

**The African Development
Bank Group**

WORLD BANK



**- Making Aid More Effective -
Implementing the Paris Declaration on Aid Effectiveness:
Progress, Opportunities and Challenges
Workshop
*16-17 November, Kampala, Uganda***

CONCEPT NOTE

September 2005

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A. Introduction

1. The drive to harmonize, align, and manage development assistance for greater development results has been gaining momentum since the Monterrey Conference on International Development Finance, through the Rome High-Level Forum on Harmonization in 2003 and the Second International Roundtable on Managing for Development Results in Marrakech in 2004. More recently, at the 2005 Paris High-Level Forum on Aid Effectiveness, donors and partner countries recommitted themselves to improve aid delivery by systematically leveraging donor resources to help achieve concrete development results at the country level. The Paris Declaration highlighted the importance of predictable, well aligned, programmed, and coordinated aid to achieve results. The outcomes from the G-8 summit in Gleneagles gave these commitments even great urgency with estimates that aid to all developing countries will increase by around US\$ 50 billion per year by 2010.¹ Much of this will go to low-income countries, through the framework of their national strategies, and there will be increased expectations that these funds will be effectively used in a country driven, participatory, and transparent development process.

2. In the Outcome document from the 2005 UN World Summit (14-16 September 2005) UN member states welcomed the increase in resources that will become available as a result of the establishment of timetables by many developed countries to achieve the target of 0.7 per cent of gross national product for official development assistance by 2015 and to reach at least 0.5 per cent of gross national product for ODA by 2010. They also welcomed recent efforts and initiatives to enhance the quality of aid and to increase its impact, including the Paris Declaration on Aid Effectiveness, and resolved to take concrete, effective and timely action in implementing all agreed commitments on aid effectiveness, with clear monitoring and deadlines, including through further aligning assistance with countries' strategies, building institutional capacities, reducing transaction costs and eliminating bureaucratic procedures, making progress on untying aid, enhancing the absorptive capacity and financial management of recipient countries and strengthening the focus on development results

3. Hence, the attention of the development community is focused on scaling up efforts to achieve development results, including the MDGs and making progress on the Paris commitments -- essential elements of better aid delivery. To assist country officials and donors in Africa, the African Development Bank, with its partners the WB and UNDP and in collaboration with the OECD DAC and its members, proposes a series of regional workshops – starting with one for Eastern and Southern African Countries. These workshops would launch development of a

¹ These are OECD estimates.

community of practice in Africa around harmonization, alignment, and managing for results (mfr). The intention is for representatives of countries and donor institutions to share experience in how harmonization, alignment, and management for results have helped to improve development effectiveness. This will include (a) challenges faced by countries and development partners, (b) how these were addressed, and (c) ideas on how to deepen progress on these commitments at the country level. The workshops will also result in agreement on the best way forward for the community of practice by mapping out a course of action for the coming months.

4. This note provides (a) the background for these workshops, (b) a brief description of the milestones leading to the Paris High-Level Forum and of the commitments in the Paris Declaration; (c) a description of the objectives and format of the first workshop. Lessons learned from the first workshop and input from participants will inform the second workshop and other mechanisms for strengthening the community of practice in Africa.

B. Background

5. Two major milestones in the international effort to improve harmonization and alignment of development assistance and managing for better development results (HAMfR) were the Rome High-Level Forum on Harmonization in 2003 and the Second International Roundtable on Managing for Development Results in Marrakech in 2004. Participants in Rome signed the Rome Declaration, committing to move from institutional harmonization of donors' policies, procedures, and practices to country-level implementation and alignment with the partner country's policies and systems. The following year, the Joint Marrakech Memorandum reiterated the need for country ownership and focus, coordinated action to achieve results – by better planning and management for development results. In Marrakech the development community adopted a unified approach for improving the results orientation at the country level and for development agencies practices.²

6. Both developing countries and development partners have made significant progress in harmonization, alignment, and managing for results. At the global level, the OECD/DAC Working Party on Aid Effectiveness has recognized managing for results as a central element of development effectiveness. This resulted in launching the OECD/DAC Joint Venture on Managing for Development Results Work Program. This joint venture complements the MDB Working Group on Managing for Development Results. It also resulted in integration of managing for results as part of efforts on Harmonization and alignment.

7. At the regional level, the ADB and the World Bank have played key roles. These organizations have been active participants in global partnership on harmonization, alignment, and mfr. They have jointly organized three major Africa regional workshops on Harmonization, Alignment and Managing for Results,³ and they are helping African countries implement the major agreements and recommendations at the country level. Both institutions have

² The full text of the Rome Declaration and the Joint Marrakech Memorandum can be accessed at www.mfdr.org or at www.aidharmonization.org.

³ The First Africa Regional Harmonization Workshop (Addis Ababa, 2003); the Rome Follow-Up Africa Regional Harmonization Workshop (Tunis, 2003); and the Second Africa Harmonization Workshop (Dar es Salaam, 2004).

comprehensive action plans to advance the harmonization and results agenda and are actively working on the implementation of the Paris Declaration in Africa in collaboration with bilateral partners and collectively with the international partnership hosted by the OECD-DAC.

8. The UN Development Group has adopted an action plan for the implementation of the Paris Declaration commitments. Through a peer learning-based process UNDP has engaged national partners in a substantive discussion on these issues. Three workshops were organized: Burkina Faso (September 2004); Morocco (December 2004) and Philippines (April 2005) and at country level UNDP has supported developing countries in strengthening their ownership and capacity to coordinate and manage aid, enhance procurement and manage direct budget support. A community of practitioners within UNDP worldwide is emerging from this work to support OECD DAC partner countries in capacity development and facilitation, especially in terms of their participation in international fora within an equal playing field and partnership framework.

C. Paris Declaration

9. Through the Paris Declaration, both donors and partner countries have committed to work together to enhance development and aid effectiveness in partner countries and thereby improve the prospects of meeting the MDGs.⁴ The Paris Declaration provides a well-defined road map for increasing development effectiveness by enhancing partnership commitments, aligning donor support to partner countries' development strategies, harmonizing donor actions, managing and implementing aid/development resources with a focus on development results, and improving mutual accountability for development results. To measure progress on these commitments, donors and partner countries have set 12 indicators and corresponding targets to be achieved by 2010, and have agreed to monitor progress in 2006 and 2008. The DAC Working Party on Aid Effectiveness has now finalized the targets for the implementation of the Paris Declaration, which all members have accepted, except one member who has expressed reservations on two elements of one indicator.

10. These global level targets are not intended to prejudge or substitute for any targets that individual countries or their development partners may wish to set. Therefore, each country may wish and will be encouraged to develop its own targets for progress on these commitments. In recent MDB Roundtable and DAC Working Party meetings it was suggested that bilateral and multilateral donors should assist countries in initiating a government-led process for preparing a country-level Paris Declaration Implementation Plan.

Managing for Results

11. In the Paris Declaration, partner countries and donors committed to jointly manage and implement aid/resources in a way that focuses on desired results, and to use information to improve decision-making. In the area of managing for results, the following include few of the main commitments made by partner countries and donors.

⁴ All parties also recognize that achieving the MDGs will require increased volumes of development assistance as well as improved country governance systems and institutions.

Partner countries commit to:

- Strengthen the linkages between national development strategies and annual and multi-annual budget processes.
- Endeavour to establish results-oriented reporting and assessment frameworks that monitor progress against key dimensions of national development strategies and that track a manageable number of indicators for which data are cost-effectively available.

Donors commit to:

- Link country programming and resources to results and align them with effective partner country performance assessment frameworks, refraining from requesting the introduction of performance indicators that are not consistent with partners' national development strategies.
- Work with partner countries to rely, as far as possible, on partner countries' results-oriented reporting and monitoring frameworks.
- Harmonize their monitoring and reporting requirements and, until they can rely more extensively on partner countries' statistical, monitoring and evaluation systems, work with partner countries to the maximum extent possible on joint formats for periodic reporting.

12. To help in meeting these commitments, the MDB Working Group on Managing for Results and the OECD-DAC Joint Venture on Managing for Development Results have begun to define the global actions needed to support developing countries in their efforts to better manage for results. Both groups are working to provide a platform for sharing knowledge about emerging practices and for learning from each other as well as from partner countries. The two groups are participating in four country-led studies on harmonization and alignment around results reporting (in Madagascar, Mozambique, Tanzania, and Uganda)⁵ that are expected to yield lessons from experience on harmonization around results reporting.

D. Workshop Objectives

13. To help countries develop their implementation plans and to put in place the follow-up and monitoring mechanisms for implementing the Paris commitments, the ADB proposes two regional workshops at which representatives of countries and donor institutions can take stock of country-level activities, exchange experiences, and identify good country practices. The workshops will also provide an opportunity for partner countries and in-country donors to work together on more effective partnership arrangements, including suitable aid modalities and instruments to enhance aid effectiveness. Specific objectives of the workshops include the following:

- (a) to take a closer look at the Paris commitments focusing particularly on their application to country and country-level donor institutions, policies, procedures, and systems ;

⁵ Details on questions / issues to be addressed in these pilot countries can be seen in the TOR for the DAC Joint Venture Task Team on Harmonization – Results Monitoring.

- (b) to facilitate open discussion and exchange of views among partner countries and donors on their collaborative efforts, with a view to advancing the HAMfR agenda at the country level and contribute to setting country specific baselines in time for the first phase of the monitoring planned to take place in early 2006 and achieving concrete results before the 2008 monitoring exercise; and
- (c) to establish a mechanism for cross country sharing and a community of practice to continually exchange experiences.

The achievement of objective (1) will result in addressing the key issues for smooth and effective implementation of the Paris Declaration.

The achievement of object (2) will encourage countries and donors to work together to put in place effective institutional and countrywide systems and processes for the implementation of the Paris Declaration, with a particular focus on concrete results at the country level.

E. Documentation for the Workshops

14. Participants in each workshop will receive the following documents, to be compiled / prepared before the workshop:

- The Paris Declaration, including the revised indicators and targets.
- A draft synthesis report based on harmonization around results reporting. This will include case studies of the experiences from Madagascar, Mozambique, Tanzania, and Uganda.
- The Sourcebook on Emerging Good Practice in Managing for Development Results.
- Summaries of the ADB and World Bank approaches to the use of country systems.
- Relevant papers for each of the presentations.

15. In addition, participating countries will be invited to prepare papers on their HAMfR experiences, with a particular focus on their frameworks for implementing the HAMfR agenda and on arrangements they have put or need to put in place to implement the Paris commitments, including their experience with, or plan for, results monitoring and reporting systems.

F. Agenda

16. The Learning and Dissemination Workshops will be based on country-level experiences and challenges. Discussions will focus on how to advance the HAMfR agenda in operational terms more widely in country programs in both pioneer and new countries. Thus country-level donors are expected to play a more significant role than in previous regional workshops.

17. It is suggested that each workshop last for two days. The specific agenda for each would reflect the needs of the participating group of countries. In general, though it is proposed that the first day focus on country results monitoring and reporting systems, and on reviewing the four countries' experience the focus would broaden in the following day of the workshop, for the wider group of countries to consider the application of the Paris commitments in their own contexts. Each workshop would include a mix of plenary sessions with formal, introductory, and overview

presentations, and concurrent break-out sessions to discuss country-level HAMfR processes and implementation frameworks. A draft agenda for the first workshop is attached as Annex I.

G. Venues and Sponsors

18. The Learning and Dissemination Workshop for East and Southern African countries is planned for November 16-17, 2005, in Entebbe, Uganda. [Workshops for Central, West and North African countries are planned for 2006, in a location to be decided.]

19. The ADB, the World Bank and UNDP will jointly sponsor the Entebbe workshop in collaboration with OECD-DAC and its members. Together they will finalize the agenda, coordinate the preparation of the workshop documentation, and extend joint invitations to participating countries. On the ADB side, the Operations Policies and Quality Review Department, in collaboration with relevant ADB experts, members of the various MDB Technical Working Groups, and representatives of programming and sector departments will lead the preparation, delivery, and follow-up of the Learning and Dissemination Workshop. On the World Bank side, the Results and Harmonization teams will spearhead the World Bank contribution. The UNDP contribution will be delivered through the Bureau for Development Policy (Capacity Development Group) in New York. The sponsors will invite representatives of OECD-DAC members, other MDBs, and country-level multilateral and bilateral agencies to contribute to the preparation and successful delivery of the workshop.

H. Participants

17. Each workshop will bring together two participants preferably senior and technical staff who participated in the Paris HLF and currently leading their countries' HAMfR agenda. For the Entebbe workshop two groups of countries are targeted. The first group comprise of 13 that have started implementing HAMfR activities, while the second group represent those that are relatively new to the on-going HAMfR agenda.⁶ In addition, invitations will be extended to representatives of bilateral and multilateral country-level development partners; regional organizations with a strong interest in harmonization and results; civil society organizations; and selected representatives from the OECD-DAC Working Party on Aid Effectiveness and Donor Practices, including members of the Joint Venture on Managing for Development Results. Given the effort involved and costs associated with organizing these workshops it is critical to ensure that partner country and donor representation is adequate and appropriate to meet the objectives set for the workshop.

I. Budget

20. The cost of each Learning and Dissemination Workshop is estimated at USD 180,000. The African Development Bank and UNDP have earmarked USD 60,000 and USD 50, 000 respectively for the Entebbe Workshop, and the balance will be bridged by resources to be made available by the World Bank and other sources. A draft detailed budget for the first workshop is attached as Annex III. A detailed spreadsheet is available upon request. The organizers are and will be looking for other donors – bilaterals and multilateral – to help fund the later events.

⁶ A preliminary list of countries for the Entebbe Workshop is attached as Annex II.

AFRICAN DEVELOPMENT BANK

***WORKSHOP ON THE PARIS DECLARATION:
Implications and Implementation***

Estimated Budget ~ 3 Scenarios

<i>COST ITEMS (USD \$)</i>	<u>SCENARIO 1 13 COUNTRIES</u>	<u>SCENARIO 2 18 COUNTRIES</u>	<u>SCENARIO 3 24 COUNTRIES</u>
Flight, Subsistence, Hotel	62,109	87,988	119,043
Rapporteur and Workshop Assistant	10,200	10,200	10,200
Interpretation	8,850	8,850	8,850
Hostesses and Secretaries	4,950	4,950	4,950
Hotel Expenditures	8,707	13,718	14,514
Other	4,998	4,998	4,998
Contingency (10%)	9,981	13,070	16,255
TOTAL	109,795	143,774	178,810