

**DEVELOPMENT CO-OPERATION DIRECTORATE
DEVELOPMENT ASSISTANCE COMMITTEE**

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For Official Use**

DAC PEER REVIEW CONTENT GUIDE

(Note by the Secretariat)

This revised version of the DAC Peer Review Content Guide takes account of comments made at the DAC peer review methodology meetings on 2 and 16 October 2008. Chapters 1 to 6 have been approved at the DAC meeting on 16 October and will serve as the basis for peer reviews in the biennium 2009-10. The Content Guide will be reviewed subsequently.

The revised humanitarian assessment framework (Annex A) will be adjusted to reflect the discussion under item 3 of the Agenda DCD/DAC/A(2008)11, DAC meeting, 16 October 2008.

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DAC PEER REVIEW CONTENT GUIDE

Background

1. The Development Assistance Committee (DAC) of the OECD conducts reviews of the development co-operation efforts of each Committee member every 4-5 years. The Development Co-operation Directorate (DCD) provides analytical support and develops and maintains the conceptual framework within which the Peer Reviews are undertaken. The objectives of DAC Peer Reviews are to:

- Monitor members' development co-operation policies and programmes and assess their progress against the goals and policies agreed in the DAC as well as internationally and nationally established objectives.
- Assist DAC members in improving individual and collective aid performance through mutual learning.
- Identify good practices and foster co-ordination.

2. Peer Reviews assess member country performance, not just that of the aid agency, and examine both policy and aid delivery. The Reviews refer to internationally agreed benchmarks, DAC good practice papers and guidelines, and nationally selected reference points, wherever possible. Efforts are made to develop an integrated, system-wide perspective on the co-operation activities of the country being reviewed.

Purpose of the Guide

3. The Guide aims to provide a framework for all Peer Reviews, providing priority questions for each of the standard sections of the review, as well as a framework for general or theme-specific learning across several reviews. It is organised according to the chapters of Peer Review reports and should be read in conjunction with the *Information Note on the DAC Peer Review Process* [DCD(2007)5], which describes the review process and the roles and responsibilities of participants.

4. The special value of the Guide lies in its common analytical framework which permits reporting to the DAC on lessons learned. The DAC needs to signal issues of special interest at the start of a biennial cycle of reviews so as to permit the advance preparation and standard collection of information required for an organised presentation to the Committee at the end of the cycle.

5. The purpose of the Guide is, therefore:

- To serve as a reference for the preparation of the country memorandum preceding a review¹.
- To prepare both the examining team and the reviewed country for discussions at headquarters and in the field.
- To support identification of lessons learned after individual reviews, and thematic or issue synthesis following a series of reviews.

1. See the "Guidance on DAC country memorandum" (DCD(2007)5/ANN/REV1).

CHAPTER 1

STRATEGIC ORIENTATIONS

Key references

- *Gender Equality and Women's Empowerment in Development Co-operation*, DAC Guidelines (1999).
- *Millennium Development Goals and Millennium Declaration* (2000).
- *Poverty Reduction*, DAC Guidelines (2001).
- *Strategies for Sustainable Development*, DAC Guidelines (2001).
- *Monterrey Consensus* (2002).
- *Principles and Good Practice of Humanitarian Donorship* (2003).
- *Paris Declaration on Aid Effectiveness* (2005) and *Accra Agenda for Action* (2008).
- For EU countries: *The European Consensus on Development* (2005) and *European Consensus on Humanitarian Action* (2007).
- *Promoting Pro-poor growth* policy statement (2006), endorsed at the DAC HLM on 5 April 2006.
- *Promoting Pro-Poor Growth: Policy Guidance for Donors*, DAC Guidelines and Reference Series (2006).
- *Principles for Good International Engagement in Fragile States & Situations* (2007).
- *The Challenge of Capacity Development: Working towards Good Practice*, DAC Guidelines and Reference Series (2006).
- *Helping Prevent Violent Conflict*, DAC Guidelines (2001).
- *The OECD/DAC Handbook on Security System Reform (SSR): Supporting Security and Justice* (2007).
- DAC Action-oriented Policy Paper on *Human Rights and Development* (2007).

Purpose

6. An examination of an aid programme must begin with the political directives, policies and strategies that shape and frame the content of the overall development co-operation system. This chapter of the analytical framework will help the peer reviewer gain insights into the evolution of the member country's aid system, its legal basis, overall organisation and current vision. It also reviews public awareness as well as efforts to influence public opinion about the official development co-operation programme and generate support for overseas aid as well as the role of parliament in policy for development co-operation. To appreciate changes in the system, it is important for the peer reviewer to know what steps have been taken to implement the DAC recommendations from the previous Peer Review.

Headquarters issues

- What is the historical and legal basis for development co-operation? How is development co-operation reflected in foreign policy? What is the role of development co-operation within the broader context of development?
- What major changes have occurred since the last peer review (policy statements, major development co-operation initiatives)?

- What is the current vision for and what motivates the country's development co-operation effort? How is this vision reflected in policy documents and annual reporting? Are there apparent tensions between national foreign policy interests and stated development objectives? How are these resolved?
- Where is the focal point for development co-operation strategy and policy leadership within the national system? Is there sufficient capacity to formulate coherent strategies? How is parliament involved in the formulation of development co-operation policy? To what extent is civil society consulted and able to influence development policies? Is there a development co-operation advisory body and what is its mandate? What public monitoring and accountability mechanisms and measures are in place?
- How are partner countries selected? Is selection influenced by effectiveness/impact/policy convergence with reviewed country priorities? Is fragility and/or conflict analysis formally or informally incorporated into the selection process? What is the optimal number of partner countries and is there a strategy to arrive at that number? What determines activities in non-partner countries? Are the exit strategies in place for either partner or non-partner countries?
- What are the key thematic foci and how are they chosen? How do these intersect, i.e. which themes are considered to be sectors and which are considered to be cross-cutting?
- How have international commitments, including the Monterrey Consensus, the MDGs, the Paris Declaration and the Accra Agenda for Action been reflected within the reviewed country's co-operation strategy? What is the approach to poverty reduction (and promoting sustainable economic growth) in developing countries in terms of priority setting and targeting? What influence have the *DAC Guidelines on Poverty Reduction* had on policy and programming? Have the *DAC Principles for Good International Engagement in Fragile States and Situations* been applied in corporate priority-setting? How does the donor monitor and report on implementation of these principles?
- Is there specific policy guidance on i) fragile states; ii) conflict prevention and peace-building; iii) conflict sensitive development; and iv) post conflict including security system reform? How is this linked to the agency's work on governance? If the reviewed country does not have specific policies covering these themes, what guidance is applied in its work in these areas? Does the agency work with agreed definitions of terms such as conflict prevention, peace building and fragile states? How are activities on humanitarian assistance, conflict prevention, peace building, and fragile states, connected?
- Is a whole-of-government approach taken to deal with fragile states and conflict-affected countries to organise responses to early warning of conflict and/or state fragility? Is there a shared understanding of conflict dynamics through joint conflict analysis, and integrated planning and the development of strategic peace-building frameworks? Does the reviewed country have cross-departmental policies to reinforce and guide political, security and socio-economic dialogues with partner governments to respond to early warning of conflict and/or state fragility?
- Where are capacity development and the nominated special theme (see Chapter 6) located within the overarching policy framework for the development co-operation programme? Where is humanitarian action located within this framework?
- Is there specific policy guidance on other cross-cutting issues such as gender equity, good governance, human rights, HIV/AIDS, environment, and sustainable development? How are cross-cutting issues reflected in sectoral policies and strategies? How are cross-cutting issues implemented (e.g. mainstreamed, special projects, sector/thematic programmes) and are special

resources allocated to them? How are these cross-cutting issues reflected in country programmes and activities in fragile and conflict-affected states?

- *For EU member States:* How has the reviewed country incorporated commitments under the *European Consensus in Development* (2006) and the *European Consensus on Humanitarian Action* (2007) into the national policy framework?
- Does the agency address the regional development dimension when designing a bilateral programme and, if so, how? Is regional co-operation seen as a means to provide regional aid complementary to an aid programme focussed on a small number of countries? Are there co-ordination mechanisms between units working on countries in the same region at headquarters level? Are there specific policies focussed on building regional capacities and strengthening regional organisations?
- What is the national policy regarding the involvement of sub-national governments in development co-operation? Where sub-national governments provide development aid, in what ways is this adding value? To what extent are they encouraged and/or required to align with policies set by the national government?
- What is the level of public awareness of development issues and public support for aid? How are awareness and support measured? How do the authorities inform the public of development issues and development co-operation results? Is there a strategy and budget for public awareness and for communicating the vision? To what extent and how are civil society organisations involved in raising public awareness?

Field level issues

- What opportunities does the Embassy/field office have to influence the agency's overall policy and strategy? Are headquarters policies grounded in field reality and local needs? How effectively are headquarters policies communicated to, and implemented on, the ground?
- To what extent are diplomacy and development perspectives successfully integrated to produce a cross-government approach to local issues of development?
- How is the reviewed donor's policy on fragile states and conflict-affected countries integrated into country strategies and frameworks? How does the agency determine its objectives in fragile situations? How does the agency manage the tensions between addressing state-building and conflict issues and making progress towards the MDGs in dialogues with partner government? To what extent and how are DAC guidance documents on fragile states and conflict prevention followed?
- Does the partner government have appropriate opportunities to influence reviewed country policy, strategy and action in the recipient country? Does headquarters policy enhance or detract from recipient country ownership?
- Are embassies within the region used to encourage and promote regional co-operation in response to shared challenges in areas such as the political, economic, environmental, trade, migration and security realms? If so, how? Are horizontal linkages across embassies within the region used to promote regional integration and/or to prevent regional conflicts and, if so, how? At a bilateral level, what are the challenges in implementing regional programmes/projects? To what extent does the country office support and/or work through regional organisations?
- Is local civil society provided with opportunities to influence reviewed country policy, strategy and action in the recipient country? How is civil society involved in shaping, implementing and monitoring the programme?

CHAPTER 2 POLICY COHERENCE

Key references

- *Poverty Reduction*, DAC Guidelines (2001).
- *OECD Ministerial Declaration on Policy Coherence for Development* (2008)
- *Paris Declaration on Aid Effectiveness* (2005) and *Accra Agenda for Action* (2008)
- *Policy Coherence for Development: Promoting Institutional Good Practice*, The Development Dimension (2005).
- *Principles for Good International Engagement in Fragile States & Situations* (2007).
- *Whole of Government Approaches to Fragile States*, DAC (2007)
- *Helping Prevent Violent Conflict*, DAC Guidelines (2001).
- *Security System Reform and Governance*, DAC Guidelines and Reference Series (2005).

Purpose

7. Aid alone will not secure development and poverty reduction in developing countries. The efforts of aid programmes, no matter how strong, will be undermined if government policies, both in donor and partner countries, are not supporting development objectives. Examining how DAC members go about promoting policy coherence for development, what institutional mechanisms are in place, and what degree of success they have achieved is, thus, an important aspect of peer reviews. This framework will help the peer reviewer analyse what contributes to better achievement of policy coherence for development and what efforts the reviewed country is making both at national level with respect to its own policies, and at field level with respect to promoting coherence among donors and within the partner government.

Headquarters issues

Political commitment

- Does the government have a policy to promote policy coherence for development? Have time-bound action agendas for making progress on policy coherence for development been published? What priority is routinely given to development and coherence at the highest level of a government? What are the priority areas in which the government tries to address policy coherence? What efforts are underway to raise public awareness and build public support for policy coherence, on a long-term basis?

Co-ordination mechanisms

- Who are the key actors in policy formulation processes and what mechanisms exist to balance the interests of diverse interest groups to overcome political economy constraints for policy coherence for development? Are there effective cross-institutional co-ordination mechanisms to consult and formulate national positions on policy options and to resolve policy conflicts or inconsistencies? Do these mechanisms have clear mandates and responsibilities for arbitrating between policies? When working practices are informal, how is effective communication between ministries ensured? What role does the development agency have in these co-ordination mechanisms and how does it promote policy coherence? How are views from the private sector and civil society taken into account and what role do they play in the policy-making process?

Capacity and monitoring

- Is there sufficient capacity and adequate resources within government, including requisite staff, to define and analyse issues on coherence and channel them into policy processes? Has the reviewed country worked with local stakeholders in partner countries to produce analysis on how external (non-aid) policies play out in particular countries? To what extent are non-government stakeholders routinely consulted on issues of policy coherence for development?
- What procedures (reporting, benchmarks, etc.) are in place to monitor the effectiveness of the institutional structures? To what extent do these monitoring mechanisms ensure transparency and create incentives for policy coherence? Is there transparent reporting to parliament and the wider public?
- Can the reviewed country illustrate the effectiveness of the institutional structures with respect to one of the following topics: environment/climate change; trade; migration? In what ways has this resulted in more coherent policies and successful outcomes?

Field level issues

- What is the reviewed country's approach to policy coherence for development in the partner country? Is there an overarching, integrated strategy, including political, trade, development co-operation, migration or other aspects of the relationship? What mechanisms are used to develop a whole-of-government approach within the Embassy/field office in order to ensure policy coherence and influence events and processes in the partner country?
- How does the reviewed country gather and feed-back evidence and views from partner government, civil society and its own field staff on the impact of policy coherence/policy change? Are field office staff encouraged to gather this evidence? Does the Embassy/field office try to promote policy coherence in the partner country through its aid programme? Is there any coordination with other donors on these matters?

CHAPTER 3

ODA VOLUME, CHANNELS AND ALLOCATIONS

Key references

- *Monterrey Consensus* (2002).
- United Nations target of 0.7% of ODA/GNI (re-affirmed in Monterrey in 2002) and/or other commitments (e.g. the European Council Presidency Conclusions [16-17 June 2005]).
- *Principles for Good International Engagement in Fragile States & Situations* (2007).
- *Paris Declaration on Aid Effectiveness* (2005) and *Accra Agenda for Action* (2008)

Purpose

8. Governments set targets and undertake international commitments for the level of their aid. While these sometimes differ from national to international target, it is important to examine whether, and how, the DAC member is meeting its stated goal. Administering the aid efficiently and effectively will require the use of several channels as well as multiple delivery modalities. The size of the programme and the character of partner countries will dictate the appropriate mix of channels and instruments.

9. The peer reviewer may therefore wish to: i) use data to track country performance against national and international commitments; ii) assess how closely allocations reflect stated policy (e.g. comparing geographic, sectoral and thematic allocations against policy statements); iii) consider the choice of modalities used (i.e. grants, loans, different financial instruments); and iv) review significant changes in aid levels as well as plans for meeting, or staying on, the set target.

Headquarters issues

Overall aid volume

- What are the member country's stated ODA targets? Is there an ODA/GNI commitment? What plan does the member country have for achieving its ODA/GNI target? What are the trends and what explains significant changes in ODA levels, if applicable?
- What is the composition of ODA, i.e. budgetary resources, debt relief, innovative sources? If debt relief represents a significant share of ODA, how does it affect the ODA target, and how will this share be replaced when the stock of debt is exhausted? How is the overall distribution of ODA by channel/instrument determined?
- How is work on fragile states and conflict-affected countries funded? Is this distinct from – or part of – the humanitarian budget? Does the reviewed country have processes that allow it to

disburse these or other funds quickly to respond to windows of opportunity and/or adapt to evolving circumstances in fragile and/or conflict-affected societies?

- What measures are taken to provide partner countries with regular and timely information on their three-to-five years forward expenditure and/or implementation plans? To what extent are multi-year commitments made in fragile states? Is the problem of neglected countries that receive little aid considered in decisions about resource allocation?
- Does the reviewed country have specific budget allocations for post-crisis recovery programmes? How does the reviewed country ensure that allocations for recovery programmes are disbursed in a timely way to avoid gaps between humanitarian and recovery assistance? Does the reviewed country have processes to ensure that this support is appropriate for early and sustained recovery as well as complementary to support provided by other bilateral and multilateral agencies?

Bilateral channels

- How is the commitment to reduce poverty reflected in allocations? What are the partner countries (criteria, DAC data top recipient countries, income level, regions, total number of recipients, trend and concentration)? Has the reviewed country sustained or reduced the level of bilateral funding when partner countries have become unstable or insecure?
- How is aid allocated and what are the main instruments and aid modalities? How are the sectoral/thematic priorities for ODA reflected in budget allocations? (top sectors, %, DAC average, overall trend, policy, basic social services, government and civil society, HIV/AIDS, gender equity, sustainable development, fragile states/peace-building, humanitarian assistance). What role do field missions play in determining allocations by country?
- How are statistics collected on aid disbursed by local governments?

NGOs and civil society

- Is there a policy framework that defines the relationship with national and southern civil society organisations? Are there any attempts to guide NGO programming to particular partner countries or in favour of particular sectors/themes, including principles of aid effectiveness? Is there any support to enhance CSO accountability for results and improve information on CSO activities, as called for by the Accra Agenda for Action?
- What is the total spending on national, international and southern NGOs/civil society groups? What process is used to select NGOs and other entities for ODA support and is this support provided on a multi-year basis? Are there separate processes for development and humanitarian assistance? How are NGOs monitored and evaluated?

Multilateral channels

- Is there a multilateral strategy? If so, how does it address issues of coherence between multilateral and bilateral assistance? Does it include reference to the reviewed country's goals with respect to other sector and cross-cutting priorities? Which government ministry is responsible for multilateral assistance, and how is this co-ordinated with bilateral departments? How does the member country support or encourage aid effectiveness within multilateral agencies? How are multilateral agencies (including MDBs) assessed? What kind of feedback is there from the field on multilateral performance?

- What is the overall allocation to multilateral institutions (percentage, ranking, trend)? What is the allocation by institution, *e.g.* the United Nations system, the EU, the World Bank and Regional Development Banks? What part of the allocation is to the core budget and what part to thematic funds or budget lines? How are institutional allocations determined and how does this relate to performance assessment?
- What is the DAC member's position with regard to support for global funds and vertical funds (*i.e.* GAVI, GFATM, etc.), their role, funding levels and complementarity to existing instruments and institutions?

Field level issues

- How is aid allocated and what are the main instruments and aid modalities? What is the split between bilateral and multilateral partners and how is this determined? Which instruments (*e.g.* budget support, project funding, technical assistance) are used and what is the share of each of them? Have there been any changes in the amount of assistance provided through the various instruments and if so what factors are driving these changes?
- What is the role of the field level office in determining the amount of assistance a developing country receives, and how it is allocated (*i.e.* which sectors, themes)? How are commitments to country-led division of labour implemented?
- How does the field office monitor the activities of the global funds and vertical funds, and how do they take them into account to ensure complementarity with the bilateral programme?

CHAPTER 4

ORGANISATION AND MANAGEMENT

Key references

- *Managing Aid: Practices of DAC Member Countries*, DAC Guidelines and Reference Series (2005)
- *Principles for Good International Engagement in Fragile States & Situations* (2007)
- *Paris Declaration on Aid Effectiveness* (2005) and *Accra Agenda for Action* (2008)
- *Helping Prevent Violent Conflict*, DAC Guidelines (2001)
- *Review of the DAC Principles for Evaluation of Development Assistance* (1998)

Purpose

10. Effective planning and delivery of, and accounting for, the aid programme require sound organisation and management. This framework will help the peer reviewer assess whether the reviewed country's aid administration and organisation are appropriate to meet the goals and objectives set for the programme in an efficient and effective way. While the DAC has not issued guidance in this area of examination, sound organisational management principles would apply: planning to achieve objectives; adequate capacity; appropriate and efficient use of resources; delegated authority; careful monitoring, and evaluation results taken into account in further planning and implementation of the programme.

Headquarters issues

Organisation

- What are the historic and legal origins of this specific system of development co-operation organisation and management? Do these provide a strong foundation with sufficient flexibility to promote efficient and effective operation?
- Which institutions and organisations are involved in development co-operation? What are the responsibilities of each institution? How do they relate to, and co-ordinate with each other? Which agency plays the leadership role? How does this system ensure a logical and efficient allocation of tasks?
- What business plan does the development co-operation agency have to establish how it will deliver the government's policy directives and its international commitments in line with the organisational mandate? Does the business plan identify the staffing profile of each business unit? Are the anticipated human resource needs reflected in integrated planning processes, budgeting etc?

- Is the development co-operation organisation/agency appropriately configured to deliver field-based aid management in line with the aid effectiveness agenda? Does the reviewed country plan further devolution of authority to the field as a result of emphasis placed on aid effectiveness? Has the agency taken stock of progress to date towards decentralisation? Are the lines of communication between headquarters and the field adequate and is headquarters organised so as to service field development co-operation needs in a timely and effective way? To what extent are funding decisions decentralised?
- To what extent are there clear institutional structures to support implementation of cross-cutting issues (leadership and management responsibility; technical capacity; reporting and monitoring systems)?

Management

- How is the programming process organised? How are partner country policies and strategies reflected in regional programmes? How does headquarters expect country programmes to take account of partner country policies and strategies? Does the development co-operation organisation/agency apply a results-based management approach, and if so, how is this managed? What are reporting arrangements? What incentives are there to adhere to the aid agency's results framework objectives and to improve aid effectiveness? Is there a relationship between delivery of results, performance assessment (unit/individual) and funding? How is the development budget constituted (e.g. single year, multi-year)? How is it planned, approved and managed? What part of the budget cycle is decentralised to field offices?
- How is the transition from a humanitarian situation to longer-term development planned for and managed? Are there any apparent institutional and functional barriers between relief, rehabilitation, peace building and longer-term development co-operation, and if so, how are they overcome?
- How does the donor organisation/agency report on administrative costs? What is the ratio of administrative to programme expenditure?
- What staff resources (size, skill mix, location) are employed by the overall development co-operation system and are they adequate? Does development co-operation have sufficient critical mass within its parent ministry or within government as a whole? Is there a multi-year plan for recruitment and staff development linked to future strategic orientations? Is there a career track for development professionals that helps to retain experienced professionals over time? To what extent is staff management performance linked to programme results and to achievement of the aid effectiveness agenda?
- What is the policy regarding the recruitment and use of qualified local and third country staff? Is there a strategy for ensuring that sufficient staff, with the right mix of skills and experience, are available to support the donor's engagement in partner countries?
- Does the reviewed country have specific policies for recruiting staff (international and local) in fragile and/or insecure contexts? What specific incentives and operating procedures does the donor devote to supporting staff in fragile states and conflict-affected countries?

Evaluation

- *Transparency and accountability:* What is the donor's evaluation policy? Is the policy known within the organisation and how is it followed? Who identifies priorities for the evaluation plan, and how? To what extent is the evaluation process independent of management and political leadership? Are evaluation processes considered to be credible and legitimate by independent observers? How are evaluation results measured against aid effectiveness objectives and what are recent evaluations generally saying about development impact and aid effectiveness of the reviewed country's programmes?
- *Resources:* What financial and staff resources are dedicated to evaluation? Is there a dedicated budget for evaluations? Is it adequate to meet objectives? Are evaluation staff specialists or drawn from across the organisation? Who are the main users of the evaluations (within and outside the agency)? Are evaluation findings consistently made public?
- *Learning:* How does the country evaluate the results of its co-operation activities and of partner organisations it funds? Do evaluations focus on outcomes and impact? Do evaluation processes take account of cross-cutting issues? How do evaluation findings and recommendations influence policy making and programme design and implementation?

Field level issues

Organisation

- How much authority does the field office have over programme development, budget allocation and execution decisions? Is it appropriate and in line with stated policy? What is the division of responsibility between headquarters and the field office? Are the lines of communication between headquarters and the field adequate? For example, is headquarters organised so as to support field offices and missions in a timely and effective way? Is the field office able to provide time-critical information to headquarters? What is the division of labour regarding the aid programme within the Embassy/office? How does the Embassy/office ensure that it has sufficient negotiation, programming, analytical and operational capacity?

Management

- How are government negotiations and consultations with the partner country organised? What is the structure used for bilateral development co-operation with the respective partner country (e.g. framework agreements and project-related agreements or exchanges of notes)?
- What is the configuration of staff involved with delivering the aid programme in the partner country? Given normal requirements for periodic staff rotation, how is continuity and institutional memory maintained at an acceptable level? Does the country office make specific provisions for staff working in high stress and/or insecure environments? What is the policy regarding the hire of local and third country professional staff, and how is it applied?
- How is efficiency of operations assessed and how often? How closely does selection of means of implementation follow overall strategy/targets set by headquarters? Is pre-deployment training in state/societal fragility conflict-sensitivity and peace-building provided for field staff, including to those participating in (or associated with) peace support operations? Does the country office coordinate such training with other actors from across its own government and with other external partners?

Evaluation

- To what extent does the field office conduct evaluations mandated by headquarters and to what extent are they locally determined? How is independence of evaluations ensured? Who are the end-users of evaluations?
- Does the country office rely on local evaluators, or third party evaluators from partner countries? What is the scope for partner-led or joint donor evaluations? To what extent does the office rely on information from evaluations conducted by other donors?
- Do evaluations focus on outcomes and impact? How do evaluation results feed back into, and influence programme design and implementation? What are recent evaluations saying about programme impact on development and aid effectiveness? How are critical findings fed upwards into corporate learning and accountability?
- How are activities and programmes related to peace-building, conflict prevention and SSR monitored and evaluated? Are there specific indicators to measure the impact of those activities on state fragility and conflict? Does the country office apply the DAC guidance on evaluating conflict prevention and peace-building activities? How does the donor disseminate experience and lessons learned, and how do these feed back into programme design and management?

CHAPTER 5

AID EFFECTIVENESS

Key references

- *Paris Declaration on Aid Effectiveness* (2005) and *Accra Agenda for Action* (2008).
- *Untying ODA to the Least Developed Countries*, DAC Recommendation (2001).
- *Harmonising Donor Practices for Effective Aid Delivery (Vol. I)* (2003), and *(Vol. II)*, DAC Guidelines and Reference Series (2006).
- *Emerging Good Practices in Managing for Development Results*, Source Book (2006).
- *Principles for Good International Engagement in Fragile States & Situations* (2007).

Purpose

11. The following framework will assist peer reviewers to assess the extent to which the donor is meeting the objectives agreed in the *Paris Declaration on Aid Effectiveness* and the *Accra Agenda for Action*, thus, contributing to the internationally agreed goal of poverty reduction. The DAC has also published the *Principles for Good International Engagement in Fragile States and Situations* as complementary guidance to the Paris Declaration for donors engaging in countries with problems of weak governance and conflict, and during episodes of temporary fragility in stronger performing countries. Peer reviewers will examine donor programmes in the light of these two complementary sets of guidance in order to gauge the adaptations that the reviewed country is attempting to initiate in different contexts. Findings from this section of the review will be valuable to the work currently monitored by the DAC Working Party on Aid Effectiveness and to the DAC Network on Conflict and Fragility as it reviews donor practices in these difficult contexts and refines the guidance accordingly.

Headquarters issues

- What specific steps have been taken to implement the corporate action plan as part of the follow-up to the Paris Declaration and implementation of the Accra Agenda for Action? What kind of reform or changes has the agency made to meet the objectives of the Paris Declaration and the Accra Agenda for Action? Are these change processes ongoing? How is the donor doing against the commitments to provide 66% of aid as programme-based approaches and to channel 50% or more of government-to-government assistance through country fiduciary systems by 2010?
- Has the action plan been shared with national public and other institutions involved in development co-operation as well as with parliament? What specific actions have been taken to mobilise civil society organisations to share an understanding of the Paris Declaration and the Accra Agenda for Action commitments and work in concert for better implementation results?
- What is the level of staff knowledge and understanding of aid effectiveness, the Paris Declaration and the Accra Agenda for Action and their operational implications, particularly in the field?

Have specific instructions, guidelines and/or operational directives been disseminated to staff to stimulate implementation of the donor's action plan? What types of internal incentives does the Headquarters provide for management and staff to comply with harmonisation, alignment and a results orientation and are they being strengthened?

- How is aid effectiveness approached in fragile and conflict-affected states? How does this differ from approaches in more stable environments? To what extent does the reviewed donor rely on upstream analysis, joint assessments, joint strategies and co-ordinated political engagement in fragile states? Are there mechanisms for institutionalising and regularly updating conflict analysis? Does the reviewed country support multi-donor trust funds? How does the donor approach the issue of building capacity and country ownership in these contexts while avoiding establishing parallel structures over the long term?
- Does the reviewed donor promote preventive interventions to avoid costly state collapse and violent conflict? Does it consider taking conflict prevention approaches in its work in countries where there is not widespread and/or visible violent conflict?
- What is the status with respect to the 2001 DAC recommendation on aid untying, the 2006 decision to abolish the coverage thresholds and the 2008 HLM decision to extend coverage of the 2001 recommendation on untying aid to non-LDC HIPC's? What is the plan to further untie aid as called for by the Accra Agenda for Action?
- What steps has the donor taken to put in place mutual assessment reviews in partner countries that have endorsed the *Paris Declaration on Aid Effectiveness*?
- What processes has the donor put in place to track and eliminate corrupt practices in its own country that affect development in partner countries?
- How does the donor's approach to conditionality meet the commitments of the *Accra Agenda for Action*?

Field level issues

Ownership

- Does the partner country exercise leadership over its development policies and strategies? Has the partner country defined a national development strategy? How – and through which mechanism(s) - does the country office interact with the government agency charged with leading national development efforts? What approach have bilateral and multilateral donors taken collectively to assist the country in planning for national development, and what role is the reviewed donor playing in this effort? How does it contribute to strengthening the partner country's capacity to exercise its leadership and promote an inclusive approach to poverty reduction?
- Assuming the partner country has operational national development strategies, development targets and reliable financial management systems, how does the reviewed donor, individually or with others, support country's efforts toward implementing its own commitments?
- Does the donor have regular dialogue with civil society actors? To what extent does it partner with - and support - civil society, private sector and other non-government actors, directly or indirectly?

- In fragile situations, has a set of realistic peace- and state-building objectives (including for the protection and participation of women) been commonly agreed between donors and partners? What informs the choice of partnerships in fragile situations? How does the donor support the partner country in its efforts to promote coherence and joint work among ministries to address fragility and conflict issues?

Alignment

- How were the donor's strategies (e.g. country programme, sectoral/thematic strategies) elaborated? To what extent are the donor's strategies aligned with the partner's own development strategies? How is alignment achieved, in practice, given the varying programming cycles?
- To what extent does the donor use the partner country's own systems and procedures, e.g. for public financial management, accounting, auditing, results and monitoring? Where this is not feasible, how does the donor justify this and what safeguards and/or measures does it take to strengthen those systems and procedures? To what extent does it harmonise approaches with other donors when national systems do not meet mutually agreed levels of performance or are not used? How, and by what means, does the donor promote the use of local and regional procurement?
- To what extent, and why, has the country office put in place parallel implementation structures for day-to-day management and to implement aid financed projects and programmes? How can such structures be integrated into government structures and/or phased out in the short to medium term? If use of country systems is not feasible, how does the donor assist in building capacity with a view to using partner systems in future?
- To what extent does the donor promote predictable aid commitments using multi-year frameworks? Is aid disbursed in a timely and reliable fashion? Is information on aid flows provided in a transparent and comprehensive way to government? How is the donor addressing any constraints in providing this information? Are steps being taken to include project financing in the government's budget? Where direct support to government is not appropriate, is the donor providing reliable and predictable support to multi-donor mechanisms for aid delivery outside government systems?
- Where alignment behind government-led strategies is not possible due to particularly weak governance or because the government is party to conflict, how does the country office identify and align with local priorities? Are there examples of partial alignment with government institutions at the sectoral or sub-national level? Where a sub-national approach is taken, how does the donor ensure alignment with local priorities and plans?

Harmonisation

- To what extent is the reviewed country involved in co-ordination mechanisms? To what extent does the country office encourage leadership of the partner government in these mechanisms? Does it promote synergies between activities of bilateral and multilateral agencies and encourage common arrangements between donors?
- Is the country office informed of, and does it attempt to coordinate, all activities from the reviewed country's local governments?

- How does the country office work with the partner country government to promote CSO engagement in its policy dialogue, planning, programming and monitoring, as a basis for improving aid results?
- What are the common arrangements providing opportunities for harmonised and collective approaches in terms of planning, funding, disbursing, monitoring, evaluating and reporting on donor activities and aid flows? What steps has the country office taken to comply with these arrangements?
- With respect to the division of labour, how does the country office consider its own and others' comparative advantages in deciding on country-level programming? Is the country office taking leadership in some sectors/themes and has it delegated authority to other donors for the implementation of specific programmes and/or activities? What tasks and responsibilities does such delegation cover?
- To what extent and how is the country office involved in efforts to promote programme and sector-based approaches, budget support and multi-donor trust funds? To what extent does the country office co-ordinate missions and work together with other donors to harmonise procedures and to share lessons within the development community? How does the country office ensure that analytical work on environment, gender, conflict/fragility, human rights and other similar cross-cutting issues is harmonised and incorporated in all sector/themes in which it takes the lead or participates?

Delivering and accounting for development results

- Does the partner country have a monitoring and evaluation system for its national development strategy and to what extent is it used by government and external partners? If not, has the donor provided support for strengthening national statistical capacity and information systems? If these already exist, does the donor align its results-based management (or other results monitoring) system with the partner country's own performance assessment frameworks and results-oriented reporting? In case donors cannot rely exclusively on the partner country's statistical, monitoring and evaluation systems, does the country office encourage standardised reporting for all donors in order to decrease burden on partner government?
- Is there a development effectiveness assessment framework for all partners? To what extent has the country office (with other donors) worked with the partner country to establish mechanisms for mutual accountability? Does the country office participate in periodic mutual reviews with the partner country and other donors?

Overall effectiveness of the system (questions directed to government and civil society of the partner country and other donors at field level)

- Is the overall development co-operation system of the reviewed donor efficient and effective in terms of delivering outputs and contributing to development outcomes in line with the country's objectives and internationally agreed benchmarks and objectives?
- To what extent is the implementation of the aid effectiveness agenda leading to the curbing of transaction costs for delivering aid; increased complementarity between donors and the rationalisation of the division of labour among them? To what extent is it contributing to decreasing the number of separate channels of aid delivery and enhancing greater coherence of the overall aid system in the partner country?
- To what extent has the implementation of the aid effectiveness agenda led to stronger and more accountable institutions at country level, in particular through increased use of country systems and more transparency on how development resources are used?

CHAPTER 6

SPECIAL ISSUES

Purpose and background

12. The purpose of this chapter is to promote shared learning on issues specifically chosen by the DAC for their relevance to the current context for development co-operation. These topics will be used for all Peer Reviews over a two-year cycle, beginning with the biennium 2009-2010, at the end of which an overview report will be presented to the DAC. For the biennium, one topic will be examined across all reviews, while a second topic will be chosen from a short list by the reviewed country and DAC examiners, in consultation with the Secretariat.

13. Adequate country capacity is one of the critical missing factors in current efforts to meet the Millennium Development Goals (MDGs). This is now widely recognised by donor organisations and partner countries alike, as articulated in the 2005 *Paris Declaration on Aid Effectiveness* and emphasized in the Accra Agenda for Action. As such, capacity development has emerged as a top priority for the DAC. Each peer review will therefore include assessment of the reviewed country's "capacity development" initiatives as a mandatory element of the report.

14. The short list for the 2009-10 cycle, from which a second topic may be chosen, contains two options: (i) Agriculture, high food prices and donor responses and (ii) Environment and climate change. On an exceptional basis, and pending agreement by examiners and Secretariat, the reviewed country may propose an alternative second topic. The nominated topic should offer worthwhile learning opportunities for the Committee and have realistic application for others within the donor community.

Capacity development

Key references

- *The Challenge of Capacity Development: Working Towards Good Practice*, DAC Guidelines and Reference Series (2006).
- *Harmonising Donor Practices for Effective Aid Delivery Vol. 2, Chapter 3 (for capacity development in Public Finance Management [PFM])*, DAC Guidelines and Reference Series (2006).
- *Bonn Workshop Consensus* (2008).
- *Principles for Good International Engagement in Fragile States & Situations* (2007).
- *Paris Declaration on Aid Effectiveness* (2005) and *Accra Agenda for Action* (2008).

15. The following are some key considerations for Peer Reviewers:

- *Capacity* refers to the ability of people, organisations and society as a whole to manage their affairs successfully. This involves the ability to define strategies, set priorities, solve problems and achieve results. Capacity development is thus much broader than technical co-operation and should be considered an outcome, not an input.
- Capacity development is the primary responsibility of *partner countries*. Donors' responsibility is to provide support in ways that build its partners' ability to strengthen capacity in a sustainable manner. One way of achieving this is through the provision of co-ordinated capacity development programmes that are consistent with national development strategies.
- In order to make operational sense of generic concepts of capacity development, practitioners should begin by asking the question "capacity for what?" and focus on the specific capacities needed to accomplish clearly defined goals. A "*best fit approach*" then calls for a systematic effort to think through what might work in particular circumstances. This can be done by ensuring that adequate attention is given to individual and organisational issues as well as to the enabling environment.
- States are fragile when state structures lack political will and/or capacity to provide the basic functions needed for poverty reduction, development and to safeguard the security and human rights of their populations. International engagement will need to be concerted, sustained and focussed on building the relationship between state and society.

Headquarters issues

- Is there a shared understanding and accepted definition of what is meant by capacity development and the role that the donor can play to support it?
- Are there strategies in place for implementing the commitments of the *Paris Declaration* and *Accra Agenda for Action* with respect to capacity development of all development actors, including (i) the strengthening of partner countries' capacity to exercise effective ownership and leadership over their development policies and strategies; (ii) aligning support with partner countries' capacity development objectives and strategies; (iii) harmonising support for capacity development; (iv) strengthening capacities that are vital for the country systems (in particular arrangements and procedures for procurement and public financial management) and for the assessment of these systems (results frameworks, monitoring and evaluation systems); and (v) supporting efforts to strengthen the capacity of non-government actors (parliaments, CSOs, research institutes, media and the private sector) to take an active role in dialogue on development policy.
- Does donor strategy address situations in which weak governance hinders capacity development? How does the donor ensure that capacity development is included in all programmes in countries with weak governance? In fragile situations, how does the donor provide demand-driven, tailored and co-ordinated capacity development support for core state functions and for early and sustained recovery? How does the donor manage inherent tensions between pressures to demonstrate short-term results and the need for long-term approaches to capacity development in fragile situations?

- Does the donor have the staff incentives, skills profile, operating procedures, tools and instruments needed to support capacity development and be more responsive to partner countries' needs?
- Are cross-cutting issues such as gender equality, the environment and human rights also reflected in capacity development activities?

Field level issues

- Is support to capacity development aligned with partner country objectives and strategies? To what extent does it derive from a joint partner government-donor assessment of needs at all levels – national, sub-national, sectoral, and thematic?
- Is country office support for capacity development demand-driven and harmonised with other donors? Are there examples of co-ordinated support by a donor including pooled funding arrangements?
- What approaches to capacity development does the country office use (*e.g.* technical co-operation, training, South-South or triangular co-operation) and how does it support capacity development through its programmes? What is the role and cost of foreign technical assistance in building institutional and human capacities in the partner country? How is technical co-operation designed and managed and to what extent is the provision of technical assistance by local and regional sources promoted? Have attempts been made to work with local consultants and/or local institutions to carry out the capacity development programme, rather than importing expertise? Does support for capacity development engage the private sector and civil society?
- Is the donor involved in support of capacities essential to the reliability and assessment of country systems? This includes arrangements and procedures for procurement and public financial management as well as those related to system performance, transparency and accountability. If so, how is this support provided and to what extent is it led by partner countries?
- Are there specific activities that aim at strengthening partner countries' capacity to exercise effective ownership and leadership over their development policies and strategies (*e.g.* procurement, public financial management, results frameworks, monitoring and evaluation systems)?
- How are intended outcomes of support for capacity development monitored, measured and evaluated? Are lessons fed back into programme management and future programme design?

Agriculture, high food prices and donor responses

Key references

- *Paris Declaration on Aid Effectiveness (2005) and Accra Agenda for Action (2008)*
- *Promoting Pro-Poor Growth: Key Policy Messages (2006)*
- *Promoting Pro-Poor Growth: Agriculture (2006)*

Purpose and background

16. In most poor countries, agriculture is the major source of income and employment, national income and export earnings. But agriculture is underperforming in its role as trigger to the economic transformations needed to move into the processing, manufacturing and tertiary activities required to make real and sustained inroads into poverty reduction.

17. Food prices are expected to stay well above historical levels for some time to come. As noted by aid Ministers at the 2008 HLM, this is endangering the growth and poverty reduction prospects of many poor countries. The situation is further aggravated by other factors including high fuel prices, financial crises, high population growth and climate change.

18. POVNET's policy guidance on pro-poor growth and agriculture has suggested how to combine poverty reduction objectives with agricultural growth. Work presently being undertaken in the OECD horizontal project on high food prices (co-ordinated by DCD and TAD) will review OECD knowledge on effective policy actions on how to tackle high food prices. The following framework will assist peer reviewers to examine donor policies and financial allocations in the light of what this guidance suggests on how to support agriculture to maximise impact on poverty reduction. They will also examine how to deliver such aid programmes in ways that implement the aid effectiveness principles of the Paris Declaration. For learning purpose, peer reviewers will also see to what extent the reviewed donor has specifically integrated the food prices issue into its agricultural sector activities. This will lead to insights on how donors are adapting to this new global issue and how new impetus is given to a sector where donor involvement is clearly difficult.

Headquarters issues

- How is the reviewed country incorporating current DAC and OECD guidance on agricultural development into its policy frameworks? Are other components of the policy framework (e.g. economic growth, governance, capacity development, infrastructure, rural development) appropriately cross-referenced with the donor's stated objectives in the agriculture sector?
- How is the donor translating policy commitments with regard to agriculture and food prices into practice, e.g. where and with whom to invest? What difficulties does the donor face in demonstrating results in the agriculture sector?
- How does the donor access agriculture sectoral expertise? To what extent is this "in-house capacity" and to what extent is this outsourced?
- How does the donor promote dialogue and arrive at strategic decisions across the range of government agencies with responsibilities relating to food prices and agriculture as well as with

the private sector? How does the country's economic and trade policies support the approach of the development co-operation system to tackling food prices in partner countries?

- How does the reviewed donor promote the development and implementation of the global partnership on agriculture and food called for the Accra Agenda for Action to respond to the food crisis (paragraph 29)? What is the donor's assessment of the present food prices situation in terms of its own policy orientation? How is it influencing the donor's policy measures? What does the reviewed donor see as the most appropriate donor policies to improve food security and stimulate increased supply and productivity in developing country agriculture?

Field level issues

- How does the country office align its actions with national policy making processes and help develop capacities to implement their outcomes? How is the donor supporting partner country policy leadership in responding to high food prices (including capacity assessments)? What does the donor do when its approach is not aligned with partner country strategies?
- How does the country office support partner countries' capacities to analyse, monitor and evaluate developments in food prices and implications for its agriculture policies? Has the donor assisted the partner government to develop strategies to cope with chronic and/or acute food insecurity over the short and long term?
- How is the reviewed donor supporting partner countries to promote dialogue across the range of government agencies and ministries with responsibilities relating to food prices and agriculture? How and to what extent is its support co-ordinated with other donors to reduce dispersion and increase impact?
- How is the donor engaging in dialogue with non-state stakeholders and are they supporting public-private partnerships to tackle the issues?

Environment and climate change

Key references

- *DAC Guidelines on Integrating the Rio Conventions (Biodiversity, Desertification and Climate Change) into Development Co-operation* (2002)
- DAC Guidelines and Reference Series: *Environmental Fiscal Reform for Poverty Reduction* (2005)
- DAC Guidelines and Reference Series: *Applying Strategic Environmental Assessment: Good Practice Guidance for Development Co-operation* (2006).
- *Paris Declaration on Aid Effectiveness* (2005) and *Accra Agenda for Action* (2008).

Purpose and background

19. The threats related to climate change as well as issues relating to biofuels and associated rising food prices have received considerable public attention in recent months and contributed to raising awareness of the importance of sound environmental management for sustainable economic development. Policy makers at both national and international level are also paying increased attention to these issues. The *Paris Declaration on Aid Effectiveness and the Accra Agenda for Action* also note the importance of sound environmental management for poverty reduction and development and emphasize the need to for donors to harmonize their approaches towards addressing the implications of global environmental issues such as climate change, desertification and loss of biodiversity.

20. Accordingly, the DAC has devoted considerable attention to environment-development linkages (see references). The DAC has also worked to track donors financial support towards implementation of the Rio Conventions, by integrating the “Rio Markers” as part of the DAC Creditor Reporting System and is working to improve the quality of donors’ reporting on these markers. The following framework will assist peer reviewers to examine donor policies related to climate change, including international climate change commitments and in this regard to review their use of tools such as “Strategic Environmental Assessments” and support for the development of the capacity necessary.

Headquarters issues

- Are climate change adaptation, mitigation and adherence with international climate change commitments (UNFCCC) explicitly one of the development cooperation objectives? Are such objectives recognized in a high level policy commitment to integrating climate change into development co-operation? If so, do development co-operation objectives distinguish between mitigation and adaptation?
- Is there an overall policy on climate change? Has climate change been included in other cross-cutting agency policies for example on sustainable development, disaster risk reduction or policy coherence? To what extent/how has climate change been incorporated into various sectoral policies (energy, transport, agriculture, education, health, credits, etc.)? Is there a requirement to include climate change aspects in regional and national strategies?
- To what extent is climate change addressed in relation to other global environmental issues such as desertification or biodiversity?

Has the agency developed a programme to raise awareness of decision makers, parliaments and the public in regards to challenges related to climate change and development cooperation? Are there established forms for collaboration with environmental NGOs, research Institutions and the private sector working on climate change in the country? If so, have they had an impact on agency policy making?

Is there a separate budget line for climate change? If so, is the focus on mitigation or adaptation? To what extent is that budget being used to reinforce mainstreaming of climate change into the overall work? How much of the total budget of the agency is spent on climate change and climate change related issues? Is staff requested to identify activities targeted at climate change mitigation/adaptation in the statistical reporting?

Are there requirements and specific guidelines for Strategic Environment Assessment (SEA)? If so, do these guideline include climate change specific consideration? Is SEA being used systematically to consider climate change in relation to programmatic instruments such as direct budget support and sector budget support?

Is there a requirement and guidance for Environmental Impact Assessment (EIA) in relation to all projects? If so, do these guidelines include climate change considerations?

Is there a separate system in place to monitor and evaluate the implementation of each of the above? Is adherence to international climate change commitments explicitly considered in this environmental performance? Has practice changed at field level?

How is the donor equipped to deal with support to capacity development for climate change and for implementation of multilateral environmental agreements in partner countries? Have one or more climate change units been set up to develop policies, methods and instruments? What measures have been taken in order for staff to have easy access to climate change advice? Are there separate training courses in climate change, and if so, what proportion of staff have attended these? Are other initiatives underway to raise awareness and understanding of climate change issues with agency staff?

Field level issues

What is the donor doing in the partner country to facilitate mainstreaming climate change mitigation and adaptation at the national, sectoral and local level?

How is the donor equipped to deal with support to capacity development for climate change and for implementation of multilateral environmental agreements in the partner country?

Is SEA being used systematically to consider climate change in relation to programmatic instruments such as sector budget support at field level? How is the headquarters guidance for EIA implemented?

How is the implementation of each of the above monitored and evaluated? Has practice changed at field level and has any progress with regard to climate change and environmental sustainability been noted?

ANNEX A

HUMANITARIAN ASSISTANCE

Key references

- Principles and Good Practice of Humanitarian Donorship (2003).
- Hyogo Framework for Action 2005-2015.
- OECD/DAC Principles for Good International Engagement in Fragile States & Situations (2007).
- Guidelines on the Use of Military and Civil Defence Assets in Disaster Relief (November 2007)
- Guidelines on the Use of Military and Civil Defence Assets to Support United Nations Humanitarian Activities in Complex Emergencies (2003)
- For EU countries: The European Consensus on Humanitarian Action (2007)

1. In 2004, the DAC agreed a framework for humanitarian assessments (DIR(2004)11). The framework grouped the GHD principles under four headings:

- **Humanitarian Policies**, embracing definitions, objectives, general principles and policy framework in relation to humanitarian action strategies.²
- **Funding**, including priority setting, financial planning, predictability, flexibility and issues of increased un-earmarking of financial contributions.³
- **Promotion of Standards and enhanced implementation**, focusing on the promotion of international guidelines and principles on humanitarian action, ensuring conformity with International Humanitarian Law and humanitarian guidelines and principles.⁴
- **Learning and Accountability**, covering transparency in reporting and systems for evaluation and learning.⁵

2. “The Principles and Good Practice of Humanitarian Donorship”, Paragraphs 1, 2, 3, 4, 5, 6, 7, 8, 9, 10

3. “The Principles and Good Practice of Humanitarian Donorship”, Paragraphs 5, 6, 11, 12, 13, 14

4. “The Principles and Good Practice of Humanitarian Donorship”, Paragraphs 14, 15, 16, 17, 18, 19, 20

5. “The Principles and Good Practice of Humanitarian Donorship”, Paragraphs 21, 22, 23

2. This revised framework incorporates lessons from sixteen peer reviews conducted using the original framework. In addition to the above clusters, it includes assessment of two further (non-GHD) clusters in Peer Reviews in 2009-2010:

- **Organisation and management of humanitarian action** focusing on the institutional, budgetary and functional arrangements for delivery of humanitarian action within the development co-operation system as well as media relations.
- **Cross-cutting themes** including gender, HIV/AIDS and environment.

Section One - Humanitarian Policies

- a) How are the goals and purpose of official humanitarian action defined by the reviewed country? Are these explicitly linked to the broader aims of the development co-operation system? Has the reviewed country produced an action plan with targets to underpin humanitarian goals and purpose as well as achieve international commitments? Do the specific objectives correspond to the GHD objectives for humanitarian action?
- b) What activities are eligible under the working definition of humanitarian action? Specifically, how is the GHD commitment to protection reflected in the humanitarian policy and taken forward in practice? Are crisis-risk reduction perspectives included within the scope of humanitarian action? For EU member states, does the policy framework reflect the strategic orientations outlined in the *European Consensus on Humanitarian Action*?
- c) Does the policy framework explicitly commit the country under review to maintain the integrity of humanitarian action by upholding the core humanitarian principles⁶? To what extent do the policy/policies reflect legal commitments of reviewed country with respect to International Humanitarian Law (IHL)⁷ and other relevant bodies of law?⁸
- d) Does the policy framework commit the reviewed country to enhance internal systems and practices in order to facilitate flexible and timely funding allocations? Does the policy framework commit the reviewed country to the principle of proportionality with respect to allocating resources according to actual needs?
- e) Does the policy framework commit the reviewed country to encourage the involvement of beneficiaries in the design, implementation, monitoring and evaluation of humanitarian response? How does the reviewed country ensure that implementing partners (or, where applicable, partner countries) actually involve beneficiaries in practice?
- f) How does the policy framework reflect GHD commitments to strengthen the capacity of affected countries and local communities to prevent, prepare for, mitigate and respond to emergencies? Does it reflect commitments under the *Hyogo Framework for Action 2005-2015*? Does the reviewed country allocate dedicated resources to support disaster risk reduction initiatives?

⁶ Humanity, impartiality, neutrality and independence as defined in GHD Principle No. 2.

⁷ International Humanitarian Law (IHL) is the body of rules which, in wartime, protects people who are not or are no longer participating in hostilities. Its central purpose is to limit and prevent human suffering in times of armed conflict. The four Geneva Conventions of 1949 and their two Additional Protocols of 1977 constitute the principal instruments of humanitarian law.

⁸ International human rights law, international refugee law, CEDAW, CROC etc.

- g) How does the policy framework reflect GHD commitments to ensure adequate and appropriate assistance for recovery and return of sustainable livelihoods as well as transition to downstream development assistance in crisis-affected communities addressed in the overarching policy framework of the reviewed country? Does it articulate approaches that correlate with the aid effectiveness agenda (specifically the Paris Declaration paras 38 and 39) and the *DAC Principles for Good International Engagement in Fragile States*? Does the reviewed country allocate dedicated resources to support transition programming initiatives?
- h) How is the role of the United Nations in providing leadership and co-ordination of international humanitarian action, and the special mandate conferred upon the International Committee of the Red Cross reflected in the policy framework?

Section Two - Principles on financing humanitarian action

- i) How does the reviewed country determine the size of the humanitarian budget envelope? How does the reviewed country ensure that funding commitments for ongoing crises are not diverted in the event of emerging, high profile emergencies? Does the donor agency have access to supplementary budget resources in the event of significant, sudden onset crises?
- j) Does the donor have streamlined approval processes to ensure flexible and timely support to humanitarian action? Has the donor set specific targets with respect to flexibility and timeliness? How is the donor tracking against these targets? Does the donor have longer term funding arrangements in place to enhance predictability of funding flows to implementing partners?
- k) What is the earmarked to unearmarked funding ratio? Does the donor have a coherent rationale when deciding to allocate earmarked support? Does the donor contribute to the CERF, pooled funds, agency-specific reserve funds or other pre-positioned funding mechanisms?
- l) What proportion of the reviewed country's humanitarian action is channelled through UN Consolidated Inter-Agency Appeals and International Red Cross and Red Crescent Movement appeals? Under what circumstances does the reviewed country channel assistance outside these mechanisms? Does the donor have a coherent rationale for allocating resources between (a) multilateral and bilateral channels and (b) between international and local civil society groups?

Section Three - Promoting standards and enhancing implementation

- m) Does the donor ever participate in formulation of Common Humanitarian Action Plans (CHAPs)? Where feasible, does the donor generally align support with the priorities identified in CHAPs?
- n) How does the donor assist implementing agencies to adhere to good practice and to promote accountability, efficiency and effectiveness of humanitarian action? How does the reviewed country assist implementing partners to apply relevant guidelines of the Inter-Agency Standing Committee (such as the Guiding Principles on Internal Displacement) and the 1994 *Code of Conduct for the International Red Cross and Red Crescent Movement and Non-Governmental Organisations (NGOs) in Disaster Relief*?
- o) What assistance does the reviewed country provide for contingency planning and strengthening organisational capacities for humanitarian action at local, national, regional and global levels?
- p) Through what mechanisms does the reviewed country offer diplomatic and/or security support for delivery of needs-based, neutral and impartial humanitarian assistance? How has the reviewed

country supported specific global or local initiatives to improve the safety and security of humanitarian workers?

- q) How does the donor uphold the primary position of civilian organisations in implementing humanitarian action? Is this principle reflected in internal policy frameworks as well as procedures of other government departments?
- r) In situations where military capacity and assets of the reviewed country are used to support the implementation of humanitarian action, how does the donor ensure that this is in conformity with IHL and humanitarian principles, and recognises the leading role of humanitarian organisations?
- s) How are the Guidelines on the Use of Military and Civil Defence Assets in Disaster Relief and the Guidelines on the Use of Military and Civil Defence Assets to Support United Nations Humanitarian Activities in Complex Emergencies promoted?

Section Four - Learning and accountability

- t) What is the current scope of evaluations of humanitarian action? How (and to whom) are findings and recommendations disseminated? How are they used to shape policy and programming decisions? How is inter-agency learning ensured when several arms of government are involved? How does the donor incorporate DAC Evaluation Quality Standards or similar quality criteria when designing evaluations of humanitarian action and assessing their outputs? To what extent does the donor encourage, support and/or participate in joint evaluations of international humanitarian action, including assessments of donor performance?
- u) Has the donor adopted standardised reporting formats of implementing partners as the basis for feedback and accountability? What challenges does the reviewed country experience in ensuring accurate, timely and transparent reporting of humanitarian expenditure to the DAC, OCHA Financial tracking system, ECHO 14-point humanitarian reporting system (where applicable)?

Section Five – Organisation and management of humanitarian action

- v) Through which organisational structures and mechanisms are decisions regarding official humanitarian action decided? What institutional structures and/or mechanisms are in place to ensure effective collaboration between humanitarian units and development counterparts?
- w) What is the staffing level within designated unit responsible for humanitarian action? Is there capacity to augment this staffing capacity during major crises? What training is provided to ensure to staff with responsibilities within the humanitarian sector?
- x) Does the reviewed country have a strategy for handling media relations during crises? How does the reviewed country promote public awareness of the full spectrum of disaster management issues (e.g. vulnerability reduction, supporting indigenous capacities) through its media strategy?

Section Six – Cross-cutting themes

- y) Does the humanitarian policy framework commit the reviewed country to measures to minimise detrimental environmental impacts of humanitarian action? Is data on environmental impacts of humanitarian action routinely analysed at key decision points in programme/project cycle? How does the donor seek to safeguard long term sustainability of natural resources in areas affected by crises when taking decisions on allocating humanitarian support?

- z) Does the humanitarian policy framework commit the reviewed country to consider gender issues in humanitarian decision-making? Is there a plan of action to meet international commitments with respect to gender (e.g. UNSCR 1325)? Is sex-disaggregated data analysed at key decision points in the programme cycle and routinely sought from implementing agencies on completion?
- aa) Does the humanitarian policy framework explicitly commit the reviewed country to take the particular vulnerabilities of people living with HIV/AIDS (PLWHA) into account in humanitarian decision-making? How does the reviewed country support initiatives that address the protection needs of PLWHA during crises? Is disaggregated data on PLWHA analysed at key decision points in programme/project cycle and routinely sought from implementing agencies on completion?

		A	A two-thirds reduction in the % of aid to the public sector not using partner countries' procurement systems.
		B	A one-third reduction in the % of aid to the public sector not using partner countries' procurement systems.
6	<i>Strengthen capacity by avoiding parallel implementation structures</i> — Number of parallel project implementation units (PIUs) per country.		Reduce by two-thirds the stock of parallel project implementation units (PIUs).
7	<i>Aid is more predictable</i> — Percent of aid disbursements released according to agreed schedules in annual or multi-year frameworks.		Halve the gap — halve the proportion of aid not disbursed within the fiscal year for which it was scheduled.
8	<i>Aid is untied</i> — Percent of bilateral aid that is untied.		Continued progress over time.
HARMONISATION		TARGETS FOR 2010	
9	<i>Use of common arrangements or procedures</i> — Percent of aid provided as programme-based approaches.		66% of aid flows are provided in the context of programme-based approaches.
10	<i>Encourage shared analysis</i> — Percent of (a) field missions and/or (b) country analytic work, including diagnostic reviews that are joint.		(a) 40% of donor missions to the field are joint.
			(b) 66% of country analytic work is joint.
MANAGING FOR RESULTS		TARGET FOR 2010	
11	<i>Results-oriented frameworks</i> — Number of countries with transparent and monitorable performance assessment frameworks to assess progress against (a) the national development strategies and (b) sector programmes.		Reduce the gap by one-third — Reduce the proportion of countries without transparent and monitorable performance assessment frameworks by one-third.
MUTUAL ACCOUNTABILITY		TARGET FOR 2010	
12	<i>Mutual accountability</i> — Number of partner countries that undertake mutual assessments of progress in implementing agreed commitments on aid effectiveness including those in this Declaration.		All partner countries have mutual assessment reviews in place.

Important Note: In accordance with paragraph 9 of the Declaration, the partnership of donors and partner countries hosted by the DAC (Working Party on Aid Effectiveness) comprising OECD/DAC members, partner countries and multilateral institutions, met twice, on 30-31 May 2005 and on 7-8 July 2005 to adopt, and review where appropriate, the targets for the twelve Indicators of Progress. At these meetings an agreement was reached on the targets presented under Section III of the present Declaration. This agreement is subject to reservations by one donor on (a) the methodology for assessing the quality of locally-managed procurement systems (relating to targets 2b and 5b) and (b) the acceptable quality of public financial management reform programmes (relating to target 5a.ii). Further discussions are underway to address these issues. The targets, including the reservation, have been notified to the Chairs of the High-level Plenary Meeting of the 59th General Assembly of the United Nations in a letter of 9 September 2005 by Mr. Richard Manning, Chair of the OECD Development Assistance Committee (DAC).

***Note on Indicator 5:** Scores for Indicator 5 are determined by the methodology used to measure quality of procurement and public financial management systems under Indicator 2 above.