- DoL excludes GoR’s most favored aid modalities, budget support and basket funds, “exceptional expenditures” like emergency assistance as well as support to NGOs and private sector entities, thus considerably reducing the amount of aid and activities included in the DoL exercise.
- DoL will be implemented after a transition period under new development cooperation frameworks, i.e. there is a gradual phasing out.
- In cases of DPs that are reluctant to withdraw from a sector, silent partnerships via delegated cooperation have been accepted by GoR under the motto “You can be felt without being seen.”
3. All sources of evidence reconfirm not only technical, but especially political challenges of the DoL approach which need to be more systematically addressed. Also, the DoL approach needs time to yield measurable results. Key conditions for success are country ownership and consistent donor commitment. Individual interests and perverse incentives of all actors involved remain permanent challenges for the implementation of DoL. HLF 4 will provide a forum to reconfirm political will.

4. From a country-level perspective, the fragmentation of DAC donor contributions is not always perceived as the key problem for aid management (source: review of the 21 country evaluations conducted for Phase 2 of the PD Evaluation, see Annex 4). These perceptions also depend on each country’s management capacities and preferred modes of delivery of aid. Nevertheless, in the PD evaluation countries and those covered by the EU FTI DoL, rapidly expanding activities of so-called “new” donors, South-South Cooperation and new financing schemes are further increasing the complexity of the “aid architecture.” Additional complexity stems from traditional development partners providing a substantial amount of earmarked funding through multilateral or bilateral thematic funds and facilities. What could be called “Core DoL” processes oriented towards more concentration and complementarity of donor contributions at sector level are reported from a number of countries covered by the PD Evaluation. However, most do not seem to be very dynamic, and country ownership and leadership for DoL are generally described as low. The country evaluations also give many examples of donor behavior limiting DoL.

5. Progress towards the DoL-related PD expected outcome “Less duplication of efforts and rationalized, more cost-effective donor activities” is behind country-level expectations, according to the Core Evaluation Team’s December 2010 “Emerging Findings” and April 2011 Draft Synthesis Report. Consequently, there is also no evidence (yet) for direct contributions of DoL approaches via “rationalization of donor activities” to development outcomes. This can in part again be explained by the time lag involved in reprogramming, and targets and expectations may have to become more realistic. The EU FTI Monitoring also comes to the conclusion that the DoL approach is demanding and takes time to yield measurable results.

6. The adequacy of the 2009 International Good Practice Principles on Country-Led Division of Labour and Complementarity (GPP DoL) are generally supported by the emerging evidence on DoL processes.

<table>
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<tr>
<th>Assessment of the International Good Practice Principles for Country-Led Division of Labour and Complementarity (WP-EFF, April 2009)</th>
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<tbody>
<tr>
<td>TT DoL fostered a broad discussion process that led to the approval of the International Good Practice Principles for Country-Led Division of Labour and Complementarity (GPP DoL) by the WP-EFF in April 2009. The following review is based on the available evidence on in-country DoL processes.</td>
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<tr>
<td>The principles … are designed to be advisory and informative in nature. They summarise emerging standards of good practice in a normative form …For DoL to be effective, a tailored, country-specific approach is essential.</td>
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<td>This statement is strongly confirmed by the evidence: like other aspects of the Aid Effectiveness Agenda, DoL should not be interpreted as a blueprint.</td>
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<tr>
<td><strong>Principle 1: Partner Country Leadership</strong> - The DoL process should be led by the partner country in dialogue with donors, and in a transparent manner that enables parliaments to fulfil their mandate and enables the participation of civil society and the private sector.</td>
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<tr>
<td>The benefits of country leadership are strongly confirmed by the evidence. However, many partner countries continue to be reluctant or face capacity deficiencies with regard to aid management in general, let alone DoL. Therefore, the involvement of parliaments, civil society and the private sector in DoL is also only incipient, i.e. domestic accountability on DoL issues continues to be a challenge for partner countries and donors.</td>
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**Principle 2: Rationalise Aid** - Development results can be improved when donors individually and collectively rationalize their activities at the country level.

This principle is the underlying working hypothesis of the DoL approach and has not been falsified by the evidence. However, due to the time lag and intervening variables involved, there is a methodological challenge to document the contributions of DoL approaches to development results.

**Principle 3: Optimal Use of Development Resources** - Partner Countries and donors should commit to avoiding duplication and fragmentation and ensuring the optional use of development resources in the locations, sectors and thematic areas where they work and in the aid modalities through which they channel their assistance.

This principle stresses the need for an agreement between the partner countries and DPs which is also confirmed by the evidence: DoL processes can only succeed if partner countries and DPs share the diagnosis of the problem to be solved (fragmentation) and agree on the solution (DoL).

**Principle 4: Flexibility and Pragmatism** - Negotiations are a necessary component of the DoL process, and therefore flexibility on both sides is required. All actors are committed to pragmatic and workable solutions.

The recent DoL experience of Rwanda reconfirms the validity of this principle. The Regional DoL Workshops also reconfirmed that bilateral and multilateral donors, providers of specific expertise and of significant financial volumes of aid, or other donors with specific comparative advantages can play different roles in division of labour. However, all need to be part of collective action towards more complementarity and less duplication.

**Principle 5: Capacity Development** - As DoL aims at more effective use of aid, donors should commit to harmonise and better co-ordinate their support for capacity development for overall aid management by the partner country.

This principle merits more attention in the future. Global data analyses and negotiations at partner country level tend to focus on financial flows. Capacity development support for partner countries’ aid management systems should include ODA/CPA data analysis skills and instruments and mechanisms to implement DoL.

**Principle 6: Neutral Impact on Aid Volume** - The impact of a DoL process on overall country aid volume should be neutral.

This principle is crucial to ensure partner country ownership for DoL processes and is relevant also at sector level. Uncoordinated donor exits from sector or country levels are still being documented and need to be avoided.

**Principle 7: Monitoring and Evaluation** - Partner countries and donors should monitor and evaluate the added value of DoL.

This is the reason why TT DoL and FTI DoL have invested time and effort in gathering evidence on DoL. As a result, the ongoing PD Monitoring and Evaluation processes systematically address DoL. At and beyond HLF 4, there should be discussions on how to integrate assessments of fragmentation and proliferation as well as the implementation and results of DoL processes into a simple and cost-effective future monitoring and evaluation system.

**Principle 8: Communication** - Partner countries and donors should communicate the added value of division of labour.

In cases where this added value is already apparent (e.g. Rwanda), this communication is happening.

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3 In some Southeast Asian countries, for example, while statistically fragmentation is high, governments prefer PBA approaches as a solution.
III. Results of the International Dialogue on Cross-Country Division of Labour
(for details, see mainly Annex 5)

1. **The information basis for CC DoL needs to be improved.** Current efforts at OECD DAC and the EU to monitor aid allocation and fragmentation patterns and gather information from donors on their “forward looking spending plans” (including partner country lists and concentration plans) merit support. Confidentiality is an issue that needs to be addressed if a meaningful dialogue is to be established. The proposal of an “aid orphan watch list” within OECD DAC could play an important role in increasing the information basis for individual donors’ decisions.

2. **Donor exits need to be well managed and communicated.** Research results and partner country feedback on the consequences of unilateral concentration processes document the need for transparent, predictable and coordinated “exit strategies”, that give both partner countries and other donors enough time to adapt to the new circumstances. Also donor (re-)entry processes need to take into account existing DoL arrangements.

3. **The criteria for CC DoL among donors and partner countries are diverse, different from each other and not necessarily compatible.** While donors for a long time have had both technical and political criteria for selecting partner countries, few developing countries have been in a situation to choose their donors. As a result, their criteria for “good donors” are only emerging and often not clearly expressed. Therefore, CC DoL processes are necessarily complex and highly political.

4. **Partner country views can and should be taken into account more systematically.** While it seems appropriate for donors to take the lead on CC DoL, partner country views need to be taken duly into account. Regional organizations or fora could be an option for an exchange among partner countries on their joint strategies vis-à-vis donors on CC DoL (see discussions at Regional DoL Workshops in Kampala 2010 and Tegucigalpa 2011). An appropriate institutional context for a permanent dialogue among partner countries and donors on CC DoL still needs to be identified.

5. **The coordination and complementarity of bilateral and multilateral aid allocations should be improved.** International DoL processes touch the interests of bilateral and multilateral donors, and all donors should jointly strive for an optimal use of their respective contributions. As bilaterals are taking on the responsibility to increasingly concentrate their geographic scope and to phase out their presence in some countries in order to increase it in others, an important contribution of multilaterals with their broad geographic mandate could be to take on a “rebalancing role.” Both, bilaterals and multilaterals share the responsibility of avoiding funding gaps and the emergence of “aid orphans”.

6. **Cross-country and in-country DoL processes are interrelated and need to be better coordinated.** Donor exits from partner countries have a significant impact not only on the overall aid volume, but also on the sectoral distribution of donors in these countries. In-country DoL mechanisms should be used in order to avoid negative effects such as under-funded sectors and implement a more rational in-country aid allocation.

7. **Political commitment needs to be gained and maintained.** A key challenge for cross-country DoL is achieving and/or maintaining political commitment among all stakeholders and at all levels. More attention is needed on how to achieve collective action and deal with valid individual interests.

8. **In the long run, all relevant donors and development actors should be involved.** Globally, fragmentation and proliferation are on the rise due to the increasing number of new actors (global programs or funds, private foundations, new donors, providers of South-South Cooperation, etc.). The contributions of these new actors are so far not well captured by aid information management systems, let alone considered and actively included in in-country and cross-country DoL processes, making their participation even more difficult.
IV. Emerging Key Messages for HLF 4 and Beyond
(see also Annex 9 on DoL-related “substantive themes” submitted so far)

This chapter takes up the most important issues from chapters I, II and III and introduces more concrete forward looking proposals.

1. Division of Labour (DoL) processes at country level and concentration processes of many bilateral DAC donors on fewer partner countries are underway. The impact of these processes is so far difficult to trace statistically, due to the time lag involved. On the other hand, overall aid fragmentation and proliferation have further increased in recent years, due to the increasing number of actors in international development cooperation.

2. Country ownership and leadership are key conditions for the success of in-country DoL processes, but consistent donor commitment is necessary as well. The existence of international norms and guidance is important, but more attention is needed on how to achieve collective action on DoL. This implies dealing with valid individual interests that slow down DoL implementation (e.g. donor concern with losing “visibility”, partner country concern with decreasing aid resources) and creating stronger incentives for DoL.

3. Changes in government on both sides can lead to policy discontinuities. Therefore, DoL implementation needs institutionalization and continuous political support. Capacity development for national aid management systems and their decision makers should be a stronger focus (see GPP DoL, below). Also, domestic accountability vis-à-vis and involvement of parliaments, civil society and the private sector need more attention.

4. The International Good Practice Principles for Country-Led Division of Labour and Complementarity (GPP DoL) and the EU Code of Conduct continue to provide useful general guidance for implementation of in-country DoL, particularly for bilateral, but also for multilateral donors and new actors. However, DoL needs to be tailored to country-specific conditions and integrated with other aspects of the aid effectiveness agenda to show its full potential and avoid new transaction costs.

5. Development partners and partner countries should be encouraged to further embark on innovative mechanisms to put DoL principles into practice. The EU Fast Track Initiative on DoL and the Mutual Reliance Initiative are examples within EU development cooperation. A stronger regional focus could allow for exchanges of experiences and positions among partner countries (regional platforms and workshops on aid effectiveness).

6. Donors need to keep DoL principles in mind when they scale their aid up or down. Scaling-up ODA/CPA should not result in new sector engagements at country level or a higher number of partner countries, but additional CPA should rather be spent in existing sector and country engagements, while paying due attention to underfunded sectors or countries. In situations of decreasing CPA, donors - and partner countries - should be especially careful not to increase the number of sector engagements and manage donor exits responsibly, both at the country level and internationally.

7. Information basis and coordination mechanisms for DoL need to be improved.
   a) Cross-country DoL: An information and coordination mechanism on CC DoL, starting from the most relevant information (forward spending plans, partner country lists, concentration plans and aid orphans watch lists) and possibly hosted by OECD DAC, could be an important technical step towards more rational aid allocation across countries. Such a mechanism would have to address issues of confidentiality of such information in order to facilitate a meaningful dialogue.
   b) In-country DoL: At country level, there are several instruments to prepare and institutionalize DoL, starting from donor mappings, lead donor arrangements and the assessment of comparative advantages. The AAA asks donors for rolling three- to five-year forward expenditure and/or implementation plans. Such information should also be used for a continuing assessment of DoL and alignment to partner country priorities in the context of the national aid management structures and processes (e.g. national aid management systems, joint assistance strategies, performance assessment and mutual accountability frameworks, joint programming).
8. **Multilateral organizations should be actively involved to avoid funding gaps and address countries that receive insufficient aid.** As bilateral donors concentrate their operations geographically and continue to strive for complementarity, an important contribution of multilateral development organizations (including the European Commission) to cross-country division of labour could be a “rebalancing role” to address funding gaps and so-called “aid orphans.” This would imply systematic consideration of the overall aid volumes to a given partner country as one criterion in the allocation mechanisms of multilateral institutions.

9. **Actively involve partner countries in the incipient dialogue on cross-country DoL.** Country concentration strategies so far have been mostly unilateral donor decisions. An appropriate institutional context for a permanent dialogue among DPs and with partner countries on cross-country DoL still needs to be identified, the Working Party on Aid Effectiveness being a preliminary option.

10. **The emerging global aid and development architecture needs to involve all relevant actors.** Globally, fragmentation and proliferation are on the rise, not only among DAC donors but also due to the increasing number of “new” actors. The contributions of these actors are so far not well captured by aid information management systems, nor are they included in DoL processes. The increasing complexity of the “global aid and development architecture” emerges as an important issue to be discussed at HLF 4. The AAA already stipulated that governments and multilateral institutions should “think twice” before establishing new channels of aid. Building on experiences with DoL processes, effective ways need to be found to involve new actors in discussions on rational aid allocation, taking into account their interests and incentive systems.
Annexes:

1. Overview of Sources of Evidence: Monitoring and Evaluation of Fragmentation and Proliferation and of Division of Labour Processes

2. Trends in In-country Aid Fragmentation and Donor Proliferation. Report on behalf of TT DoL, April 2011 (separate document)

3. Third Monitoring Report and Progress Review of the EU Fast Track Initiative on Division of Labour, March 2011 (separate document)

4. Division of Labour among Donors: Progress, Results and Challenges on the Road to HLF 4. Review of the Country Studies Conducted for the Evaluation of the Paris Declaration (Phase 2), for TT DoL, March 2011 (separate document)


7. Concept and Experience of the EU Fast Track Initiative on Division of Labour (separate document)

8. Mutual Reliance Initiative (separate document)

9. DoL-Related Topics in the “Menu of Options – Themes for HLF-4”
Annex 1

Overview of Sources of Evidence:
Monitoring and Evaluation of Fragmentation and Proliferation
and of Division of Labour Processes

This document provides an overview of the main processes and products for monitoring and evaluation of fragmentation and proliferation as well as of DoL processes and their key dimensions (analytical focus, level of analysis and coverage). Documents produced by TT DoL are attached as separate annexes or links.

1. As there is no DoL target in the Paris Declaration (PD) and no indicator was developed, the 2006 and 2008 PD Monitoring Surveys did not cover DoL. Due to TT DoL initiative, the 2011 Survey covers the issue by including three qualitative questions on in-country DoL in the survey guidance. Furthermore, a trend analysis on fragmentation and proliferation per country derived from the CPA-data (2005-2009) was provided to the national coordinators for the country reports and the authors of the Report on “Progress since Paris”.

2. Based on the same data set, a Report on in-country fragmentation and proliferation trends was elaborated by TT DoL in March 2011 (see Annex 2). The Report analyzes OECD CPA data on in-country fragmentation and proliferation and looks for global and regional trends in the data (2005–2009).

3. Focusing on the implementation and outcomes of in-country DoL processes, the yearly monitoring of the EU Fast Track Initiative on DoL (FTI DoL) collects quantitative information for around 30 partner countries. The FTI DoL monitoring has its focus on the activities of European DPs within partner countries, including an effort of coordinating the answers with the partner government and non-EU DPs. The monitoring was conducted the first time in 2008; results of the third monitoring have just been analyzed and integrated into the 2011 EU Monterrey Report (see Annex 3).

4. Covering again only European DPs, the EU Monterey survey conducted yearly by the European Commission deals with Aid Effectiveness and DoL among several other issues. The survey is sent out to the headquarters of all European donors and covers aspects of in-country DoL as well as cross-country DoL. The results of the survey are published every year in a publication by the European Commission; for 2011 see: http://ec.europa.eu/europeaid/how/accountability/eu-annual-accountability-reports/index_en.htm.

5. Phase 2 of the PD Evaluation is an independent process to assess the development outcomes of the PD (as a tool for aid effectiveness), consisting of 21 country evaluations, 18 donor and several supplementary studies. TT DoL submitted an Input Paper on DoL in early 2010 and now produced a review of the relevant evidence on DoL processes and their results in the country evaluations (see Annex 4). In addition, the Synthesis Report (first draft announced for April 2011) will serve to place results on harmonization (including DoL) in the broader Aid Effectiveness context.

6. During the last few years, both the OECD DAC Secretariat (and also the OECD Development Centre) have refined their analyses of concentration or fragmentation of aid flows (see especially OECD 2009 and forthcoming 2010 Reports on DoL which focus on CC DoL and the issue of “aid orphans”, Annex 5).


8. Reports on the Regional Workshops on Country-Led Division of Labour (co-organized by TT DoL and FTI DoL) in Kampala, Uganda (Sept. 2010) and Tunis (Nov. 2010) cover both in-country and cross-country DoL. The report on the planned Regional Workshop in Tegucigalpa, Honduras in April 2010 will also be placed at: http://www.oecd.org/document/9/0,3746,en_2649_3236398_45464009_1_1_1_1,00.html

The “State of the art” on the Dialogue on CC-DoL resulting from evidence under items 4, 5 and 6 has been written up in a short document (see Annex 5).

9. Case studies on DoL processes and initiatives (for the “Progress since Paris” report, HLF 4 etc.): country experiences can be found at http://www.oecd.org/document/41/0,3746,en_2649_3236398_45465449_1_1_1_1,00.html.

Rwanda has recently been updated, see Annex 6. The experience of the EU Fast Track Initiative on Division of Labour (EU FTI DoL) and the Mutual Reliance Initiative have also been written up (see Annexes 7 and 8).
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<th>Responsibility</th>
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<th>Development Partners Covered</th>
<th>Number of Partner Countries covered</th>
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<tr>
<td>2. Report of TT DoL on Trends of in-country fragmentation and proliferation</td>
<td>TT DoL with input from the DCD</td>
<td>X</td>
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<td>3. EU Fast Track Initiative Monitoring</td>
<td>EU FTI</td>
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<td>4. EU Monterrey Survey</td>
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<td>5. PD Evaluation Phase 2</td>
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<td>6. OECD Reports on cross country DoL</td>
<td>OECD DAC</td>
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<td>7. Reports on events for dialogue on CC DoL</td>
<td>OECD DAC, TT DoL</td>
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<td>8. Reports on Regional Workshops</td>
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<td>9. Case studies for “Progress since Paris” and/or HLF 4</td>
<td>TT DoL, individual partner countries, donors and initiatives</td>
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1. Core Aid Effectiveness Issues

1.3 Rationalizing Aid Delivery Channels

**Topic: Fragmentation, proliferation of ODA delivery channels**

- Improve in-country donor complementarity and division of labour, implement the good practice principles.
- Improve data and evidence on aid allocation across recipient countries, set up a coordination mechanism to address the issue of aid orphans, and further reduce cross country aid fragmentation.
- Trends in global aid flows (more providers, more channels, diverse methods): what are the policy implications?
- Agree on a mechanism to define areas for new global partnerships, implementation of the “think twice” principle for new Global Programmes, drawing lessons from aid allocations across multilateral channels.

2. Broader Development Issues

2.1 Diversification of providers of development cooperation: SSC, CSOs & foundations, private sector

2.2 Diversification of financial tools

2.3 Differentiation among recipient countries

2.4 Beyond aid: Aid and global issues: e.g. climate change finance

3. Overarching Issues – Future Framework

3.1 General and cross-cutting issues - Topic: Global aid governance

3.2 Future agenda and framework - Topic: A new global partnership for development?

Relevant submissions came from, among others (in alphabetical order) Better Aid, Brookings, China DAC Study Group, Environet, European Commission, Germany, GFATM, GPLG, Korea, Luxemburg, TT SSC, World Bank.

However, these many DoL-related inputs are hardly reflected in the “*Short consolidated feedback from the Breakout Groups*” of the ExCom meeting in March 2011 (Draft Summary, WP-EFF ExCom 9-10 March 2011, p. 4):

**Core aid effectiveness issues:**

- Results and transparency agenda for better accountability (outcome oriented; consider risks; countries’ own frameworks, further work to distil areas for political commitment vs. technical work),
- Ownership and leadership (inclusive ownership);
- Human and institutional capacity development (country-led, state capacity and sustainable exit from aid, support is aligned with comprehensive CD plans)

**Aid in the broader context of development:**

- Ownership in a broader context - state-building and public sector institution building,
- Leveraging aid for other forms of development finance
- Acknowledging / capitalising on differences in:
  - Actors (incl. BRICS, private sector, CSOs...) and partnerships (SSC, PPPs, sector, GPPs, people-to-people), building on complementary strengths
  - Country context: Fragile States, MICS