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DRAFT GOOD PRACTICE GUIDANCE FOR INTEGRATION AND EFFECTIVENESS OF GLOBAL PROGRAMS AT THE COUNTRY LEVEL

"WORK IN PROGRESS"

Contributed by: The World Bank

**Policy Workshop on "Global Programmes and the Paris Agenda"
5 December 2006**

This Draft Good Practice Guidance, which was initially discussed in October at a Technical Meeting on Aligning Global Programs at the Country Level, represents a first effort to set out broadly applicable good practices for the alignment of global programs and country based approaches. It builds on the Best Practice Principles for Engagement of Global Health Partnerships contained in the document "Aid Effectiveness in Health" [COM/DCD/DEV(2006)4] and its Executive Summary [COM/DCD/DEV(2006)5], which is for discussion at the Pre-Meeting on Aid Effectiveness in Health on 4 December.

Participants in the Policy Workshop and the Pre-Meeting on Health are asked to review this Draft Guidance and the health Principles. Both sets of documents reflect major international initiatives to better integrate global programs into partner countries' development agendas, as called for by the Paris Declaration (Para 4.iv). Following the discussion of these documents, they will be considered by the Working Party on Aid Effectiveness in the context of emerging issues for the 2008 Accra High Level Forum.

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**DRAFT GOOD PRACTICE GUIDANCE FOR INTEGRATION AND EFFECTIVENESS OF
GLOBAL PROGRAMS AT THE COUNTRY LEVEL
BASED ON THE PARIS DECLARATION ON AID EFFECTIVENESS**

1. This proposed good practice guidance responds to the need identified in the Paris Declaration for “taking concrete and effective action to address...insufficient integration of global programs and initiatives into partner countries’ broader development agendas.” Global programs have become an important tool of development assistance, with funders – official bilateral donors, multilateral institutions and private foundations – providing rapidly increasing levels of financing for service delivery at the country level. These programs, which also attract strong public support, call international attention to issues of global importance, encourage innovation and spread of best practice, and provide pooled multi-donor funding (“upstream harmonization”).

2. The principles of the Paris Declaration on Aid Effectiveness -- with their focus on country ownership, harmonization and alignment and mutual accountability -- apply to global as well as country based programs. Country studies confirm that issues of implementation are similar for the two, but that many global programs face specific challenges. These include lack of field representation and related absence from donor harmonization efforts, inconsistency with government priorities and budgets, parallel mechanisms for coordination and local coordination as well as for implementation, and a “centrifugal” pull on human and financial resources from related national programs.

3. The good practices take as their base the principles, and related indicators, of the Paris Declaration, applying and extending them to reflect the specific case of global programs.¹ They are intended primarily to improve the effectiveness of global programs, current or proposed, that provide significant financing at the country level. However, some of the good practices, including those on selectivity and governance, have implications for global programs in general.

4. In the governance and implementation of global programs, the good practices address the interlinked roles of: a) funders (bilateral donors, multilateral institutions and private foundations); b) partner countries; and c) global programs.

5. Funders, partner countries, global programs and private donors are being invited to apply the good practice guidance on a trial basis. Monitoring of such a pilot of good practice application would be carried out as part of the implementation of the Paris Declaration and will be reported to the 2008 High Level meeting on Aid Effectiveness in Accra (Ghana).²

¹ This good practice guidance has been developed as a part of the project “Integrating Global Programs at the Country Level”, which has been led by the World Bank on behalf of the DAC Working Party on Aid Effectiveness. The good practices also draw on a variety of studies and evaluations of global programs, including the Best Practice Principles for Global Health Partnership Activities at Country Level, and the work of the International Task Force on Global Public Goods.

² Monitoring would be integrated into the ongoing work of the Joint Venture on Monitoring of the DAC Working Party on Aid Effectiveness, which has already started to address global programs, under leadership of the Global Fund for AIDS, Tuberculosis and Malaria (GFATM). However, good practices relating to selectivity and governance would require a complementary approach.

Selectivity

6. **Think twice.** Funders, in consultation with partner countries and other concerned stakeholders, give serious analytic and decision-making attention to the need for another global program.

- Is there a compelling need for a new collective global or regional action?
- If so, does that global action require earmarked global financing for country programs?
- If so, can the financing be channeled through an existing institution, or is a new global program needed?
- If so, is there a clear rationale for the scale of financing proposed?

7. **Pursue coherence in selecting programs.** Donor governments establish internal processes in deciding on support for global programs among relevant ministries or agencies.

Governance of Global Programs

8. If a proposed global program is justified under the “think twice” selectivity criterion, funders, in consultation with partner countries and other concerned stakeholders:

9. **Set governance to maximize effectiveness.** Establish governance systems and internal incentives that facilitate harmonization and alignment in a multi-donor context. This includes:

- A clear and effective structure of governance and decision-making with broad participation including partner country governments and a voice for civil society.
- Clarity and transparency:
 - Roles of management, trustee or host organizations (and steps to mitigate risks of possible conflict of interest).
 - Relationships with partner governments and with donors supporting related programs.
 - Communications, including Internet publication of key documents (e.g. budgets, evaluation results, results of key meetings).
- Adaptability - periodic reviews to consider, possible merger or phase-out options.

10. Provide clear objectives and the flexibility needed to attain them.

- Set clear program objectives, with mandates and policies for achieving them that encourage consistency with, and adaptation to, emerging good practice in development effectiveness.
- Design the program to maximize complementarities with other donor activities.
- Maximize the percentage of core funding of global programs while minimizing earmarking for particular activities.

Ownership

11. **Integrate global programs.** As part of overall ownership, partner country takes leadership in integrating key global programs in country owned and led operational development strategies, (including PRSs), medium term public expenditure programs, and annual budgets. Partner country includes global programs in country led donor coordination and consultation processes. Where Government capacities are constrained, principal donors in consultation with Government authorities could play a pro-active role in supporting Government leadership functions.

Alignment

12. **Facilitate knowledge and access.** Funders, global programs and other donors help partner country identify and access support from global programs important for partner country national strategies and programs.³

13. **Align processes pro-actively.** Global programs, while respecting global mandates, align country programs with partner-country strategies, programs and systems:

- Show respect and support for leadership of partner countries, aligning support to their strategies and programs.
- Align with partner country systems, including financial (funds flowing through the budget) and procurement, to the maximum extent feasible.
- Sharply reduce use of separate coordination or local governance mechanisms, as well as of separate implementation entities such as “Project Implementation Units,” as part of a broader effort of support for partner-country capacity development.

14. **Make financing more predictable and sustainable.** Jointly identify financing needs and match funding to meet them, including recurrent costs after program termination, in a sustainable and predictable manner. For partner countries this means increased domestic resource mobilization and strengthened financial planning and budgeting. For global programs, it means:

- Develop a sustainable funding strategy, particularly for programs with high ongoing recurrent costs that assures future financing,
- Use sector and program-wide approaches, including through budget support, increasingly. Provide indicative commitments in a multi-year framework, with disbursements in a timely and predictable fashion. Explore with funders and other donors how best to guard against “crowding out” existing assistance that serves related objectives.

15. **Allocate by performance and need.**

- Identify desirable ranges of country allocations, taking account of country needs and contributions to global public goods provision, but also national, sector and project-specific performance.
- In making adjustments, guard against abrupt reductions in ongoing programs.
- Make special efforts to develop sound projects and programs in fragile states, particularly those under-funded relative to their performance.

16. **Fit calendars to country needs.** Make the calendar for applications and start of funding more flexible, taking account of project readiness and country budget cycles, and permit rescheduling of funding over multi-year frameworks.

³ This could be assisted by requesting relevant international institutions to develop a globally accessible database of programs.

Harmonization

17. **Harmonize pro-actively.**

- Join with other donors in simplified and common arrangements to support and strengthen government-led processes and systems. These include joint reporting, analyses, strategies, missions, and capacity development.
- Participate actively in multi-donor coordination mechanisms. This may include delegation to a relevant donor with adequate field presence.

18. **Take global programs seriously.** Donor agencies (bilateral and multilateral) take account of global programs in country support strategies and work closely with them for better integrated support of national development programs.

Results and Accountability

19. **Join existing accountability structures.** To achieve compatibility with the principles of the Paris Declaration, global programs develop (i) effective financial management systems, (ii) adopt international procurement management standards, (iii) adopt internationally accepted internal and external auditing procedures; (iv) participate with other donors and partner countries in “Results and Resources” frameworks introduced to facilitate scaling up of ODA flows and interact with independent international and national monitoring mechanisms.

20. **Evaluate and adapt.** Funders carry out joint regular evaluation of global programs, and assure follow-up on their recommendations.

21. **Be accountable.** Focus on accountability, shifting relative emphasis from inputs to outputs and outcomes.