DAC PEER REVIEW CONTENT GUIDE

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This content guide will apply to DAC peer reviews completed during the biennium 2011-2012 starting with Denmark in 2011.

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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 conceptual framework is organised according to the main aid issues confronted by DAC members, which are: strategic orientations; development beyond aid; ODA volume, channels and allocations; organisation and management of aid; effective aid and results; and humanitarian assistance. These issues are interrelated and elements of them will be found in all chapters whilst at the same time they are treated separately with each issue being the subject of an individual chapter. The objectives of DAC Peer Reviews are to:

   a) monitor members’ development co-operation and humanitarian aid policies and programmes and assess their progress against the goals and policies agreed in the DAC as well as internationally and nationally established objectives;

   b) assist DAC members in improving individual and collective aid performance through mutual learning; and

   c) identify good practices and foster co-ordination.

2. Peer Reviews assess the performance of a given member country, not just that of its aid agency, and examine both policy and implementation. They take an integrated, system-wide perspective on the development and humanitarian aid activities of the country under review.

3. The Reviews refer to internationally agreed benchmarks, DAC good practice papers and guidelines, criteria for the admission of new DAC members and nationally selected reference points, wherever possible. The key references listed at the beginning of each chapter will be used for accountability purposes to assess the extent to which the reviewed member is adhering to its international commitments and selected DAC guidelines and criteria agreed by the Committee. In all areas covered by the chapters there will be opportunities to identify good practice and valuable learning based on the reviewed member’s experiences.

Purpose of the Content Guide

4. The Content Guide provides a common analytical framework for all Peer Reviews. It provides priority questions for each of the standard sections of the review and permits reporting to the DAC on lessons learned. It is organised according to the chapters of Peer Review reports. Each chapter considers both sets of issues from the perspective of headquarters and the field. The latter includes questions addressed specifically to partners. The peer review process consults a wide variety of stakeholders. The

1. However, certain questions relate to specific commitments relevant to EU members only.
examining team should bear in mind that all information gathered should be cross referenced across these stakeholders to strengthen the evidence base of the review.

5. The Content Guide should be read in conjunction with the Information Note on the DAC Peer Review Process DCD(2009)6/REV1 which describes the review process and the roles and responsibilities of participants.

6. The purpose of the Guide is, therefore:
   a) to serve as a reference for the preparation of the country memorandum preceding a review;²
   b) to prepare both the examining team and the reviewed country for discussions at headquarters and in the field; and
   c) to facilitate the identification of lessons learned after individual reviews, and thematic or issue synthesis following a series of reviews.

7. For practical reasons, the DAC member being assessed is referred to as the “reviewed member”. The lead development co-operation institution is referred to as the “agency” whatever its status is (e.g. ministry, semi-autonomous agency).

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CHAPTER 1

STRATEGIC ORIENTATIONS

Key references

- Millennium Development Goals and Millennium Declaration (2000) and the Outcome Document of the 2010 MDG HLPM
- Poverty Reduction, DAC Guidelines (2001)
- Monterrey Consensus (2002)
- 2004 Revision to the 1995 Aide Memoire on the Admission of new DAC members (DCD/DIR(2004)15)
- Paris Declaration on Aid Effectiveness (2005) and Accra Agenda for Action (2008)
- European Consensus on Development (2006) (for EU members)
- OECD/DAC Principles for good international engagement in fragile states and situations (2007)
- DAC guidelines for gender equality and women's empowerment in development co-operation (1999)
- Declaration on Integrating Climate Change Adaptation into Development Co-operation, 4 April 2006 - C(2006)94

Purpose

This chapter looks at the political directives, policies and strategies that shape the reviewed members’ development co-operation, including the legal basis, political commitment and current vision, and its overall organisation. It also examines domestic accountability issues, as well as public awareness of, and support for aid and development. 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

Legal and political basis

1.1 What is the historical and legal basis for development co-operation? Does the reviewed member have a development co-operation policy/strategy? If so, what is its essence?

Political orientations

1.2 Evolution: What major changes have occurred since the last peer review (policy statements, major development co-operation initiatives)?
1.3 Vision: What is the place of development co-operation within foreign policy? What is the role of development co-operation within the broader context of development? What is the current vision and motivation for the country’s development co-operation effort? How is this vision reflected in policy documents and annual reporting? How are any apparent tensions between national foreign policy interests and stated development objectives resolved?

1.4 Policy formulation: Who leads and drives development co-operation strategy and policy within the national system? 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?

1.5 Decentralised official co-operation: What is the national policy regarding the involvement of sub-national authorities in development co-operation? Where sub-national authorities provide development aid, what value does it add? Are they involved in setting national policies? To what extent are they encouraged and/or required to align with policies set by the national government?

Commitment to national and international development goals, including the MDGs

1.6 Strategic priorities: To what extent does the development co-operation policy/strategy spell out the priorities in allocating aid to multilateral and bilateral channels, among recipient countries and sectors and specify the instruments to be used? How have international commitments\(^3\) been reflected within this strategy? How are priorities set and what is the approach to promoting pro-poor growth, poverty reduction and sustainable broad based economic growth in developing countries?

1.7 Multilateral aid: What is the reviewed member’s overall approach to multilateralism? Does the reviewed member have a multilateral aid policy/strategy? What is the rationale for allocating between its bilateral and multilateral aid, and between the larger multilateral organisations?

1.8 Sector and geographic focus: On which sectors does the reviewed member focus to achieve its objectives? How does it monitor and report on implementation of its strategies in this area? What influences the selection of partner countries (e.g. considerations of the degree of poverty, progress towards the MDGs, effectiveness, possible impact, or convergence with the policy priorities of the reviewed member)? What is considered the optimal number of partner countries and is there a strategy to arrive at that number? What determines activities in non-priority countries? Are exit strategies in place for either priority or non-priority countries?

1.9 Accelerating progress towards the MDGs: How are commitments to accelerating progress towards the MDGs and increasing the impact of economic growth on reducing poverty translated into specific programming priorities, for example in relation to promoting pro-poor growth?

1.10 Compliance with DAC guidance: In developing its policies and strategies, to what extent has the DAC member taken up the policy products, particularly guidelines, of the DAC?

Fragile states and situations

1.11 Geographic focus: To what extent are fragility and/or conflict formally or informally incorporated into the selection process of partner countries?

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\(^3\) particularly the Millennium Declaration, the MDGs, the Paris Declaration and Accra Agenda for Action and, where applicable, European Union commitments
1.12 **Policy guidance:** To what extent is there specific policy guidance on i) fragile states; ii) conflict prevention and peace-building; iii) conflict sensitive development; iv) post conflict engagement and v) justice and security system reform? If the reviewed country does not have specific policies covering these themes, what guidance is applied to its work in these areas?

1.13 **Transition:** How are activities on humanitarian assistance, conflict prevention, peace-building, and state-building connected? What are the challenges and are there good practices to share?

**Cross-cutting issues**

1.14 **Policy:** What are the key cross-cutting issues and how are they chosen? To what extent is there specific policy guidance to: i) enhance gender equality and women’s empowerment; and ii) address issues of environmental sustainability and climate change mitigation and adaptation through the development programmes?

1.15 **Implementation:** How are these cross-cutting issues reflected in sectoral policies and strategies? How are they implemented (e.g. mainstreamed, special projects, thematic programmes) and are special resources allocated to them? Specifically: (i) How are projects screened for compliance with cross-cutting issues, specifically gender equality, and environment and climate change? (ii) How does the donor address gender equality and women’s empowerment and how are results measured? (iii) Has the donor developed specific guidance to help country offices strengthen the application of environmental impact assessments at the project level and support the development of common approaches for strategic environmental assessments at the sector and national levels? (iv) Has the donor used innovative approaches and practices in integrating cross-cutting issues into its aid programme?

**Accountability, communication and development awareness**

1.16 **Domestic accountability:** To what extent are transparent accountability mechanisms in place that make information on development co-operation available to the parliament and public? How are these mechanisms functioning? How do the authorities inform domestic stakeholders of development issues and development co-operation results and impact? What are the resources available for communicating on the programme? How is the reviewed member addressing domestic accountability needs while balancing the need for national ownership and long term development?

1.17 **Public awareness and development education:** What is the level of public awareness of development issues and public support for aid? How are awareness and support measured? Is there a strategy and budget for public awareness and development education? Has the implementation of this strategy been evaluated? To what extent and in which ways are civil society organisations involved in raising public awareness?

**Field level issues**

**Reviewed member**

1.18 **Policy orientations:** How are the reviewed member’s commitments to the international development goals, including the MDGs and its strategic priorities translated into poverty focused strategies and aid allocations at country level, implementation mechanisms and practice? How effectively are headquarters policies communicated to, and implemented, on the ground? 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 and to what extent do they support the aid effectiveness principles?
1.19 *Accelerating progress towards MDGs:* How are commitments to accelerating progress towards the MDGs and increasing the impact of economic growth on reducing poverty translated into specific programming priorities, for example in relation to promoting pro-poor growth?

1.20 *Whole-of-government approach:* To what extent are diplomacy and development perspectives successfully integrated to produce a cross-government approach to local issues of development?

1.21 *Fragile states:* How is the reviewed member’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 potential tensions between addressing state-building and peace-building and making progress towards the MDGs?

1.22 *Cross-cutting issues:* How are cross-cutting issues, such as gender and environment, reflected in country activities? What cross-cutting expertise is available in the field?

**Partners**

1.23 *Policy dialogue:* Does the partner government have appropriate opportunities to influence the reviewed member’s policy, strategy and programming processes in the recipient country? In what way could these aspects of partner government’s involvement be improved? To what extent are local civil society and other non-governmental stakeholders provided with opportunities to influence reviewed country policy, strategy and action? How are they involved in shaping, implementing, monitoring and evaluating the programme?
CHAPTER 2
DEVELOPMENT BEYOND AID

Key references

- Recommendation of the Council on good institutional practices in promoting policy coherence for development (2010)
- OECD Ministerial Declaration on Policy Coherence for Development (2008)

Purpose

This chapter looks at DAC members’ efforts to promote policy coherence beyond their aid programme, i.e. their efforts:

- to ensure that their domestic and international policies support – or at least do not undermine – partner countries’ development efforts. In this way, DAC peer reviews also provide a means to assist and monitor the implementation of the OECD Recommendation of the Council on good institutional practices in promoting policy coherence for development (2010); and
- towards a whole-of-government approach to delivering aid, including operational co-ordination between the government departments in charge of shaping and delivering the aid programme.

Headquarters issues

Policy coherence for development

2.1 Political commitment: What priority is routinely given to development and coherence at all levels of government? Does the member have a policy that promotes the coherence of its domestic and international policies with internationally agreed development goals? Have priority areas been defined?

2.2 Raising awareness: What efforts are underway to raise public awareness and build public support for policy coherence for development, on a long-term basis?

2.3 Co-ordination mechanisms: Who are the key actors in policy formulation processes and what role does the development agency play in promoting policy coherence for development? Are there effective cross-institutional co-ordination mechanisms to consult and formulate national positions on coherent 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? To what extent are non-government stakeholders consulted on issues of policy coherence for development?

2.4 Capacity: Are there sufficient capacity and adequate resources within government, including requisite staff, to define and analyse issues on coherence and channel them into policy processes? How are expectations on PCD being communicated to staff? Has the reviewed member worked
with local stakeholders in partner countries to produce analysis on how its domestic and international policies play out in particular countries?

2.5 Monitoring: 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 for development? Is there transparent reporting to parliament and the wider public?

2.6 Illustrations: Can the reviewed member illustrate the effectiveness of its institutional structures with respect to one of the following topics: trade; international financial flows; or migration? In what ways has this resulted in policies which are more coherent with development objectives?

**Whole-of-government approaches to aid and development**

2.7 Policy: What is the member’s policy and practice regarding formulating whole-of-government objectives, exploiting synergies across their own policy communities and reviewing impact on the ground?

2.8 Fragile states and situations: Is a whole-of-government approach taken to deal with fragile states and conflict-affected countries? Do government departments share their understanding of conflict dynamics through joint conflict analysis? Do they respond jointly to early warning of conflict and/or state fragility? Do they integrate their planning and the development of strategic peace-building frameworks?

**Field level issues**

**Reviewed member**

2.9 Approach and mechanisms: How does the reviewed member ensure that its domestic and international policies support the development efforts of the partner? 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?

2.10 Monitoring: How does the reviewed member gather and feedback evidence and views from partner government, civil society and its own field staff on the development impact of its domestic and other foreign policies? Are field office staff encouraged to gather this evidence?

**Partners**

2.11 Promoting coherence: To what extent does the partner government see coherence, or lack thereof, in the reviewed member’s policies having an impact on its development efforts? How does it provide feedback and take action where there is incoherence? What is the role of civil society organisations and other stakeholders in advocating for donors’ coherent approaches to their countries’ development efforts?
CHAPTER 3
ODA VOLUME, CHANNELS AND ALLOCATIONS

Key references

- DAC Recommendation on Terms and Conditions of Aid (1978)
- Monterrey Consensus (2002)
- United Nations target of 0.7% of ODA/GNI (re-affirmed in Monterrey in 2002 and Doha in 2008) and/or other commitments (e.g. the European Council Presidency Conclusions on ODA levels [16-17 June 2005]).
- Paris Declaration on Aid Effectiveness (2005) and Accra Agenda for Action (2008)

Purpose

This chapter looks at the official development assistance (ODA) figures, including the overall level and components of aid, the approach to bilateral and multilateral aid channels, and geographic and sector allocations of bilateral aid. Governments set targets and undertake international commitments for the level of their aid. While national targets sometimes differ from international ones, it is important to examine whether, and how, the DAC member is meeting its stated goal. This chapter will therefore: i) use data to track country performance against national and international commitments; ii) review significant changes in aid levels as well as plans for meeting, or staying on, the set target; iii) assess how closely allocations reflect stated policy; and iv) look at how bilateral and multilateral budgeting processes and policies support the effectiveness of the overall aid system.

Headquarters issues

Overall aid volume

3.1 ODA targets: What are the reviewed member’s stated ODA targets (e.g. for total ODA, ODA/GNI, ODA to specific regions, country income groups, sectors or objectives)? What plan does the reviewed member have for achieving its targets? What are the trends and what explains significant changes in ODA levels, if applicable?

3.2 ODA components: How are the commitments and strategic priorities translated into the aid approach, instruments and modalities? What is the composition of ODA (i.e. budgetary resources, debt relief, loans/grants, bilateral/multilateral)? How does it affect the ODA target and country programming?

3.3 DAC ODA Compliance: Does the member country comply with the DAC Recommendations on the use of ODA and are its annual statistical reports in conformity with ODA rules for statistical reporting?

3.4 Other resource flows for development: What is the level of non-ODA flows to developing countries (official and private flows)? How do trends in the reviewed member’s ODA levels compare with
other official flows to developing countries (non-concessional loans, export credits, subsidies to the private sector, etc)? What are the reviewed member’s contributions to “innovative financing”? How are the development efforts of non-state actors, such as the private sector and civil society, encouraged by the reviewed member?

**Bilateral channel**

3.5 *Budgeting process*: Is there is a sound and transparent process for translating policy commitments into resource allocation decisions? To what extent are allocations results-based? To what extent does the budgeting process allow for flexibility in reallocating aid?

3.6 *Predictability*: To what extent does the budgeting process allow for predictability? What measures are taken to provide partner countries with regular and timely information on forward expenditure and/or implementation plans?

3.7 *Geographic allocations*: How are policy commitments reflected in geographic allocations (regional and income level distribution, trend in concentration)? What is the share of ODA allocated to priority partner countries and does it reflect a commitment to increased concentration? To what extent do allocations support the division of labour?

3.8 *Sector allocations*: How are the sectoral/thematic priorities for ODA – including cross-cutting issues - reflected in budget allocations? Does the reviewed country use the gender, Rio and adaptation markers in its statistical reporting to the DAC?

**Fragile and post-conflict situations**

3.9 *Allocations*: How does the reviewed country allocate budgets for fragile or conflict-affected states or post-crisis recovery programmes? Are they multi-year commitments? Has the level of bilateral funding fluctuated when partner countries have become more or less stable or secure? How does the reviewed country deal with the higher financial risks of engagement in fragile and/or conflict affected settings?

3.10 *Transition*: How does the reviewed donor bridge humanitarian and development financing when engaging in fragile and conflict-affected states? How does it ensure that allocations for recovery programmes are disbursed in a timely way to avoid gaps between humanitarian and recovery assistance, and respond quickly to evolving circumstances? Are there mechanisms for providing holistic funding for peace and security activities in conjunction with distinct non-ODA components?

**Non-governmental organisations (NGOs) and civil society**

3.11 *Allocations*: How large is the share of ODA spending to and through national, international and southern NGOs/civil society groups? What process is used to select NGOs and other entities for ODA support? What kinds of funding mechanisms are used? Are there separate processes for development and humanitarian assistance? How are NGOs monitored and evaluated?

3.12 *Strategy*: Is there a policy framework that defines the relationship with national and southern civil society organisations (CSOs)? Are there any attempts to guide NGO programming to specific partner countries or in favour of particular sectors/themes?

**Multilateral channel**

3.13 *Allocations*: What is the overall allocation to multilateral institutions and who are the main recipients? What part of the allocation is to the core budget and what part is considered non-core
(to thematic funds or programmes)? What is the rationale for allocating core multilateral aid or non-core (earmarked) funding?

3.14 **Strategy:** How is the strategy for allocating aid to and through multilateral organisations operationalised? How are choices made and institutional allocations determined and how does this relate to performance assessment? How are issues of coherence/synergies between multilateral and bilateral assistance addressed?

3.15 **Governance:** Does the reviewed country play an active role in the strategic direction and governance of the multilateral agencies they support?

3.16 **Effectiveness:** How does the reviewed member support efforts to make the multilateral system and individual multilateral agencies more effective? To what extent does it support efforts towards: i) conducting assessments collectively when this reduces duplication and transaction costs, and ii) developing a consensus on the requirements and standards to guide assessments?

3.17 **Global and vertical funds:** What is the position of the reviewed member with regard to support for global funds and vertical funds, their role, funding levels and complementarity to existing instruments and institutions?

**Field level issues**

**Reviewed member**

3.18 **Aid allocations and modalities:** How is aid allocated and which aid modalities are used? What is the share of multi-bi funding and how is it allocated? What is the share of ODA allocated to each modality? Have there been any changes in the amount of assistance provided through the various modalities and if so what factors are driving these changes? How does the country office adjust the mix of aid modalities to respond to the needs of the partner country?

3.19 **Predictability:** To what extent, and how, has the country office sought to improve the in-year and medium term predictability of aid? Does the country office provide partner authorities with regular and timeline information on their rolling three-to five-year forward expenditure and/or implementation plans? What is the capacity of the country office to maximise aid predictability?

3.20 **Multilateral channels:** Do field offices receive the necessary guidance on policies towards multilateral organisations? What kind of feedback do they provide to headquarters on multilateral performance? How do they monitor the activities of global and vertical funds and take them into account to ensure complementarity with the bilateral programme?

**Partners**

3.21 **Transparency:** How transparent is the aid provided by the reviewed member to the partner country? Are all aid flows recorded in an aid management system?

3.22 **Predictability:** How predictable does the partner government find the reviewed member? Are all commitments implemented? Are disbursements made in a timely manner? If this is not happening, what is the partner government’s view of the most important constraints?

3.23 **Alignment:** How do aid allocations and execution fit within the national budget cycle and national systems?
CHAPTER 4

ORGANISATION AND MANAGEMENT

Key references

- 2004 Revision to the 1995 Aide Memoire on the Admission of new DAC members (DCD/DIR(2004)15)
- Paris Declaration on Aid Effectiveness (2005) and Accra Agenda for Action (2008)
- DAC Recommendation on Anti-Corruption Proposals for Bilateral Aid Procurement, 7 May 1996 - DCD/DAC(96)11/FINAL

Purpose

This chapter looks at the institutional structures and management processes that support the effective implementation of aid policies. While the DAC has not issued guidance in this area of examination, the Aide-Memoire on the Admission of new DAC members requires DAC members to put in place sound organisational management principles, including appropriate institutional frameworks with sufficient ability and operational capacity; a system to monitor the agency’s performance; and an impartial and independent evaluation system. The chapter also assesses more broadly whether the reviewed member’s aid administration and organisation are appropriate to meet the goals and objectives set for the programme; whether appropriate capacities are retained; and efforts to ensure the system is set up to deliver aid effectively.

Headquarters issues

Headquarters’ organisation

4.1 Legal foundation: What are the historic and legal origins of the reviewed member’s organisation and management systems in development co-operation? Do these provide a strong foundation and sufficient flexibility for efficient and effective operations?

4.2 Key stakeholders: Which institutions are involved in development co-operation and with what responsibilities? How do they relate to, and co-ordinate with each other? Does this system ensure an efficient allocation of tasks and coherence in delivering the aid programme? How does the reviewed member respond to the changing development context and the need to continuously reform and improve its organisational structure and systems? What challenges and successes has it experienced in this regard since the last peer review?

4.3 Business plan: What business plan guides the development co-operation agency? How is it translated into implementation within the organisation and monitored? Are the anticipated resource needs reflected in integrated planning and budgeting processes?
Decentralisation

4.4 Field orientation and field-headquarters links: How is the development co-operation agency configured and resourced at field level to deliver the programme? To what extent are funding and programming decisions decentralised? Does the reviewed member plan further devolution of authority to the field? How does it ensure field-level compliance with policy? Does the division of labour and communication between field and headquarters enable the agency to learn from the field experience? How are staff levels and competencies of field offices assessed to ensure they are adequate for the role expected of them?

Programming process

4.5 Programming process: How is the programming process organised? To what extent and how does headquarters expect country programmes to take account of partner country policies and strategies? How does the agency ensure that processes at partner country level are consultative and evidence-based while keeping transaction costs low? How does the reviewed member determine the modalities to implement bilateral ODA?

4.6 Managing risks: How does the reviewed member identify and manage risks?

Management for Development Results

4.7 Managing for development results (MfDR): Does the agency apply an approach based on the principles of managing for development results (MfDR), and if so, how is this done? How far are partner countries’ systems used and strengthened in applying an MfDR system? How clearly is the MfDR system linked to policy and strategy? Are there good practices in managing for results – through aligning programming, monitoring and evaluation with results? What incentives are there to achieve the aid agency’s results framework objectives? Is there a relationship between delivery of results and funding (e.g. performance-based budgeting)?

4.8 Demonstrating results: How does the agency measure and report results? How is results reporting used (e.g. learning and decision making, accountability and broader public communication)?

4.9 Efficiency and administrative costs: How does the agency report on administrative costs? To what extent is a value for money approach developed and implemented? How does the agency balance reducing administrative costs (efficiency) with the need to keep an appropriate capacity to deliver quality aid?

Human resources

4.10 Human resources policy: What staff resources (size, skill mix, location) are employed by the overall development co-operation system? How does the agency ensure that the system as a whole has appropriate capacity and that the necessary skills are in the right places to deliver on objectives at headquarters and in partner countries? To what extent does the agency promote the sharing of expertise between various functions of staff and with other stakeholders? Is there a multi-year plan for recruitment and staff development linked to future strategic orientations? How does the agency address the need to retain experienced professionals over time (e.g. career track for development professionals)? To what extent is staff management performance linked to corporate objectives and programme results?

4.11 Training: How is training organised? Who decides on the training agenda and what drives it? Is pre-deployment training provided for field staff? Does it include conflict-sensitivity and peace-building dimensions? Does it include awareness raising on the important contribution of growth to
poverty reduction as well as the gender equity and environment dimensions? To what extent is training co-ordinated by the agency with other own government actors and with external partners?

4.12 **Locally recruited staff:** What is the policy regarding the recruitment, career path and use of qualified local and third country staff? How does the agency view the impact of hiring locally recruited staff on the delivery of the aid programme and on the development efforts of its partner countries?

4.13 **Fragile states and situations:** How does the reviewed member make specific provisions for staff working in high stress and/or insecure environments? Does it have specific policies for recruiting adequately qualified staff (international and local) in these contexts? What incentives and operating procedures does the donor devote to supporting staff in fragile states and conflict-affected countries?

**Evaluation**

4.14 **Transparency and accountability:** What is the donor’s evaluation policy? How is it made known within the organisation and how is an evaluation culture promoted? Who identifies priorities for the evaluation plan, and how? To what extent is the evaluation process independent of management and political influence? Are evaluation processes considered to be credible and legitimate by independent observers? How are the DAC Quality Standards for Evaluation used? Are evaluation findings consistently made public? How is the management response to evaluations and its follow-up organised? How are intended outcomes of support for capacity development monitored, measured and evaluated?

4.15 **Resources:** Are financial and staff resources dedicated to evaluation adequate to meet objectives? To what extent does the agency promote and engage in joint evaluations? To what extent does it make use of information from the DAC Evaluation Network, other agencies’ evaluations, joint evaluations or partner-led evaluations?

4.16 **Learning:** Who are the main users of the evaluations (within and outside the agency) and what do they learn from evaluations? Do evaluation findings and recommendations influence policy making and programme design and implementation? Are evaluations used as a forward looking management tool?

**ODA-related information systems**

4.17 **Use of ODA information systems:** How are statistical reporting systems integrated to budgeting, operational planning, and monitoring & evaluation to provide information flow on the aid policy, targets, plans and results to strengthen the decision-making? Does the reviewed member have the needed technical capacity to provide timely aid information to different development partners and to the public?

**Cross-cutting issues**

4.18 **Institutional support:** To what extent are there clear institutional structures to support implementation of cross-cutting issues (leadership and management responsibility; levels of specialist expertise; reporting and monitoring systems including evaluation processes)?
Field level issues

Reviewed member

Organisation

4.19 Decentralised authority: How much authority does the field office have over programme development, budget allocation and execution decisions? Is it appropriate and is it implemented in line with stated policy? What is the division of responsibility between headquarters and the field office? What are the lines of communication between headquarters and the field? Is the country office informed of, and does it attempt to coordinate, all activities from the reviewed member’s sub-national authorities? How are links to activities of non-state actors taken into consideration as part of the overall co-operation programme?

4.20 Capacity: What is the division of labour regarding the aid programme within the Embassy/office? How does the Embassy/office and HQ ensure that it has sufficient negotiation, programming, analytical and operational capacity?

Management

4.21 Relations with headquarters: How are policies translated into operations at partner country level? How closely does selection of aid modalities follow overall strategy/targets set by headquarters? How is efficiency of operations assessed? What kind of support does the country office receive from headquarters? How does it report to headquarters?

4.22 Human resources: 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?

4.23 Evaluation: To what extent does the field office conduct evaluations mandated by headquarters and to what extent are they determined locally? How is independence of evaluations ensured? Does the country office rely on local evaluators, or third party evaluators from partner countries? To what extent does the office rely on information from joint or partner-led evaluations? How do evaluation results feed back into, and influence programme design and implementation? How are critical findings fed upwards into corporate learning and accountability?

4.24 Fragile states and situations: How are activities and programmes related to peace-building and state-building, conflict prevention and security sector reform monitored and evaluated? Are there specific indicators to measure the impact of those activities on state fragility and conflict and progress towards the main objectives? Does the country office apply the DAC guidance on evaluating conflict prevention and peace-building activities? How does the donor disseminate experience and lessons and how do these feed back into programme design and management?

Partners

4.25 Policy dialogue: Does the reviewed member have sufficient delegation of authority to engage in a meaningful dialogue with the partner government and to respond in a flexible manner to its requests? Are policy dialogues conducted at appropriate level and adequate intervals? How are politically sensitive issues dealt with by the reviewed member in policy/political dialogue, especially in the context of partner-led development?

4.26 Capacity: Does the reviewed member have the right capacity and expertise in its focused sectors to engage in policy and technical discussions with the partner government? Are the reviewed member’s procedures appropriate to deliver aid in a timely and reliable way?
CHAPTER 5
AID EFFECTIVENESS AND RESULTS

### Key references

- Paris Declaration on Aid Effectiveness (2005) and Accra Agenda for Action (2008).
- DAC Recommendation on Untying ODA to the Least Developed Countries and Heavily Indebted Poor Countries (2001, amended 2006 and 2008)
- DAC guiding principles for aid effectiveness, gender equality and women’s empowerment (2008)
- International Good Practice Principles for Country-Led Division of Labour and Complementarity (2009)

### Purpose

This chapter looks at efforts made by members to fulfil the commitments set out in the Paris Declaration on aid effectiveness and the contributions of these commitments to reducing poverty and inequality, increasing growth, building capacity and accelerating achievement of the MDGs. At the high level forum in 2008, the Accra Agenda for Action was adopted as a way to advance the implementation of the Paris principles. This chapter also examines how the Principles for Good International Engagement in Fragile States and Situations, which the DAC adopted to complement the Paris Declaration, are applied by donors that engage in countries with problems of weak governance and conflict, and during situations of fragility.

### Headquarters issues

5.1 **Action plan:** What reforms or changes has the agency undertaken to make its aid and development programme more effective? Are changes made according to a specific action plan and how is progress monitored? What are the main challenges in implementing the aid effectiveness principles (ownership, alignment, harmonisation, managing for results, mutual accountability)? How is the reviewed member assessing its performance against the Paris Declaration indicators and what steps to improve?

5.2 **Awareness:** Do staff know the aid effectiveness principles and understand their operational implications (particularly field staff)? Have specific training, guidelines and/or operational directives been disseminated to stimulate implementation of aid effectiveness principles? What action has been taken to mobilise other institutions involved in development co-operation as well as parliament and civil society organisations to share an understanding of commitments to make aid more effective and work in concert to reach better results?
5.3 *Incentives*: What incentives are provided to bring individual and collective behaviour in line with the Paris Declaration objectives? What problems is the country facing in getting these incentives to work at different levels?

5.4 *Untying aid*: What is the reviewed member’s current untying status and plan to further untie aid?

5.5 *Supporting capacity development*: 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? How does the donor approach capacity development? Is the approach based on technical co-operation or more integrated into the general programme? What role does technical co-operation and technical assistance play in building capacity? To what extent and how does the reviewed donor make use of technical assistance, training and educational grants to build capacity? Are there good practices in: i) enabling local civil society and the private sector to contribute to development; ii) ensuring integration of capacity development into national, sector and thematic strategies; iii) engaging in demand-driven technical co-operation; iv) using local or regional resources and supporting south-south co-operation; or v) using and strengthening country systems. Is the donor engaged in partner-led discussions on capacity development?

5.6 *Fragile states and situations*: How has the reviewed member formally adopted and applied the DAC’s Principles of Good International Engagement in Fragile States? To what extent does the donor rely on analysis, joint assessments (donors and recipient government together), joint strategies and co-ordinated political engagement? Are there mechanisms for institutionalising and regularly updating conflict analysis? Does the reviewed donor promote interventions to help prevent state collapse and violent conflict? What strategy has the donor put in place to enhance local capacity and support local ownership?

5.7 *Learning*: Does the agency use evaluations or other learning methods to demonstrate how more effective aid management and delivery practices have contributed to improved development results in projects and programmes? How are these experiences (lessons, best practices) communicated to staff and other stakeholders? Are there any particular examples of good practice from the member’s experience that have been evaluated and that should be highlighted for wider reference among DAC members?

**Field level issues**

**Reviewed member**

**Ownership**

5.8 *Broad ownership*: How does the country office interact with the government agency leading national development efforts? How does the country office promote Parliamentary and CSO engagement in development policy dialogue, planning, programming and monitoring, as a basis for improving aid’s contribution to development results?

5.9 *Supporting capacity development*: In the visited partner country, what approach have bilateral and multilateral donors taken collectively to strengthen the country’s capacity to exercise its leadership, promote an inclusive approach to poverty reduction and implement national development strategies? What role is the reviewed donor playing in this effort? Are there good practices in: i) enabling local civil society and the private sector to contribute to development; ii) ensuring integration of capacity development into national, sector and thematic strategies; iii) engaging in demand-driven technical co-operation; iv) using local or regional resources and supporting south-south co-operation; or v) using and strengthening country systems.
5.10 **Conditionality:** Are conditions (whether written or non-written) attached to aid? If so, what progress has been made in agreeing on a limited set of conditions drawn from the partner country's national development strategy? What challenges does the reviewed member face in this regard? Have the conditions been made public? Are the principles of transparency and selectivity applied across all aid instruments?

5.11 **Fragile states and situations:** Are peace- and state-building objectives at the core of the donor’s country programme (including for the protection and participation of women), and are they agreed between the partner government and donors? How does the donor support the partner country in its efforts to promote coherence and joint work among ministries to address fragility and conflict?

**Alignment to national strategies and systems**

5.12 **Policy:** To what extent are the reviewed member’s strategies aligned with the partner’s own development strategies and plans, or supporting the setting up of such strategies and plans? How is alignment to national poverty reduction strategies achieved, in practice?

5.13 **Systems:** To what extent does the reviewed member use the partner country’s own systems and procedures, in particular for public financial management, accounting, procurement, service delivery, auditing, results and monitoring? Where this is not feasible, how does it justify this and what measures does it take to develop capacity with a view to using partner systems in the future? Does it share its reasoning with national authorities and other donors in a transparent manner to strengthen common approaches to use of country systems? 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 including through multi-donor mechanisms and NGOs for aid delivery outside government systems? What are potential systemic obstacles to the increased use of country systems?

5.14 **Parallel units:** To what extent, and why, has the country office put in place parallel implementation structures to implement aid financed projects and programmes? How can such structures be integrated into domestic institutions and/or phased out in the short to medium term?

5.15 **Fragile states and situations:** Where alignment with government-led strategies is not possible due to particularly weak governance, lack of orientation of the government to development 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 at the sectoral or sub-national level, or innovative mechanisms to allow for alignment where country systems are weak?

**Harmonisation**

5.16 **Co-ordination:** To what extent is the country office involved in co-ordination mechanisms? How does it encourage leadership of the partner government in these mechanisms? Is the country office taking leadership in some sectors/themes? Does it promote synergies between activities of bilateral and multilateral agencies and encourage common arrangements between donors?

5.17 **Division of labour:** How are commitments to country-led division of labour implemented? Is division of labour a criterion in country programming and how does the country office consider its own and others’ comparative advantages in deciding on country-level programming? How are the programming decisions communicated to other donors to strengthen cross-country and in-country division of labour? Has it limited the scope of its interventions? Has it delegated authority to other donors for the implementation of specific programmes and/or activities? What are the obstacles to delegating authority to other donors?
5.18 **Triangular co-operation**: To what extent does the country office engage in triangular co-operation? What does it learn from it? Are there good practices to share?

5.19 **Joint approaches**: To what extent does the country office promote or use programme and sector-based approaches, budget support and multi-donor trust funds? Do its arrangements provide opportunities to join efforts and harmonise planning, funding, disbursing, monitoring, evaluating and reporting with other donors? Does the reviewed country make use of harmonised instruments and procedures contained in DAC guidelines? Which of them are actively used? To what extent does the country office co-ordinate missions and share lessons within the development community? How does the country office ensure that analytical work on poverty, environment, gender equality, conflict/fragility and development of country systems is harmonised and incorporated in all sectors/themes in which it takes the lead or participates?

**Delivering and accounting for development results**

5.20 **Results**: If national statistical capacity and information systems exist, does the donor align its results monitoring system with the partner country’s own 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 to ease the burden on the partner government? Does the donor provide support to strengthen statistical capacity?

5.21 **Mutual accountability**: To what extent has the country office (with other donors) worked with the partner country to establish mechanisms for mutual accountability? Does it participate in periodic mutual reviews with the partner country and other donors?

**Partners**

5.22 **Effectiveness**: Is the overall development co-operation system of the reviewed donor efficient in terms of concentration of aid, number of projects supported, transaction and administrative costs? Is it effective in delivering development outputs and contributing to development outcomes and results in line with the partner country’s objectives and internationally agreed development goals and legal commitments? Does the reviewed member contribute to lowering the transaction cost for managing aid for the partner government?

5.23 **Accountability**: To what extent has the reviewed country supported the implementation of the aid effectiveness agenda - notably the use of country systems and more transparency on how development resources are used? In what ways has this led to stronger and more accountable institutions at the country level including parliament, auditor general and CSOs?

5.24 **Results**: To what extent are the expected results of the aid programme of the reviewed member agreed with the partner government and the actual results clearly communicated? Did the partner government participate in any joint evaluation with the reviewed member?
CHAPTER 6
HUMANITARIAN ASSISTANCE

Key references


Purpose

This chapter looks at efforts made by members to fulfil the Principles and Good Practice of Humanitarian Donorship as endorsed by representatives of government and multilateral donors, United Nations institutions, the International Red Cross and Red Crescent Movement and other organisations involved in humanitarian action in Stockholm in 2003. The objectives of humanitarian action as set out in the Good Humanitarian Donorship (GHD) Principles are to save lives, alleviate suffering and maintain human dignity during and in the aftermath of man-made crises and natural disasters, as well as to prevent and strengthen preparedness for the occurrence of such situations. 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.
- Funding, including priority setting, financial planning, predictability, flexibility and issues of increased un-earmarking of financial contributions.
- 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.
- Learning and Accountability, covering transparency in reporting and systems for evaluation and learning.

In addition to the above, this framework includes assessment of two further areas:

4. This chapter is designed to measure compliance with the good humanitarian donorship principles. It is structured in a different way to other chapters as it reflects a framework agreed in 2009 with the Good Humanitarian Donorship Group. The structure also reflects the fact that the peer reviews are able to assess bilateral humanitarian activities in the field to a limited extent.
• 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.

**Humanitarian Policies**

6.1 How are the goals and purpose of official humanitarian action defined by the reviewed country? Do the specific objectives correspond to the GHD principles and practices for humanitarian action? To what extent are humanitarian actions coordinated with development co-operation approaches? Has the reviewed country produced an action plan with targets to underpin humanitarian goals as well as to achieve international commitments?

6.2 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? For EU member states, does the policy framework reflect the strategic orientations outlined in the *European Consensus on Humanitarian Action*?

6.3 To what extent do the policy/policies reflect core humanitarian principles of humanity, impartiality, neutrality and independence, and legal commitments of the reviewed country with respect to International Humanitarian Law (IHL)\(^5\) and other relevant bodies of law (International human rights law, international refugee law, (CEDAW, CROC etc)? Does the reviewed country provide specific support for the promotion of IHL?

6.4 Does the policy framework commit the reviewed country to enhance 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\(^6\) with respect to allocating resources?

6.5 Does the policy framework commit the reviewed country to encourage the involvement of beneficiaries in 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?

6.6 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 disasters? Does it reflect commitments under the *Hyogo Framework for Action 2005-2015*? How are these reflected within development co-operation strategies with partner countries? How does the reviewed country allocate resources to support disaster risk reduction initiatives? How is the management of risk associated with natural disasters addressed in the development programmes of the reviewed country?

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5. 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.

6. Humanitarian principles are based on the notion that allocation of resources is proportional to identifiable needs (a) within crisis-affected communities and (b) between different crisis contexts. The term, proportionality, therefore refers to the principle of allocating on the basis of need irrespective of geographical/sectoral priorities of the rest of the development co-operation system and irrespective of gender, ethnicity, religion etc.
6.7 How does the policy framework reflect GHD commitments to provide humanitarian assistance in ways that are supportive of early recovery and return of sustainable livelihoods in crisis-affected communities? To what extent does it articulate approaches that correlate with relevant parts of the international aid effectiveness agenda? How does the reviewed country allocate resources to support early recovery and transition programming initiatives?

6.8 How is the role of the United Nations in providing leadership and co-ordination of international humanitarian action, and the special mandate of the International Committee of the Red Cross reflected in the policy framework and the implementation procedures of the donor? How does the reviewed country contribute to humanitarian system reform processes and to supporting the “Principles of Partnership” at global and field levels (Global Humanitarian Platform (July 2007))?

**Principles on financing humanitarian action**

6.9 How does the reviewed country determine the overall size of the humanitarian budget? Within this budget, how does the reviewed country assess needs and apply this assessment to allocate resources in practice? How does the donor ensure that funding commitments for ongoing crises are not diverted in the event of new, high profile emergencies?

6.10 How does the donor ensure flexible and timely support to humanitarian action? Has the donor set specific targets with respect to flexibility and timeliness? How is the donor performing against these targets? How does the donor ensure predictability of funding flows to implementing partners?

6.11 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? What is the rationale for allocating resources between (a) international organisations, Red Cross Movement and civil society and (b) between international, national and local civil society organisations?

6.12 When funding through multilateral institutions, what is the level of earmarking allocated to humanitarian allocations? Does the donor contribute to the CERF, pooled funds, agency-specific reserve funds or other pre-positioned funding mechanisms? Under what circumstances, does the donor decide to allocate earmarked support?

**Promoting standards and enhancing implementation**

6.13 How often does the donor participate in formulation of Common Humanitarian Action Plans (CHAPs)? Where feasible, does the donor align support with the priorities identified in CHAPs?

6.14 How does the donor assist implementing agencies to adhere to good practice and to promote accountability, efficiency and effectiveness of humanitarian action in line with Good Humanitarian Donorship and in support of humanitarian reform? How does the reviewed country assist implementing partners to apply relevant guidelines?

6.15 Bearing in mind policy commitments to building disaster risk reduction capacity of disaster-prone countries (point 6.6), what assistance does the reviewed country provide for contingency planning?

7. Peer reviews will assess level of earmarking at three levels, i.e. relative proportions of “unearmarked” (core support to agencies and support to the CERF, DREF etc), “low earmarking” (support at country-level to country-specific pooled funds, CAPs, ICRC/IFRC emergency appeals and to crises where CAPs and/or other emergency appeals have not been launched), and “high earmarking” (support directed to specific programmes or activities within appeals).
and strengthening capacities of humanitarian organisations at local, national, regional and global levels? From which budget lines does the donor normally finance this preparedness support?

6.16 Through what mechanisms does the reviewed country offer diplomatic support for delivery of needs-based, neutral and impartial humanitarian assistance? How has the reviewed country supported initiatives to improve the safety and security of humanitarian workers?

6.17 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 the procedures of other relevant government departments?

6.18 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? How are the Guidelines on the Use of Foreign Military and Civil Defence Assets in Disaster Relief (the “Oslo Guidelines”) and the Guidelines on the Use of Foreign Military and Civil Defence Assets to Support United Nations Humanitarian Activities in Complex Emergencies promoted?

**Learning and accountability**

6.19 What is the current scope of evaluations of humanitarian action? How (and to whom) are findings and recommendations disseminated? How is inter-departmental learning ensured when several arms of government are involved?

6.20 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 and/or participate in joint evaluations of international humanitarian action, including assessments of donor performance?

6.21 What efforts is the reviewed country making to minimise the administrative reporting requirements on humanitarian agencies? What reporting formats are acceptable? 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 system (where applicable)?

**Organisation and management of humanitarian action**

6.22 Through which organisational structures and mechanisms are decisions regarding humanitarian action decided? What institutional structures are in place to ensure effective collaboration between humanitarian units and development counterparts? What is the staffing level within the designated unit responsible for humanitarian action? Is there capacity to augment this staffing capacity at HQ and in the field where necessary to facilitate programming and coordination during major crises? What training is provided to staff with responsibilities within the humanitarian sector?

6.23 What strategy does the reviewed country have 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, support for indigenous capacities) through its media strategy?
Cross-cutting themes

6.24 Understanding that the ‘do no harm’ principle should apply to humanitarian action and aware that good practice involves ensuring specific vulnerabilities are considered at all stages, how does the reviewed country ensure that cross-cutting issues (e.g. gender equity, vulnerabilities of people living with HIV/AIDS, environment) are addressed by implementing partners?

6.25 What other issues does the reviewed country consider are essential mainstreamed or cross-cutting concerns and how are these supported in humanitarian action?