

## Capacity Development for Harmonization

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### **Alignment more relevant than Harmonization**

One of the key messages coming out of the Asian and African regional preparatory meetings for Accra, is that we better focus on alignment rather than on harmonization, in order to foster ownership and accountability. When donors are aligned to country strategies and systems, harmonization is dealt with ads well. The Accra HLF needs to deal with the tension between trust and credibility. Getting the strategies right and using reliable country systems (for financial management, procurement, safeguards, results monitoring, and implementation) are the main challenges, and needs to drive the capacity building agenda.

### **Country leadership is needed**

Neither alignment nor harmonization is possible if the country doesn't show leadership in setting the development agenda, both at national and sector level, in defining feasible results and building monitoring systems, in establishing multi-annual budgetary frameworks, in directing the aid-flows, showing the donors their place and negotiating effective support. There are a few tools to build this leadership:

- A feasible national development or poverty reduction strategy, building on sector strategies, which includes a results (outcomes) framework, and a medium term budgetary framework. However, many sectors don't dispose of these tools yet.
- Country Harmonization or Aid Effectiveness action plans, which for instance are developed by Burkina Faso, Cambodia, Ghana, Mali, Nicaragua, and Senegal, and which is a list of actions to be taken by government agencies and donors to improve the effectiveness of aid. However, implementation is lagging, mostly due to the lack of an influential government actor to champion this agenda. Many partner country governments have difficulties to set up an effective internal aid coordination mechanism.
- Database on aid statistics, including regional variations. In many countries aid data are scattered, as not all aid is put on budget. Some countries as Ghana, Mozambique, Rwanda, and Vietnam, have good databases in place.
- Pooled implementation arrangements, including a lead donor, which makes it easier for the partner government to exercise leadership. Pooled arrangements should not use parallel PIUs (distorting country capacity) and preferably the national budget system (alignment).
- Systematic approach to consultation meetings, linking results and resources, involving non-state actors, and agreeing on shared responsibility mechanisms. Ghana, Rwanda, and Tanzania, are good examples.

### **Donors need to respect country ownership for a better harmonization**

Being fully owner of the development agenda creates the leverage for partner countries to better formulate the demand, to lead aid harmonization and alignment platforms, and build the related capacity. Donors need to strengthen country ownership by taking away constraints like tying of technical assistance to their aid, putting conditionalities, and earmarking their aid. The most effective way to build implementation capacity is by using country structures while moving away from parallel implementation units, which don't build capacity in a sustainable way. Aid harmonization will also improve when governments monitor the aid flows into the country, and put these on budget.