

DEVELOPMENT CO-OPERATION DIRECTORATE  
DEVELOPMENT ASSISTANCE COMMITTEE

DCD/DAC(2006)15/REV2  
For Official Use

**PWB 2007-2008: PRIORITY LIST OF WORK PROPOSALS FOR RANKING**

14 February 2006

*Based on written comments submitted to the Secretariat by Belgium, Japan, Switzerland and the UK, Parts II and III of this document have been revised by incorporating changes which clarify the language of output results (including intermediate outputs) for voting purposes. Output results # 1 to 3 have been adjusted in light of the outcome of ENVIRONET's meeting of 16-17 February 2006.*

*Please note that:*

- (i) Total estimated costs shown throughout the document are indicative at this stage of the process.*
- (ii) Output results and their intermediate outputs reflect extensive consultations with members and with subsidiary bodies to date. Refinements to intermediate outputs may emerge as the work programme advances.*

*Members are requested to use the Voting List in Part II of this document (pp. 8 to 10) in order to proceed with the voting exercise. All DAC members, OECD non-DAC members, the IMF, UNDP and the World Bank are requested to submit their completed Voting List to Hilary Balbuena ([hilary.balbuena@oecd.org](mailto:hilary.balbuena@oecd.org)) and Nicola Ruggeri ([nicola.ruggeri@oecd.org](mailto:nicola.ruggeri@oecd.org)) no later than 28 March 2006.*

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JT03204688

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## PART I - INTRODUCTION

### The International Context

1. The agenda for development co-operation in the 2007-2008 biennium has already been largely shaped by key events in 2005 which provided new momentum to development and development co-operation.
2. The **UN Summit** on 14-16 September confirmed the relevance of the Millennium Development Goals as the internationally recognised yardstick for development progress, and thus underlined the worldwide expectation for measurable results in the development process.
3. At the same time, the UN Summit, as well as the G8 Summit at Gleneagles on 6-8 July, gave high profile to donor countries' political commitments to strongly increased aid. If donors deliver on the public statements that they have made, the Secretariat projections show an outlook for a **sustained scaling-up of aid**, reaching an extra \$50 billion per year in real terms by 2010 and more by 2015, half of which is expected to go to Africa.
4. In all likelihood, this will change delivery patterns in the international **aid architecture**. Growing flows from newly emerging donors, of foreign direct investment and of remittances from migrants will continue to add to the diversity of total development finance.
5. The outlook for increased aid is likely to be the central challenge facing the donor community. Putting increased aid volumes to good use, i.e. with observable impact on progress towards the MDGs and on better economic growth in developing countries, will be an extended credibility test for donors, their policies and delivery systems. Issues around the **composition, allocation and coordination of additional ODA** will therefore receive much attention and expectations for "more aid" will have to be accompanied by commensurate efforts for "better aid".
6. In this latter respect, the year 2005 set a new agenda as well. The **Paris Declaration on Aid Effectiveness** was endorsed, on 2 March, by 90 countries and 26 multilateral institutions. Sponsored by the DAC and the World Bank, it galvanised an international partnership around the principles of country ownership, donor harmonisation and alignment, results orientation and mutual accountability. Participating countries committed to being measured against agreed indicators and targets, and to meet again in Ghana in 2008. The UN Summit welcomed this initiative to enhance the quality of aid and to increase its impact.
7. There is a need to give greater attention to the **results** to which aid is contributing. Building statistical and accountability systems in developing countries, promoting management for results in both donor agencies and recipient countries, and scaling-up high quality evaluation of impact will all be important. The next Roundtable on Results, planned for Autumn 2006 in Viet Nam, will be a particularly important event.
8. In developing countries themselves, lack of capacity and governance to manage their own affairs effectively may indeed be the major bottleneck to scaled-up aid flows. This calls for a step change in donor behaviour in support of **capacity development**, particularly in working with African partners. A review of past practical experience, both good and bad, may help identify the most promising entry points for donor support for capacity building.

9. On the broader scene, the **Asian tsunami disaster** on 26 December 2004 was followed by impressive signs of solidarity and generosity from all nations. This provided proof that the public in donor countries is ready to support generous levels of assistance when the need for it is so evident. Yet, other disasters, such as the famine in Niger and the earthquake in Kashmir received less attention, at least initially, let alone the "silent tsunamis" of debilitating disease, malnutrition, exclusion and environmental degradation in many developing countries.

10. Armed **conflict** continues to arrest the development process in many countries. And **fragile states** may fall victim to underlying tensions or be otherwise unable to steer the development process towards achieving the MDGs. The impacts and costs of natural and man-made crisis situations accentuate the increasing vulnerability of partner countries to risk. The poorest people, especially women, are the most vulnerable to risk.

11. On the other hand, **economic growth and trade** are areas where globalisation can bring important benefits also to developing countries. To accelerate progress with the MDGs, growth needs to be higher, more sustainable and more inclusive of poor women and men. Average growth is expected to be well over 5 per cent p.a. in developing countries, exceeding the average of the past two decades. This dynamic needs to be broadened across a much wider group of countries and across more segments of poor people by integrating the poor into the growth process and increasing their benefits from it. The WTO Ministerial Conference in Hong Kong on 13-14 December 2005 set out ambitious new proposals for scaling-up the aid effort in support of building trade capacities in a wider range of developing countries.

### **The OECD Context**

12. In response to the broad review of the Millennium Declaration underway for the UN Summit, the OECD Ministerial Council Meeting in May 2005 re-emphasised the need to share OECD experience and best practice with partner countries. It also presented views as to how all can best meet the challenges and take advantage of the opportunities that are resulting from the globalisation process [PAC/COM/NEW(2005)16; SG(2005)1]. An overview of efforts across OECD to facilitate the achievement of the MDGs was published under the title "Making Poverty Reduction Work" [SG(2005)2/FINAL].

13. In order to assist its Member countries to incorporate global considerations and development-related concerns into national policy making, the OECD has expanded its own programmes to monitor trends and policy responses in non-OECD countries. These activities today cover all major policy areas including, for example, macroeconomic surveillance, trade and investment policies, agriculture, public and private sector governance, education, the environment, and fisheries as well as development. Engagement with non-OECD countries has expanded correspondingly.

14. Internally, the "**Development Cluster**" created in 2002, consisting of the DAC Secretariat (DCD), the Development Centre, the Centre for Co-operation with Non-Members (CCNM) and the Sahel and West Africa Club, has worked in the context of the forthcoming OECD Programme of Work and Budget (PWB) 2007-2008, to facilitate both the preparations of the PWBs of individual Cluster units and to help shape the work on development across OECD.

15. The result is a document "**Building a Coherent Framework for the OECD's Work on Development in 2007-2008**" [COM/DCD/DEV/SAH(2005)1]<sup>1</sup>, discussed in a joint meeting of the Cluster bodies, including the DAC, on 29 November 2005 and in the CCN on 25 January 2006 and considered by the Council on 9 February 2006.

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<sup>1</sup> For discussion at OECD Council on 9 February 2006.

16. Building on what OECD does and could do on development, the Cluster document identifies four **"key thematic areas"** which could be used across OECD and stimulate a greater contribution to development by other OECD committees. These "thematic areas" traverse the ongoing and proposed future work streams of DCD/DAC:

- i) Fostering inclusive globalisation and supporting policy reform for growth and poverty reduction;
- ii) Supporting capacity development and promoting good governance;
- iii) Mobilising resources for development and improving their effective use; and
- iv) Addressing shared risks.

### **Focus of the DAC for 2007-2008**

17. The potential priorities for the DAC in 2007-2008 are set out in the "long list" of proposed expected "output results" provided in Part III-Draft DAC Programme of Work and Budget for 2007-08 of this document which includes "intermediate outputs" for better illustration. In keeping with the "key themes" above, the key tasks may be summarised as follows:

- ensure that the donor community has the best possible shared understanding on how to help developing countries achieve the MDGs in the global economy - by reinforcing the dynamic interaction between growth, trade, investment, and poverty reduction, while integrating environmental sustainability and gender implications.
- ensure that changes in individual and collective donor behaviour make aid effectiveness objectives and targets a reality - by following through on the Paris Declaration in close cooperation with partner countries and multilateral institutions, and by integrating lessons learned from Peer Reviews and evaluation.
- ensure that the scaling up of aid, as emerging from DAC members' public commitments is an orderly process with the predictability essential for partner countries and a mutually re-enforcing international aid architecture - by sharing the forward information needed to make this possible.
- ensure that donors can effectively address the issues arising from weak governance and from the nexus between development and security - by providing best practice, and support for cooperation on the ground in particular in fragile states, in the areas of capacity building, public accountability, anti-corruption, human rights as well as conflict prevention.

### **Prioritisation process and priority list of work proposals for ranking**

18. An informal group of the DAC has developed a prioritisation methodology with a proposed ranking mechanism. Document DCD/DAC(2006)14/REV2 provides detail on the methodology, related procedures for the entire PWB 2007-2008 process including the proposed voting procedure and timeframe for ranking in capitals.

19. Based on the prioritisation methodology proposed by the informal group, the Secretariat has prepared a consolidated "long list" of all work proposals for ranking. A summary of this "long list" of output results, which would be used for the ranking exercise, is provided in Part II (Voting List) of this document. The full details of all the output results, including intermediate outputs, is provided in Part III (Draft DAC Programme of Work and Budget for 2007-08) of this document. The language of output results reflects the outcome of intensive consultation processes among subsidiary body members as well as proposals submitted by Members (see Annex).

20. In order to comply with OECD's Strategic Management Framework for the PWB, the Secretariat has clustered the "Expected Output Results" under the four existing "Output Areas" with slightly modified

titles for these latter in order to more effectively and meaningfully reflect the content of each “Output Area”. Members should note nonetheless that these “Output Area” titles will have to be approved by the Budget Committee.

21. Upon completion of the evaluation underway for PARIS21, their related work programme for 2007-08 will be drafted and submitted to the PARIS21 Steering Committee members for approval along with the renewal of the mandate of PARIS21. Subsequently it will be included in the entire work programme for the DAC/Development Co-operation Directorate, under “Output Area” 5.1.5 – Support to Statistics for Results (PARIS21).

22. In total, there are 43 Output Results for Members' consideration, which include the core Output Results (see list in Annex 2 of DCD/DAC(2006)14/REV2). The summary "long list" in Part II clearly indicates which output results are excluded from the voting exercise. The voting procedure is set out in DCD/DAC(2006)14/REV2, paragraphs 27-31.

23. The following table provides an overview of cost estimates by output area according to the "long list" of output results included in this document. The total estimate for the biennium amounts to 22.2 MEUR, i.e. approximately 11.1 MEUR per year which is around 1 MEUR more than current resource levels (Part I and voluntary contributions combined).

<b>Output Areas</b>		<b>2-year cost estimates (in KEuros)</b>
<b>5.1.1</b>	<b>Policy Development: Environment, Gender Equality, Governance, Conflict Prevention, Fragile States and Coherence</b>	<b>4,335</b>
<b>5.1.2</b>	<b>Peer Reviews and Aid Effectiveness</b>	<b>7,272</b>
<b>5.1.3</b>	<b>Poverty Reduction, Growth and Trade</b>	<b>2,999</b>
<b>5.1.4</b>	<b>Statistics, Aid Architecture and Communications</b>	<b>4,501</b>
	<b>Other work proposals</b>	<b>400</b>
	<b>Supporting internal processes</b>	<b>2,678</b>
<b>TOTAL RESOURCES FOR 2007-2008</b>		<b>22,185</b>

24. With regard to “Other work proposals” as mentioned above in the table, this rubrique includes two output results (see detail, numbers 41 and 42 on page 22). The first output result concerns an external evaluation of the DAC ahead of the renewal of the mandate after 2008, and the second concerns language for an unspecified output result which would build in some flexibility for the DAC to cope with emerging issues which might arise during the course of the biennium.

25. It should also be noted that the cost of “Supporting internal processes” (see detail, number 43 on page 22) will be allocated across the final list of output results that will appear in the draft PWB submission (May 2006) to the Budget Committee. This means that the costs shown for output results throughout the four output areas will be increased proportionately in order to reflect the costs associated

with supporting internal processes. This is required practice across the OECD as part of the results-based budgeting framework.

**Issues for discussion**

26. The DAC is requested to approve the “long list” of output results as a basis for the ranking exercise in capitals. In so doing, the DAC might address the following issues:

- Is the content of the list of core output results provided in Annex 2 of DCD/DAC(2006)14/REV2 and accordingly reflected in Parts II and III of this document agreed?
- Are there any additional work proposals that should be considered for inclusion in the ranking exercise?

## PART II - VOTING LIST

# VOTING LIST

## DEVELOPMENT ASSISTANCE COMMITTEE

**COUNTRY:** .....

INSTRUCTIONS: *Please fill in the right-hand column with the points you wish to attribute to each output result. The total number of points must add up to exactly 200. Any boxes left blank will be considered to be attributed 0 points. Please return the completed tables to the Secretariat no later than 28 March 2006 to [hilary.balbuena@oecd.org](mailto:hilary.balbuena@oecd.org) and [nicola.ruggeri@oecd.org](mailto:nicola.ruggeri@oecd.org)*

### PWB 2007-2008 - Priority List of Work Proposals for Ranking

	Expected Output Results	K Euros	Votes
5.1.1.	POLICY DEVELOPMENT: Environment, Gender Equality, Governance, Conflict Prevention, Fragile States and Coherence		
	1. Increasing synergies between Environment and Development: Implementing the outcome of the joint EPOC-DAC Ministerial meeting.	290	
	2. Integration of environment and natural resource management into development co-operation in the context of new aid modalities through collaboration with other DAC subsidiary bodies and wider OECD.	210	
	3. Dissemination, advocacy and harmonised implementation of Agreed Good Practices on Environment and Development Co-operation.	120	
	4. Policy and practice guidance including revision of the <i>DAC Guidelines for gender equality and women's empowerment in development co-operation (PD para 42)</i> .	295	
	5. Integration of gender equality and women's empowerment into development co-operation through collaboration with other DAC subsidiary bodies, the wider OECD and development partners, including multilateral agencies.	220	
	6. Guidance to promote capacity development to help address the challenges such as those set out in the Paris Declaration.	260	
	7. Guidance on stronger collective action against corruption (PD para 4).	260	
	8. Guidance on how to integrate human rights more consistently into donor policies and practice in the areas of aid effectiveness, peace & security and growth strategies.	210	
	9. Guidance to promote domestic accountability, through support for domestic resource revenue mobilisation and strengthened local oversight institutions, particularly in aid dependent countries.	105	
	10. Promoting Security System Reform for conflict prevention and poverty reduction.	400	
	11. Develop Guidance on Conflict Prevention and Peacebuilding activities for improved donor policy and behaviour for enhanced field-level impact.	450	
	12. Principles for Good International Engagement in Fragile States finalised and resulting in demonstrable changes in donor behaviour.	635	
	13. Promoting whole-of-government coherence to achieve members' development co-operation objectives.	880	

	Expected Output Results	K Euros	Votes
5.1.2	<b>PEER REVIEWS AND AID EFFECTIVENESS</b>		
	14. Improvements in the quality and effectiveness of DAC member countries' development co-operation programmes through Peer Reviews (5 per year).	1 790	<i>CORE OUTPUT RESULT - NO VOTING REQUIRED</i>
	15. Enhanced compliance with the Principles and Good Practice of Humanitarian Donorship.	438	
	16. Improved donor behaviour at the partner country level based on a better understanding of the impact of total development co-operation efforts.	500	
	17. Joint Evaluations of the Effectiveness of Aid.	400	
	18. DAC Evaluation Standards and Norms (for members and multilaterals).	300	
	19. Monitoring implementation of the Paris Declaration	585	<i>CORE OUTPUT RESULT - NO VOTING REQUIRED</i>
	20. Increased awareness and deeper understanding on the actions taken by donors and partners to implement the Paris Declaration.	643	
	21. Increased documented knowledge on Managing for Development Results, and supporting tools for capacity development and application of MfDR practices by partners and donors.	465	
	22. Good practices in Public Financial Management.	490	
	23. The effective use of reliable, transparent country procurement systems.	490	
	24. Monitor implementation of the DAC Untying Recommendation.	300	
	25. Increase the coverage of the DAC Untying Recommendation.	300	
	26. Mutual review assessing efforts by OECD and African countries to improve development effectiveness in Africa.	272	
	27. Sharing experiences on the management and reform of bilateral aid agencies.	30	
	28. Analytical comparative report on administrative costs of DAC member States' development aid systems ("costs of doing business").	269	
5.1.3	<b>POVERTY REDUCTION, GROWTH AND TRADE</b>		
	29. Implement policy guidance on using ODA to mobilise private investment for development and exchange/assess experiences among donors, partner countries and the private sector.	360	
	30. Scaling up for effective results: Best practices for implementing Pro-Poor Growth.	590	
	31. Guidance on using aid effectively to promote social inclusion and empower the poor.	510	
	32. Guidance on aid for trade and competitiveness: Making markets work for the poor.	480	
	33. Maximising impact on poverty reduction: New work methods for developing and sharing best practices and experiences among practitioners.	280	
	34. Policy guidance on strengthening the relevance and effectiveness of trade related technical assistance and capacity building, including in the context of the Doha round.	779	

	Expected Output Results	K Euros	Votes
5.1.4	<b>STATISTICS, AID ARCHITECTURE AND COMMUNICATIONS</b>		
	35. Collection and dissemination of statistical information on DAC Members' development co-operation programmes, including updating and maintenance of classifications and systems.	1 608	CORE OUTPUT RESULT - NO VOTING REQUIRED
	36. Development Co-operation Report and Statistical Annex.	356	CORE OUTPUT RESULT - NO VOTING REQUIRED
	37. Improving and expanding DAC Statistics, including policy analysis.	705	
	38. Enhanced role of the DAC, via outreach beyond its current membership, as the key forum for donor dialogue, and the source of and reference for knowledge and good practice in development co-operation.	836	
	39. Information Reports and Policy Exchange on Scaling up and Aid Architecture.	883	
	40. Study of ODA reporting rules for debt relief.	113	
OTHER	<b>WORK PROPOSALS</b>		
	41. External evaluation of the DAC ahead of the renewal of the mandate after 2008.	100	
	42. Analysis of an emerging issue in international development discussions, topic to be agreed by consensus by (say) October 2006/7.	300	
<b>Number of votes to be allocated</b>			<b>200</b>
	43. Supporting internal processes	2 678	CORE OUTPUT RESULT - NO VOTING REQUIRED
	<i>Intermediate outputs:</i>		
	43.1 12-14 Regular Meetings of the DAC per year	688	
	43.2 One High Level Meeting	320	
	43.3 One Senior Level Meeting	320	
	43.4 Monitoring of international aid discussions	82	
	43.5 Managing and administering the resources of the Secretariat and IT support	600	
	43.6 Communicating key DAC work	668	
<b>TOTAL ESTIMATES 2007-2008</b>		<b>22 185</b>	

## PART III - DRAFT DAC PROGRAMME OF WORK AND BUDGET 2007-08

## Expected Output Results and Intermediate Outputs by work area

<b>Strategic Objective:</b>	<b>5.</b>	<b>Contribute to the Development of Non-Member Economies</b>
<b>Output Group:</b>	<b>5.1</b>	<b>Development</b>
<b>Output Area:</b>	<b>5.1.1</b>	<b>Policy Development: Environment, Gender Equality, Governance, Conflict Prevention, Fragile States and Coherence</b>

**Expected Outcomes:**

Donor behaviour changed and collective action enhanced to remove key constraints to achieving the MDGs in line with the *Paris Declaration* commitments through improved:

- integration of environment in development planning and implementation.
- donor practices to accelerate gender equality and women's empowerment.
- donor practices to address key governance challenges.
- donor practices in conflict prevention, peacebuilding and security.
- international engagement in fragile states.
- coordination of support for partner country capacity development.
- coherence, and impact of, OECD member policies.

<b>Expected Output Results</b>	<b>Total Estimated Cost (for the two-year period) (K EUR)</b>
<b>1. Increasing synergies between environment and development: Implementing the outcome of the Joint EPOC-DAC Ministerial meeting.<sup>1</sup></b>	<b>290</b>
<i>Intermediate Outputs:</i>	
<i>1.1 Providing good practice policies and instruments to donors on enhancing the integration of environment and climate change adaptation into development co-operation.</i>	
<i>1.2 Harmonizing donor approaches towards supporting capacity development for environment-development integration and Strategic Environmental Assessment (SEA) in support of paras 40/41 of the Paris Declaration on Aid Effectiveness..</i>	
<i>1.3 Engaging partner countries in developing policies and approaches to the integration of environment, including global environmental challenges, into national and local development plans.</i>	
<b>2. Integration of environment and natural resource management into development co-operation in the context of new aid modalities through collaboration with other DAC subsidiary bodies and wider OECD.</b>	<b>210</b>
<i>Intermediate Outputs:</i>	
<i>2.1 Provision of inputs and support to the DAC, its subsidiary bodies WP-STAT, POVNET, CPDC and other OECD bodies on issues related to the environment in development co-operation.</i>	
<i>2.2 Provision of inputs and support to the DAC peer reviews on issues related to the environment in development co-operation</i>	
<i>2.3 Provision of technical support to WP-EFF for monitoring progress towards the implementation of the environmental dimension of the Paris Declaration on Aid Effectiveness (para. 40/41).</i>	

Expected Output Results	Total Estimated Cost (for the two-year period) (K EUR)
<i>2.4 Quantification of impacts of OECD country policies on development, e.g. report on results of modeling environmental impacts taken up by EPOC and DAC and incorporated into Environmental Outlook</i>	
<b>3. Dissemination, advocacy and harmonised implementation of Agreed Good Practices on Environment and Development Co-operation.</b>	<b>120</b>
<i>Intermediate Outputs:</i>	
<i>3.1 Synthesis, update and dissemination to extended stakeholders constituencies of existing OECD/DAC policy guidance and good practices.</i>	
<i>3.2 Preparation of training and awareness-raising tools with selected stakeholders based on existing OECD/DAC policy guidance and good practices.</i>	
<b>4. Policy and practice guidance including revision of the DAC Guidelines for gender equality and women's empowerment in development co-operation (PD para. 42).</b>	<b>295</b>
<i>Intermediate Outputs:</i>	
<i>4.1 Develop and share knowledge about innovative and harmonised approaches to gender equality work in the context of programme based approaches and scaled-up aid.</i>	
<i>4.2 Develop knowledge on good practice in gender mainstreaming and women's empowerment in the emerging context of partner country ownership, alignment and mutual accountability</i>	
<i>4.3. Integrate into DAC Guidelines updated guidance and good practice emerging in the light of the changing aid modalities, the impact of the partnership commitments of the Paris Declaration and the "lessons learned" from the practice of gender mainstreaming over the past decade.</i>	
<b>5. Integration of gender equality and women's empowerment into development co-operation through collaboration with other DAC subsidiary bodies, the wider OECD and development partners, including multilateral agencies.</b>	<b>220</b>
<i>Intermediate Outputs:</i>	
<i>5.1 Provide analysis and advice to CPDC, the POVNET, WP-STAT, Peer Reviews and others, as appropriate, on their ongoing work programmes.</i>	
<i>5.2 Host the joint biennial meeting with the UN's Interagency Network on Women and Gender Equality on an issue of interest and relevance to both Networks.</i>	
<b>6. Guidance to promote capacity development to help address the challenges such as those set out in the Paris Declaration.</b>	<b>260</b>
<i>Intermediate Outputs:</i>	
<i>6.1 Lessons learned and entry points identified with regard to implementing and monitoring progress, in particular on Partnership Commitments 22, 23 and 24, as well as Indicator 4 of the Paris Declaration drawing on case material..</i>	
<i>6.2 Recording lessons from donor experience with capacity development in Fragile States.</i>	
<i>6.3 Policy relevant disaggregated Technical Co-operation statistics.</i>	
<b>7. Guidance on stronger collective action against corruption (PD para. 4).</b>	<b>260</b>
<i>Intermediate Outputs:</i>	
<i>7.1 Identifying entry points for coordinated donor action against political corruption</i>	
<i>7.2 Joint anti-corruption assessments, to be conducted by selected DAC members in programme countries of mutual interest.</i>	
<i>7.3 Dialogue and analysis on ways to collectively support demand-side interventions.</i>	
<i>7.4 DAC contribution to an OECD-wide Anti Corruption Strategy.</i>	

Expected Output Results	Total Estimated Cost (for the two-year period) (K EUR)
<b>8. Guidance on how to integrate human rights more consistently into donor policies and practice in the areas of aid effectiveness, peace &amp; security and growth strategies.</b>	210
<i>Intermediate Outputs:</i>	
8.1 Analysis of innovative approaches to human rights in the context of partner country ownership, alignment, harmonisation and mutual accountability	
8.2 Identifying ways of reconciling and integrating human rights and peace & security strategies aiming for more coherence on the ground.	
8.3 Analysis of integrating human rights and pro-poor growth, establishing more common ground between human rights and economic agendas.	
<b>9. Guidance to promote domestic accountability, through support for domestic resource revenue mobilisation and strengthened local oversight institutions, particularly in aid dependent countries.</b>	105
<i>Intermediate Outputs:</i>	
9.1 Lesson learning on how aid can promote both domestic accountability and growth particularly through revenue mobilization, tax, financial oversight and control with CTPA.	
9.2 Identification of ways in which donors can support greater domestic accountability through strengthening local institutions and their involvement in the oversight of aid.	
<b>10. Promoting Security System Reform for conflict prevention and poverty reduction.</b>	400
<i>Intermediate Outputs:</i>	
10.1 Pilot and finalise the 'Implementation Framework for Security System Reform (IF-SSR)'.	
10.2 Develop guidance on armed violence and poverty reduction for improved donor engagement across the security/development nexus.	
10.3 Review use of agreed 2004 ODA directives and coding for security related expenditures. See HLM 2005 DCD/DAC/M(2005)4/PROV.	
10.4 Promote outreach and capacity development with regional and sub-regional organisations (such as ECOWAS).	
<b>11. Develop Guidance on Conflict Prevention and Peacebuilding activities for improved donor policy and behaviour for enhanced field-level impact.</b>	450
<i>Intermediate Outputs:</i>	
11.1 Develop new dissemination tools and joint donor training packages to support conflict-sensitive donor programming.	
11.2 Apply draft guidance for evaluating conflict prevention and peacebuilding activities at the field level for 1-2 year trial period (CPDC and DAC Network on Evaluation).	
11.3 Share lessons on early warning of conflict and state fragility: developing effective instruments for enhanced response, planning and aid allocation (CPDC and FSG).	
11.4 Promote outreach and capacity development with regional and sub-regional organisations (such as ECOWAS).	
11.5 Develop a conflict prevention assessment framework for Peer Reviews and review of existing conflict prevention guidelines.	

Expected Output Results	Total Estimated Cost (for the two-year period) (K EUR)
<b>12. Principles for Good International Engagement in Fragile States finalised and resulting in demonstrable changes in donor behaviour.</b>	<b>635</b>
<i>Intermediate Outputs:</i>	
<i>12.1 Extending application and implementation of Principles to a larger number of Fragile State situations</i>	
<i>12.2 Develop further knowledge on State Building (Principle 3) by refining definitions and developing practical guidance for donor strategies in fragile states.</i>	
<i>12.3 Lesson learning on Integrated Planning Models across political, development, security, and humanitarian sectors. This output would look at joined-up multi-donor/multilateral initiatives, ensuring complementarity with work under the Peacebuilding Commission by addressing a wider set of country situations (Principle 6).</i>	
<i>12.4 Policy exchange to increase the transparency and predictability of resource flows to Fragile States (Principle 12).</i>	
<i>12.5 Broadening partnerships with non-OECD donors, regional powers, and the private sector through a series of workshops around fragile states issues (Principle 7).</i>	
<b>13. Promoting whole-of-government coherence to achieve members' development co-operation objectives.<sup>2</sup></b>	<b>880</b>
<i>Intermediate Outputs:</i>	
<i>13.1 Synthesis report on the coherence of development impacts of member policies in relation to their development objectives, in accordance with 2002 Ministerial mandate and the Council's strategy for "Building a coherent framework for the OECD's work on development for 2007-2008".</i>	
<i>13.2 Co-ordination with other parts of OECD on policies impacting on development through the intra-secretariat Development Strategy Liaison Network, e.g. analysis and interdisciplinary discussion of the interlinkages between migration policies and development.</i>	
<b>TOTAL ESTIMATED COST</b>	<b>4,335</b>

<b>Strategic Objective:</b>	<b>5.</b>	<b>Contribute to the Development of Non-Member Economies</b>
<b>Output Group:</b>	<b>5.1</b>	<b>Development</b>
<b>Output Area:</b>	<b>5.1.2</b>	<b>Peer Reviews and Aid Effectiveness</b>

**Expected Outcomes:**

- Effective learning processes and upgrading of aid practices and management of aid agencies stimulated by Peer Reviews and country-specific recommendations emerging from them.
- Ownership by developing countries of strategies and co-ordination processes supported by mutual learning and capacity-building in managing for development results linked to the MDGs.
- Major progress in reducing transaction costs of aid delivery through greater alignment, harmonisation, coordination and monitoring implementation of the Paris Declaration on Aid Effectiveness.
- Improved common understanding of the appropriateness of aid modalities in different development environments.
- Improved donor performance through broader and joint use of evaluations and increased evaluation good practice.
- Improved mutual understanding and accountability leading to effective policy action by OECD and NEPAD countries for development progress in Africa.

<b>Expected Output Results</b>	<b>Total Estimated Cost (for the two-year period) (K EUR)</b>	
<b>14. Improvements in the quality and effectiveness of DAC member countries' development cooperation programmes through Peer Reviews.</b>	<b>1,790</b>	<b>Core</b>
<i>Intermediate Outputs:</i>		
<i>14.1 Peer Reviews of the development cooperation programmes of Canada, Denmark, European Community, Finland and Spain (2007).</i>		
<i>14.2 Peer reviews of the development cooperation programmes of France, Ireland, Japan, Luxembourg and Norway (2008).</i>		
<b>15. Enhanced compliance with the Principles and Good Practice of Humanitarian Donorship.</b>	<b>438</b>	
<i>Intermediate Outputs:</i>		
<i>15.1 Five reviews of DAC members' humanitarian aid policies and actions, in the context of Peer Reviews of Canada, Denmark, European Community, Finland and Spain (2007)</i>		
<i>15.2 Five reviews of DAC members' humanitarian aid policies and actions in the context of Peer Reviews of France, Ireland, Japan, Luxembourg and Norway (2008)</i>		
<b>16. Improved donor behaviour at the partner country level based on a better understanding of the impact of total development cooperation efforts.</b>	<b>500</b>	
<i>Intermediate Outputs:</i>		
<i>16.1 Joint Country Assessment of the performance of all donors in one partner country and recommendations on improved coordination, mutual learning and partner country ownership</i>		
<b>17. Joint Evaluations of the Effectiveness of Aid.</b>	<b>400</b>	
<i>Intermediate Outputs:</i>		
<i>17.1 Report on follow-up to the recommendations of the joint evaluation of General Budget Support (evaluation to be completed in 2006)</i>		

Expected Output Results	Total Estimated Cost (for the two-year period) (K EUR)
<i>17.2 Evaluation follow-up to the Paris Declaration (options paper for aid effectiveness evaluation being prepared for discussion in March 2006)</i>	
<i>17.3 Evaluation of total ODA at the country level</i>	
<b>18. DAC Evaluation Standards and Norms (for members and multilaterals).</b>	<b>300</b>
<i>Intermediate Outputs:</i>	
<i>18.1 Application of DAC Evaluation Standards (to be agreed in 2006) for 2 year trial period</i>	
<i>18.2 Select number of assessments of multilateral agencies' evaluation systems (building on pilot reviews with UNDP and UNICEF in 2006)</i>	
<i>18.3 Working tool for assessing members' evaluation systems used in 10 Peer Reviews</i>	
<i>18.4 Methodologies for impact evaluations to meet the needs of partners and donors</i>	
<i>18.5 DAC Evaluation Resource Centre expanded to make it the central platform for development evaluation knowledge</i>	
<b>19. Monitoring implementation of the Paris Declaration.</b>	<b>585</b>
<i>Intermediate Outputs:</i>	
<i>19.1 Medium-Term Monitoring Plan for implementing the Paris Declaration</i>	
<i>19.2 Revision of Methodology for measuring the Indicators of Progress (2006)</i>	
<i>19.3 Publication of the results of the 2006 Baseline Survey on Monitoring the application of the Paris Declaration</i>	
<i>19.4 2008 International Survey on Monitoring the application of the Paris Declaration</i>	
<b>20. Increased awareness and deeper understanding on the actions taken by donors and partners to implement the Paris Declaration.</b>	<b>643</b>
<i>Intermediate Outputs:</i>	
<i>20.1 Communication strategy formulated and regularly up-dated</i>	
<i>20.2 Communication tools developed based on the communication strategy</i>	
<i>20.3 Networking of aid agency/partner country staff and development practitioners through regional workshops, events and web-sites.</i>	
<i>20.4 Progress report to the 3<sup>rd</sup> High Level Forum on Aid Effectiveness (Ghana, 2008)</i>	
<b>21. Increased documented knowledge on Managing for Development Results, and supporting tools for capacity development and application of MfDR practices by partners and donors.</b>	<b>465</b>
<i>Intermediate Outputs:</i>	
<i>21.1 Regular updated editions + "living website" of the Sourcebook on MfDR – a collection of best practice cases of operational approaches to MfDR in donor agencies and partner countries</i>	
<i>21.2 Organization of Mutual Learning processes (among partners and donors)</i>	
<i>21.3 Assessment of capacity development needs in MfDR and development of guidelines for donors on how to meet and support those</i>	
<i>21.4 Implementation of follow-up to 3<sup>rd</sup> Round Table on Mfdr (2006)</i>	
<b>22. Good practices in Public Financial Management.</b>	<b>490</b>
<i>Intermediate Outputs:</i>	
<i>22.1 Review implementation of the PEFA framework to measure performance in public financial management</i>	
<i>22.2 Good practice in supporting PFM reforms</i>	
<i>22.3 Accounting standard on external assistance</i>	
<i>22.4 Sharing knowledge on training in the area of PFM</i>	

Core

Expected Output Results	Total Estimated Cost (for the two-year period) (K EUR)
<b>23. The effective use of reliable, transparent country procurement systems.</b>	<b>490</b>
<i>Intermediate Outputs:</i>	
<i>23.1 Development and increasing use of common benchmarking tools and methodologies</i>	
<i>23.2 Reviewing partner countries' progress in strengthening procurement systems</i>	
<i>23.3 Development and general use of a common framework for performance management of country procurement systems</i>	
<b>24. Monitor implementation of the DAC Untying Recommendation.</b>	<b>300</b>
<i>Intermediate Outputs:</i>	
<i>24.1 Monitor and assess Members' implementation of the Recommendation and its ability to meet its objectives. Undertake annual reviews on Members' implementation performance and start preparations for the "comprehensive" review (2009)</i>	
<b>25. Increase the coverage of the DAC Untying Recommendation<sup>3</sup></b>	<b>300</b>
<i>Intermediate Outputs:</i>	
<i>25.1 Examine ways and means to increase the coverage of the Recommendation through analytical work and policy dialogue, and assess the likely impacts of possible approaches on aid effectiveness, value for money and local and regional procurement</i>	
<i>25.2 Food aid -- Analytical work and policy dialogue/consultations on promoting local and regional procurement</i>	
<i>25.3 Policy dialogue with partner countries and case studies on the benefits (ownership, value for money, aid effectiveness) of untied aid</i>	
<b>26. Mutual review assessing efforts by OECD and African countries to improve development effectiveness in Africa.<sup>4</sup></b>	<b>272</b>
<i>Intermediate Outputs:</i>	
<i>26.1 Producing the 2007 Mutual Review Report, measuring progress against performance benchmarks in key policy domains identified in the inaugural 2005 "Mutual Review Report", with collaboration of ECA, AU/NEPAD, AfDB and OECD Intra-Secretariat Group on Africa.</i>	
<b>27. Sharing experiences on the management and reform of bilateral aid agencies.</b>	<b>30</b>
<i>Intermediate Outputs:</i>	
<i>27.1 Periodic meetings of senior corporate managers in aid agencies.</i>	
<b>28. Analytical comparative report on administrative costs of DAC Member States' development aid systems ("costs of doing business"). WP-EFF in close co-operation with WP-STAT and Peer Review team.</b>	<b>269</b>
<i>Intermediate Outputs:</i>	
<i>28.1 Establishment of analytical framework for the comparative assessment of aid agency costs for planning and management of assistance programmes.</i>	
<i>28.2 Comparative pilot study involving 3-5 DAC Member States</i>	
<b>TOTAL ESTIMATED COST</b>	<b>7,272</b>

<b>Strategic Objective:</b>	<b>5.</b>	<b>Contribute to the Development of Non-Member Economies</b>
<b>Output Group:</b>	<b>5.1</b>	<b>Development</b>
<b>Output Area:</b>	<b>5.1.3</b>	<b>Poverty Reduction, Growth and Trade</b>

**Expected Outcomes:**

- Accelerated and deepened progress on poverty reduction, including in underperforming areas and countries.
- Sustainable and dynamic growth processes, led by investment, trade and private sector development, which significantly reduce the incidence and depth of poverty.
- Improved balance of donor assistance between investments in human capital and promoting productive capacity.
- Helping address different dimensions of poverty in donor efforts better geared to country-specific contexts.
- A successful outcome of the Doha Development Round followed up by effective donor efforts.
- Capacity improved to deliver effective poverty reduction initiatives on the ground by sharing of lessons and experience.

<b>Expected Output Results</b>	<b>Total Estimated Cost</b> (for the two-year period) <b>(K EUR)</b>
<b>29. Implement policy guidance on using ODA to mobilise private investment for development and exchange/assess experiences among donors, partner countries and the private sector.</b>	<b>360</b>
<i>Intermediate Outputs:</i>	
<i>29.1 Dissemination of guidance and policy dialogue events to promote and assess up-take and impact of policy guidance for donors. With DAF/Investment Committee.</i>	
<i>29.2 Workshop and analytical report compiling results of recent evaluations of donors' efforts to use ODA to mobilise private investment for development. With EVALUNET/DAF</i>	
<i>29.3 Evaluate contribution of ODA in mobilising private investment that benefits the poor.</i>	
<i>29.4 Statistical report on trends in ODA and related indicators on mobilising private investment for development. With WPSTAT</i>	
<b>30. Scaling up for effective results: Best practices for implementing Pro-Poor Growth.</b>	<b>590</b>
<i>Intermediate Outputs:</i>	
<i>30.1 Identify and share field level experience in tackling implementation challenges to promote pro-poor growth.</i>	
<i>30.2 Poverty reduction strategies – Support in-country processes for strengthening the growth component in poverty reduction strategies.</i>	
<i>30.3 Review the application of recommendations concerning Infrastructure, Private Sector Development and Agriculture in country programmes.</i>	
<i>30.4 Develop and use indicators and tools (ODA uses, budgetary allocations, donor behaviour, growth and poverty impacts) of donor (individual/collective) RPG performance. With WP-EFF, EVALUNET</i>	
<i>30.5 Refine and disseminate Poverty Impact Assessment (PIA) approach based on results of test phase and review of its application.</i>	
<b>31. Guidance in using aid effectively to promote social inclusion and empower the poor.</b>	<b>510</b>

Expected Output Results	Total Estimated Cost (for the two-year period) (K EUR)
<i>Intermediate Outputs:</i>	
31.1 <i>Guidance on risk and vulnerability including human security and social protection. With DEV, GOVNET.</i>	
31.2 <i>Difficult environments: Sharing of experience and good practices on applying donor support for poverty reduction in fragile societies, in lagging regions and for disadvantage groups. With FSG.</i>	
31.3 <i>Identify and share best practices on the role of political empowerment of the poor in reducing poverty. With GOVNET</i>	
31.4 <i>Strengthen understanding of the political and socio-cultural dimensions of poverty reduction.</i>	
31.5 <i>Pro-poor budgeting: Develop tools to enhance the impact of public expenditures on poverty reduction – understanding trade-offs, increasing participation and strengthening accountability mechanisms. With GOVNET, GOV</i>	
<b>32. Guidance on aid for trade and competitiveness: Making markets work for the poor.</b>	<b>480</b>
<i>Intermediate Outputs:</i>	
32.1 <i>Trade – analysis and policy guidance on using aid for trade to reduce poverty. With ECH, DAF, AGR, DEV.</i>	
32.2 <i>Analysis and policy guidance on enhancing competitiveness (local/regional/international) and making markets work better for the poor. With ECH, DEV, AGR.</i>	
32.3 <i>Employing the poor - Analysis and policy guidance on labour market dynamics (formal/informal/ rural/urban, farm/off-farm). With ELS, DEV, AGR</i>	
<b>33. Maximising impact on poverty reduction: New work methods for developing and sharing best practices and experiences among practitioners.</b>	<b>280</b>
<i>Intermediate Outputs:</i>	
33.1 <i>Recast key policy messages to support dialogue and learning amount target audiences and increase their application in the field. With PAC.</i>	
33.2 <i>Use new technologies to facilitate sharing of information and experiences among development practitioners (e.g. Bluetooth, video conferencing and other virtual networking). With PAC, ITN.</i>	
<b>34. Policy guidance on strengthening the relevance and effectiveness of trade related technical assistance and capacity building, including in the context of the Doha Development round.</b>	<b>779</b>
<i>Intermediate Outputs:</i>	
34.1 <i>Annual progress report on trade related technical assistance and trade capacity building activities. With ECH, DEV and WTO.</i>	
34.2 <i>Policy dialogue to strengthen the policy relevance of the Doha Trade Capacity Building database. With ECH, DEV and WTO.</i>	
34.3 <i>Analytical report on aid effective mechanisms to monitor WTO implementation commitment with pledges to provide trade related technical assistance and capacity building, e.g. aid for trade.</i>	
<b>TOTAL ESTIMATED COST</b>	<b>2,999</b>

<b>Strategic Objective:</b>	<b>5.</b>	<b>Contribute to the Development of Non-Member Economies</b>
<b>Output Group:</b>	<b>5.1</b>	<b>Development</b>
<b>Output Area:</b>	<b>5.1.4</b>	<b>Statistics, Aid Architecture and Communications</b>

**Expected Outcomes:**

Enhanced allocation of resources to achieve development results, through improved:

- policy-relevant monitoring and analysis of trends and allocation of aid resources.
- resource allocation and aid architecture to achieve development results as aid is scaled-up.
- communication and information on development strategies and results.
- decision-making and monitoring of commitments in relation to the MDGs.

<b>Expected Output Results</b>	<b>Total Estimated Cost</b> (for the two-year period) <b>(K EUR)</b>	
<b>35. Collection and dissemination of statistical information on DAC Members' development co-operation programmes, including updating and maintenance of classifications and systems.</b>	<b>1,608</b>	<b>Core</b>
<i>Intermediate Outputs:</i>		
<i>35.1 International Development Statistics, CD-ROM and servicing 5000 registered online users</i>		
<i>35.2 Aid Statistics at a Glance by Region</i>		
<i>35.3 Creditor Reporting System – Aid Activities by thematic sector (1 sector per year)</i>		
<i>35.4 Geographical Distribution of Financial Flows to Aid Recipients</i>		
<i>35.5 Reports and analysis on MDG8 to UN and members (ODA, trade and debt)</i>		
<i>35.6 Updated and integrated classifications, such as types of aid (e.g. budget, TC, humanitarian, channels of delivery, tying status)</i>		
<i>35.7 More frequent and timely reporting to the CRS by DAC Members</i>		
<i>35.8 Updated and consolidated/converged statistical reporting directives and user guides</i>		
<i>35.9 Online statistical systems updated for ease-of-use and to incorporate new data collected</i>		
<b>36. Development Co-operation Report and Statistical Annex.</b>	<b>356</b>	<b>Core</b>
<b>37. Improving and expanding DAC statistics, including policy analysis.</b>	<b>705</b>	
<i>Intermediate Outputs:</i>		
<i>37.1 More frequent analytical reports of aid trends by type (humanitarian, debt, TC) and by sector/theme, including in support of work on fragile states and ODA delivered – in addition to ODA effort – in context of other sources of finance.</i>		
<i>37.2 Assessment of donor agencies' information requirements linking inputs to effectiveness (Paris Declaration indicators) to results</i>		
<b>38. Enhanced role of the DAC, via outreach beyond its current membership, as the key forum for donor dialogue, and the source of and reference for knowledge and good practice in development co-operation.</b>	<b>836</b>	
<i>Intermediate Outputs:</i>		
<i>38.1 Aid Management: Outreach policy dialogue with non-DAC donors on effective aid management and main implementation challenges for achieving development impact (with Structured Briefing or successor event as main delivery vehicle).</i>		

<b>Expected Output Results</b>	<b>Total Estimated Cost</b> (for the two-year period) <b>(K EUR)</b>
<i>38.2 Aid effectiveness: policy dialogue with non-DAC donors on options for joint donor engagement with a view to greater harmonisation (complementary to intermediate output 20.3: Aid Effectiveness).</i>	
<i>38.3 Focal point for relations with non-DAC donors and policy support specifically for non-DAC OECD Members.</i>	
<i>38.4 Global Forum on Development: Co-ordination of non-Member contributions and input to Global Forum on Development thematic work on Development Finance (see also intermediate output result 39.5).</i>	
<i>38.5 Statistical information on non-DAC Members' development co-operation programmes.</i>	
<b>39. Information Reports and Policy Exchange on Scaling up and Aid Architecture.</b>	<b>883</b>
<i>Intermediate Outputs:</i>	
<i>39.1 Annual data on indicative forward ODA spending flows to improve transparency and predictability of aid supply for all stakeholders.</i>	
<i>39.2 DAC statistical reporting standards applied to aid management systems in partner countries to support results and resources discussions and information exchange.</i>	
<i>39.3 Analytical reports and policy exchange on trends and issues in the international aid architecture, including UN Reform and frameworks for evaluating multilateral aid and applying aid effectiveness principles, in order to assist member governments' decision-making on aid channels.</i>	
<i>39.4 Policy exchange on improving coherence and consistency in aid allocations to partner countries (including fragile states), taking into account other sources of finance, notably exports, FDI, and remittances.</i>	
<i>39.5 Support for the Global Forum on Development's first multi-year thematic cycle on development financing.</i>	
<b>40. Study of ODA reporting rules for debt relief.</b>	<b>113</b>
<b>TOTAL ESTIMATED COST</b>	<b>4,501</b>

## OTHER WORK PROPOSALS

<b>Expected Output Results</b>	<b>Total Estimated Cost</b> (for the two-year period) <b>(K EUR)</b>
<b>41. External evaluation of the DAC ahead of the renewal of the mandate after 2008.</b>	<b>100</b>
<i>Intermediate Outputs:</i>	
<i>41.1 Analysis of effectiveness of DAC and DAC outputs and their impact in promoting improved aid effectiveness amongst DAC members. Study across selected OECD/DAC member country agencies, with recommendations on how to improve various core outputs and take up of other products.</i>	
<b>42. Analysis of an emerging issue in international development discussions, topic to be agreed by consensus by (say) October 2006/7.</b>	<b>300</b>

## SUPPORTING INTERNAL PROCESSES

<b>To be allocated proportionately across final list of output results that will appear in the draft PWB submission (May 2006) to the Budget Committee.</b>	<b>Total Estimated Cost</b> (for the two-year period) <b>(K EUR)</b>	<b>Core</b>
<b>43. Supporting internal processes.</b>	<b>2,678</b>	
<i>Intermediate Outputs:</i>		
<i>43.1 12-14 Regular meetings of the DAC per year</i>	<b>688</b>	
<i>43.2 One High Level Meeting</i>	<b>320</b>	
<i>43.3 One Senior Level Meeting</i>	<b>320</b>	
<i>43.4 Monitoring of international aid discussions</i>	<b>82</b>	
<i>43.5 Managing and administering the resources of the Secretariat and IT support</i>	<b>600</b>	
<i>43.6 Communicating key DAC work<sup>3</sup></i>	<b>668</b>	

## NOTES

- 1 Specifics depend on final Framework for Common Action to be agreed by Ministerial of 4 April 2006.
- 2 The notional estimated budget is mainly for 2 full-time A4 positions. Some other output results proposed in the list for prioritisation include elements that will, inter alia, promote policy coherence in support of development objectives, namely 1.3 (environment), 7.4 (anti-corruption), 8.2 and 8.3 (human rights), 10 (security system reform), 11 (conflict prevention), 25.2 (food aid), 25.3 (untied aid), 32.1 (trade) and 34 (trade capacity).
- 3 Planned for 2006 but deferred pending decision by the DAC.
- 4 Work has been costed according to current expected completion by December 2007.
- 5 The work programme for communications will be drafted and costed when the DAC's PWB process is finalized and as concrete preparation for work in 2007-2008 advances.

**ANNEX:  
PROPOSALS RECEIVED BY MEMBERS WITH REFERENCES TO OUTPUT RESULTS**

This annex contains proposals and priority preferences received from nine members (Belgium, France, Germany, Japan, Netherlands, New Zealand, Norway, Sweden, and United Kingdom) for consideration and inclusion in the priority list of work proposals for ranking. The original language of the proposals has been kept in the interest of transparency.

On each of the Members' submissions, the Secretariat has inserted a column on the left (shaded in grey) to cross-reference proposals and priority preferences with the output results listed in Part II of this document. The way in which the vast majority of output results are articulated reflects the outcome of extensive consultation processes among the subsidiary body members.

## BELGIUM

Dear Michael,

It is a pleasure to send you the Belgian proposals activities for the PWB 2007-2008 (see attachment).

These proposals result of a broad consultation that took place in Brussels on January 20th, 2006, including the SPF Foreign Affairs senior responsables, the Belgian Permanent Representative to the OECD, and the delegates in both DAC and its subsidiary bodies.

It does not necessarily include all the activities Belgium would like the DAC and the OECD Development Cluster to take into account, but only some main suggestions we see as our contribution for defining the long list that will be finalised by the secretariat and the ad hoc DAC group on prioritisation.

We look forward to that priorities long list before the next DAC Meeting on February 14th, 2006, and my capital and I, we will contribute in March and April to rank them to compose a PWB proposal and afterwards to re-organize the DAC architecture (subsidiary bodies a.s.o.) in order to reach effectively the several output results defined in the PWB proposal.

With my best regards,

Guy Berings

### 2007-2008 Belgian suggested DAC activities actually not covered by the subsidiary bodies

Reference to Output Results		Accountable Committee / Subsidiary Body / Programme	Ongoing or Timebound (end-date)	Total Estimated Cost K EUR
<b>#39</b>	<b>1. Output Result : increase aid effectiveness</b>			
	<i>A. Aid Architecture</i>			
	<i>1.1 Intermediate Output : DAC Members Authorities better informed about the UN aid architecture on the aid effectiveness</i>			
	1.1.1. Activity/product : Preliminary analysis of possible UN development clusters reforms and their consequences on aid effectiveness	<b>DAC/DCD (with Development Center)</b>	<i>Begin 2007</i>	
	<i>1.2. Intermediate Output : DAC members agreement on the elements influencing the efficiency of international system in charge of multilateral aid.</i>			
	1.2.1. Activity/product : Study on how to apply the aid effectiveness principles (Paris Declaration) to the Multilateral architecture	<b>DAC/DCD (with Development Center)</b>	<i>End 2007</i>	
	<i>1.3. Intermediate Output : DAC members agreement on key elements of the multilateral architecture reform</i>			
1.3.1. Activity/product : Proposals to reorganize UN development towards better management, internal coherence and synergies, alignment to PRSP's and harmonization with other donors	<b>DAC/DCD (with Development Center)</b>	<i>2008</i>		

Reference to Output Results		Accountable Committee / Subsidiary Body / Programme	Ongoing or Timebound (end-date)	Total Estimated Cost K EUR
#13	<i>B. Policy Coherence for Development</i>			
	<i>1.4 Intermediate Output :DAC members Policy Coherence for Development increased</i>			
	1.4.1. Activity/product : Good Practices regarding Policy Coherence for Development	DAC/DCD	End 2007	
	1.4.2. Activity/product : Guidelines on Policy Coherence for Development	DAC/DCD	End 2008	
#37, #39, #40	<b>2. Output Result : DAC-ODA statistics improvement</b>			
	<i>2.1 Intermediate Output: real cash ODA scaling up flows better estimated</i>			
	2.1.1. Activity/Product : study of the consequences for ODA flows when debt relieve is calculated at its economical value	WP-STAT/DCD	End 2007	
#39	<b>3. Output Result : improvement of the statistical capacities of ODA recipient countries</b>			
	<i>3.1. Intermediate Output : knowledge of partner countries on the received ODA flows improved</i>			
	3.1.1. Activity/Product : Recommendation on helping the partner's countries to record ODA-flows & other financial incomes for development related to the MDG's	PARIS-21	Ongoing	
#10, #11, #12	<b>4. Output Result : improvement of Security &amp; Development in Fragile States</b>			
	<i>4.1. Intermediate output : aid harmonization and effectiveness in conflict situations increased</i>			
	4.1.1. Activity/product : Deeper reflexion on the impact of coherent ODA/non-ODA funding in areas of conflict (not to re-open the ODA definition but rather to measure and to solve impacts of gaps in the security sector on the ground)	CPDC FRAGILE STATES GROUP/DCD	+	
	4.1.2. Activity/product : Deeper reflexion on aid coherence with other external policies (Defence, diplomacy, ...)	CPDC FRAGILE STATES GROUP/DCD	+	
	4.1.3. Activity/product : study on how to link SSR and small arms reduction and how to include SSR and SALW reduction into the PRSP's agendas	CPDC FRAGILE STATES GROUP/DCD	+	
	4.1.4. Activity/product : pilot studies on applying fragile states principles on aid improvement in 10 pilot countries: revision & endorsement of principles	CPDC FRAGILE STATES GROUP/DCD	+	

Reference to Output Results		Accountable Committee / Subsidiary Body / Programme	<i>Ongoing or Timebound (end-date)</i>	<i>Total Estimated Cost K EUR</i>
#29, #30, #32	<b>5. Output Result : improvement of growth and poverty reduction</b>			
	5.1. <i>Intermediate Output : Role of the private sector improved to sustain growth and poverty reduction</i>			
	5.1.1. Activity/product : comparative study of poverty reduction policies through private sector support	<b>POVNET TT on Private sector</b>		
	5.1.2. Activity/product : comparative study of policies aiming to support infrastructures for the private sector development	<b>POVNET TT on Private sector / infrastructures</b>		
	5.1.3. Activity/product : comparative study of sector policies aiming to facilitate the commercialization of agricultural products	<b>POVNET TT on Private sector / agriculture</b>		

## FRANCE

Vous trouverez en attaché nos remarques sur la liste de priorités du CAD en vue du PWB 2007-2008. Je vous en souhaite bonne réception.

Dominique

## Message du Délégué de la France au CAD

Dans le cadre de la **procédure de choix des priorités du CAD**, il est prévu que les Délégués commencent par réagir en leur nom propre avant le 31 janvier sur la liste de rubriques proposée par le Secrétariat dans le document « Priority Ranking Exercise » (Réf. DCD/DAC/RD(2005)15/RD1 et DCD/DIR(2005)41).

A propos de cette liste et en vue d'être ensuite à même de faire valoir les souhaits de ma capitale, je voudrais faire les remarques suivantes :

- |                 |   |
|-----------------|---|
| <b>#6</b>       | <ul style="list-style-type: none"> <li>• Nous souhaitons que le renforcement des capacités soit pleinement pris en compte. Est-il possible d'avoir confirmation de ce qu'il est bien inclus dans la rubrique « Monitoring Aid Effectiveness » ?</li> </ul>  |
| <b>#13, #39</b> | <ul style="list-style-type: none"> <li>• De même, nous souhaiterions que le thème « Migrations et Développement » puisse être étudié par le CAD en 2007-2008 et nous souhaiterions nous assurer que la rubrique « Aid Architecture (and Global Forum) » peut y pourvoir.</li> </ul>   |
| <b>#30, #31</b> | <ul style="list-style-type: none"> <li>• Le découpage proposé pour les « Core-related Outputs/DAC Priorities » nous paraît, par ailleurs, appeler une modification pour mieux identifier le sujet « encouragement du secteur productif ».             <ul style="list-style-type: none"> <li>– Nous proposons donc de remplacer la rubrique « Pro-poor growth », qui nous semble trop large, par une rubrique « Orientation de la croissance dans un sens favorable aux pauvres ».</li> <li>– Nous proposons ensuite de créer une rubrique « Encouragement du secteur productif ». Cette nouvelle rubrique pourrait englober le sujet Commerce et Développement.</li> </ul> </li> </ul> |

Ainsi le nombre total de rubriques n'augmenterait pas.

Dominique Bocquet

## GERMANY

Dear Hilary,

Please, find attached the German proposal for an output result "Costs of doing business", following the German intervention at the SLM in December 2005.

With best regards,

Josef

**Output Area:** Aid Effectiveness

**Expected Outcomes:** Effective learning processes and upgrading of aid practices and management; progress in reducing transaction costs of aid programme planning and delivery.

	<b>Expected Output Result</b>	<b>Accountable Committee/ Subsidiary body</b>	<b>Ongoing or Timebound (end-date)</b>	<b>Total estimated cost</b>
<b>#28</b>	<p><b>Analytical comparative report on administrative costs of DAC Member States' development aid systems ("costs of doing business")</b></p> <p><i>Intermediate outputs:</i></p> <ul style="list-style-type: none"> <li>a) Establishment of analytical framework for the comparative assessment of aid agency costs for planning and management of assistance programmes;</li> <li>b) Comparative pilot study involving 3 – 5 DAC Member States</li> </ul>	<p>WP-EFF</p> <p>In close cooperation with WP-STAT and Peer Review Team</p>	<p>End 2007</p>	

## JAPAN

Dear Hilary and Alison,

In response to the letter from Mr. Roeskau on Dec 20, I would like to send you Japan's proposal for the Priorities List, as attached.

Please don't hesitate to contact us, if you have any questions.

I am looking forward to collaborating with you on this issue.

Sincerely

Hiro SHIBATA

Reference to Output Results	2007 Expected Output Results in order of priority	Accountable Committee/ Subsidiary Body/ Programme	Ongoing or Timebound (end-date)	Total Estimated Cost KEUR
#38	<b>1. Promotion of the DAC Outreach with Non-OECD emerging donors and Non-DAC OECD donors such as BRICs</b>	DAC/WPSTAT/WPEFF/ other relevant SBs		
	1.1 Enhanced policy dialogue and understanding on issues such as aid management, aid effectiveness, and other major policy issues.			
	1.2 Enhanced capacity for statistical monitoring and reporting			
#30, #31, #33	<b>2. Policy Guidance for donors on using aid effectively to promote economic growth and poverty reduction</b>	POVNET		
	2.1 Facilitate dissemination and operationalization of current works by the POVNET at the field level (e.g. adopting the PPG guiding principles to the actual aid policies and activities, and sharing success stories in promoting PPG in the field and etc.)			
	2.2 Analytical work to develop guidance on dealing with human security including risk and vulnerability and social risk protection			

Reference to Output Results	2007 Expected Output Results in order of priority	Accountable Committee/ Subsidiary Body/ Programme	Ongoing or Timebound (end-date)	Total Estimated Cost KEUR
#6	<b>3. Policy Guidance for donors on promoting capacity development</b>	possibly GOVNET/ WPEFF in collaboration with LENCDC		
	3.1 Dissemination of the concept paper on capacity development			
	3.2 Synthesis report on capacity development and inventory of capacity development related works and good practices (drawing from existing works such as the concept paper on capacity development by GOVNET, works by WPEFF, and other relevant forum)			
	3.3 Facilitate implementation of the Paris Declaration, such as identifying good practices on country-led Programmes for capacity development			
#6, #16, #17, #18	<b>4. Enhanced efforts in evaluation of major development issues</b>			
	4.1 Evaluation of aid effectiveness agenda/ the Paris Declaration	EVALUNET		
	4.2 Deeper understanding of impact evaluation	EVALUNET		
	4.3 Capacity Development of donors and partner countries in the area of evaluation	EVALUNET/GOVNET		
#38, #39	<b>5. Enhanced efforts for scaling-up for results oriented development</b>			
	5.1 Enhanced communication at the field level (CG, RT etc.), including statistics and policy dialogue with emerging donors			
#12	<b>6. Policy guidance for donors on assistance to fragile states</b>			
	Continue and further develop current works (2005-2006)	FSG		
#29	<b>7. Synergy between investment and ODA</b>	possibly POVNET		
	7.1 Using ODA to promote private investment for development (activities based on current works on policy guidance/ e.g. studies on cases where the policy guidance was applied)			
#34	<b>8. Synergy between trade and ODA</b>	possibly POVNET		
	8.1 Contribution to strengthen synergy between trade and ODA through promoting aid for trade, trade facilitation and trade capacity building			

Reference to Output Results	2007 Expected Output Results in order of priority	Accountable Committee/ Subsidiary Body/ Programme	Ongoing or Timebound (end-date)	Total Estimated Cost KEUR
#6	<b>9. Developing and promoting governance indicators (GOVNET related activities)</b>			
	9.1 Develop and facilitate the use of governance indicators	GOVNET		
#10, #11	<b>10. Enhanced efforts in building up security, fight against armed violence (CPDC related activities)</b>			
	10.1 Security, armed violence and the challenges of reintegration (in order to address small arms and DDR, and the demand factors for creating security)	CPDC		
	10.2 Develop OECD/DAC Principles on Armed Violence, supported by good practice guidance	CPDC		
	<b>【 CORE ACTIVITIES 】</b> We understand that the following activities are included in "core activities". In case some of the activities are not included as "core activities", please include them as items for the ranking exercise.			
#35, #36, #37	<b>• Statistics</b>			
	1 DAC Statistical reporting	DAC/WPSTAT		
	2 Policy issues related to statistics	DAC/WPSTAT		
#14, #38	<b>• Peer Review</b>			
	1 Peer Review of DAC members	DAC		
	2 Works related to improving Peer Review methodology	DAC/ SBs		
	3 Experience sharing through Peer Review process among DAC donors and non-DAC/ non-OECD donors	DAC		
#19, #21, #22, #23	<b>• Implementation of the Paris Declaration</b>			
	1 Enhanced Dissemination and Outreach activities	WPEFF		
	2 Public Financial Management with a focus on capacity development	WPEFF		
	3 Procurement with a focus on capacity development	WPEFF		
	4 Experience-sharing and reviewing progress	WPEFF		

**NETHERLANDS**

**#31 (see  
IO 31.4)**

Dear Hilary,

The following overall subject is proposed by the Netherlands for the DAC program of work and budget 2007/08

Inclusion: balancing the poverty dimensions

Despite their importance, of the 5 dimensions of poverty, the political and socio-cultural dimensions have received scant attention. Touching on key issues of governance and social organisation, including decentralisation, institutional capacity development and pro poor policy, the socio-cultural and political dimensions of poverty are essential for the all networks of the DAC. Tangible results would be

- Revised DAC guidelines
- Collected best practice on including political and socio-cultural dimension

Kind regards,

Robert-Jan Scheer  
Head policy analyses and advice  
DGIS

## NEW ZEALAND

Dear Colleagues

I attach a paper from my capital outlining NZAID priorities for 2007-08. Besides a listing of priorities in various sub-fora (none of which I believe are new so which I expect don't need consideration at this stage), I draw your attention to the following two items for possible inclusion on the top-down priority listing.

(i) Analysis of an emerging issue in international development discussions, topic to be agreed by consensus by (say) October 2006/7

(ii) Analysis of effectiveness of DAC and DAC outputs and their impact in promoting improved aid effectiveness amongst DAC members. Study across x OECD/DAC member country agencies, with recommendations on how to improve various core outputs and take up of other products.

Kind regards

Steph

In addition to core OECD/DAC work and related outputs, NZAID supports the following working group topics:

from **GOVNET**

Highest Priority:

#6, #7, #8,  
#12

(i) completing any existing work carried over from previous years, before taking on any new work. (needs to include Fragile States related work)

Priority level 2:

#6, #12,  
#35, #37

(ii) Theme: Capacity Development.  
Outputs: Operational guidance to make progress on the capacity-related commitments in the Paris Declaration; Operational guidance on effective capacity development in fragile states\*; Policy relevant disaggregated technical cooperation statistics\*

#7

(iii) Theme: Anti-Corruption.  
Outputs: Guidance for collective donor effort on political corruption; OECD-wide Anti-Corruption strategy

#8

(iv) Theme: Human Rights.  
Outputs: Guidance on the mutual reinforcement of human rights and aid effectiveness\*; Guidance on integrating human rights and pro-poor growth\*; Guidance on reconciling and integrating human rights and peace strategies\*

#9

(v) Theme: Accountability and Aid Dependency.  
Outputs: Guidance on how aid can promote domestic accountability particularly through revenue mobilisation\*.

<p>#4, #5</p>	<p>from <b>GENDERNET</b></p> <p><u>Highest Priority</u></p> <p><b>Topic:</b> Gender Equality and Women's Empowerment</p> <p><b>Key Output:</b> Revised <i>DAC guidelines for gender equality and women's empowerment in development co-operation</i> to take account of the changing aid modalities, the impact of the partnership commitments of the Paris Declaration and what we have learned from the practice of gender mainstreaming over the past 10 years.</p> <p><b>Intermediate Outputs:</b> 1) development of innovative and harmonised approaches to gender equality work in the context of programme based approaches and scaled-up aid; and 2) reflection on good practice in gender mainstreaming and women's empowerment in the emerging contexts of partner country ownership, alignment and mutual accountability.</p>
<p>#10, #11</p>	<p>from <b>CONFLICT, PEACE AND DEVELOPMENT COOPERATION</b></p> <p><u>Highest Priority</u></p> <p>Policy to Behaviour Change, Outreach and Emerging Issues: Mainstreaming for Conflict-sensitive Development (continued from 2005-2006).</p> <p>Taking Early Action and Fostering Faster Collective Responses: Early Warning, Analysis and Harmonised Approaches to Aid in Conflict Situations (new work).</p> <p><u>Priority Level 2</u></p> <p>Strengthening Conflict Prevention/Peace building (CPPB) Programmes and Policies: Guidance on Evaluation (continued from 2005-2006).</p> <p>Security System Reform, Armed Violence and Poverty Reduction (continued and new work)</p>
<p>#12</p>	<p>Also need to include <u>Fragile States</u> related work.</p>

#19 - #23

**Aid Effectiveness Working Group**

Note: Aid Effectiveness outputs remain amongst those of Highest Priority for NZAID.

**OTHER (1)**

High Priority:

#42

(i) Analysis of an emerging issue in international development discussions, topic to be agreed by consensus by (say) October 2006/7

#41

(ii) Analysis of effectiveness of DAC and DAC outputs and their impact in promoting improved aid effectiveness amongst DAC members. Study across x OECD/DAC member country agencies, with recommendations on how to improve various core outputs and take up of other products.

**OTHER (2) (Note)**

(i) This listing is not intended to be exclusive of other possible high priority activities from these and other working groups.

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NZAID, 31 January 2006.

NORWAY


**PERMANENT DELEGATION OF  
NORWAY TO THE OECD, PARIS**

 Enquiries to  
Kristin Langsholt

Our Date	Our Reference
31.01.06	
Your Date	Your Reference

The DAC-secretariat

**PRIORITISATION: NORWEGIAN PROPOSALS FOR THE PRIORITY LIST.**

Dear Madam/Sir,

I refer to the ongoing work in the DAC on the PBW 2007 – 2008, and the request by the Secretariat for Members' views on policy priority issues by 31 January 2006, as part of the priority ranking exercise. Norway would like to commend the Secretariat for all the hard work done so far. We look forward to working closely with the Secretariat as well as the other members in order to ensure that the PWB 2007 – 2008 is as operational and results-oriented as possible, so that we may see real progress on the ground level.

Norway would like to make the following observations concerning the ongoing ranking exercise:

With regard to the ranking exercise itself and the topics under consideration, we are of the opinion that our deliberations have not yet evolved into a discussion of specific DAC "outputs", and that we are in fact still working on the DAC "priorities". Therefore, we believe it would be useful to change the headings accordingly.

*Core outputs (priorities) excluded from ranking exercise:* Norway concurs with the view that that the core priorities as described in para. 3.1 in doc. DCD/DAC/RD(2005)15/RD1<sup>1</sup> are indeed an essential part of the DAC mandate, and that they should therefore be excluded from our ongoing ranking exercise. With regard to the monitoring of aid effectiveness, we do however think that the bullet point on DAC Member Peer Reviews should also include a brief reference to humanitarian assistance. Equally, there should be a reference to the reporting on the OECD/DAC Recommendation on Untying.

With regard to the illustrative list of policy priority proposals which may be relevant to the current ranking exercise<sup>2</sup>, it is hard to disagree that most of them would no doubt merit further attention by the DAC. We do however believe that the DAC is currently doing too much in too many areas, thus also risking duplication of work with other relevant international fora. From a Norwegian

<sup>1</sup> i.e. tasks related to the the monitoring of aid flows and aid effectiveness respectively, as well as the servicing of internal processes and meetings and the communication of DAC products

<sup>2</sup> also distributed as a room paper/handout by the Secretariat during the regular meeting of the DAC on 17 January 2006

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point of view, we would therefore like to see the DAC highlight the following policy areas in 2007 - 2008:

#38

- *Outreach*: From a Norwegian point of view, this issue certainly merits further work by the DAC, considering the emergence of considerable contributions by new (non-DAC) donors. With regard to the proposal by the Netherlands to further examine the links with China, we believe that this issue (as well as the role of Saudi Arabia) should be covered as a key element in the the DAC work programme on outreach.

#39

- *Scaling Up*: Norway would like to see more work done by the DAC on this subject, following up on the two meetings that were organised by the OECD and the World Bank during the second half of 2005. In our view, more work is needed on issues related to innovative financing mechanisms (IFF) and aid effectiveness. Equally, further clarification is needed with regard to the pledges made so far by the donor community to substantially increase its real ODA, and how these commitments will be followed up in practice. Another important issue is the question of how to address the needs by the so-called donor orphans in view of the forthcoming Scaling Up exercise.

#39

- *Aid architecture*: We believe the follow-up of this topic should be further discussed in close consultation with the DAC members, as it is closely linked to both the aid effectiveness and the scaling up exercise respectively.

#13

- *Policy coherence for development*: From a Norwegian point of view, this issue should be prioritised not only in the DAC but also on the overall agenda of the OECD, at the top level.

#24, #25

- *Further untying of aid*: Given the fact that there is no subsidiary body of the DAC currently working on this issue, Norway would like to flag this issue as a priority issue for the DAC also for the next PWB.

*Other comments*: With regard to the proposed DAC priorities concerning Joint Country Assessments, it is not obvious that this activity should be continued after the adoption of the Paris Declaration, partly because monitoring at country level will be carried out in a way which encourages mutual assessment and partly because the Paris Declaration includes a joint partner country-donors responsibility to assess mutual progress. Joint Country Assessments by the DAC could thus easily lead to duplication of work done at the country level.

#12

Aside from this, we would also like to stress the importance of keeping issues that are central to the fragile states high on the overall DAC agenda.

Yours sincerely,

Kristin Langsholt  
Counsellor

**SWEDEN**

Michael,

Just some general input regarding priorities. Of course, the core activities of DAC must be given priority. It is also important that Paris 21 continues as a project. In addition to this (not ranked in priority) we would like to attach importance to the following issues:

- |               |                                  |
|---------------|----------------------------------|
| #13           | - policy coherence               |
| #15           | - good humanitarian relationship |
| #10, #11      | - conflict issues                |
| #7            | - anti-corruption                |
| #30, #31, #32 | - pro-poor growth                |
| #4, #5        | - gender                         |
| #1, #2, #3    | - environment                    |
| #17, #18      | - evaluation                     |
| #12           | - fragile states                 |
| #24, #25      | - untying                        |
| #6 - #9       | - governance                     |
| #8            | - the rights approach            |

Best regards,

Kristin Pålsson

## UNITED KINGDOM

Michael, Hilary,

Pl see DFID's priorities attached,

David  
UKDeI/DAC

## DFID RESPONSE TO TOP DOWN PRIORITIES FOR DAC WORK AND FUNDING

The twelve top priority areas we identify are:

- |          |   |
|----------|---|
| #39      | • Aid architecture (Global Forum on Development)  |
| #15      | • Humanitarian aid (inclusion in peer reviews)  |
| #16      | • Joint Country Assessments (= collective peer reviews)                                     |
| #26      | • NEPAD mutual review   |
| #38      | • Outreach to emerging donors   |
| #13      | • Policy coherence for development  |
| #39      | • Scaling-up  |
| #34      | • Trade and development   |
| #10, #12 | • Fragile/states security sector reform, and in particular the watch list on fragile states |
| #6 - #9  | • Governance  |
| #24, #25 | • Untying   |
| #22      | • Harmonised approaches to public financial management (links to PEFA etc)                  |
| #39      | • Criteria and processes for aid allocation   |

We should also seek assurances that implementation of the Paris Declaration is adequately covered under the core funding.

DFID  
30 January 2006