Working Party on Aid Effectiveness

DRAFT SUMMARY RECORD OF THE 15TH MEETING

OECD Paris, 2-3 December 2009

This is the revised draft summary from the last meeting of the Working Party on Aid Effectiveness (2-3 December 2009). This version incorporates comments from CIDA, Germany and UK.

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I. Introduction

1. The co-chair (K. Richelle) welcomed participants, acknowledging Malawi and Nepal as observers to the meeting. He congratulated Korea on its recent accession to the DAC. While acknowledging the significant progress made since the last Working Party in March, the co-chair highlighted the need to agree, at this final meeting in 2009, on a set of principles and an outline for a roadmap to HLF-4 in 2011.

II. Clusters and Work streams

2. Cluster and work-stream coordinators updated the WP-EFF on recent developments and highlighted in particular open questions and outstanding concerns going forward. The need for increased communication and coordination among the different groups was emphasised across the board. In total, eight clusters (A-E) and work-streams (South-South cooperation, Sector application, Untying) provided feedback on their activities, most of them drawing from meetings held at the beginning of the week or earlier in November. The reports showed that work is clearly well underway, including at country level.

3. Cluster A (ownership and accountability) reported on the progress made on mutual and domestic accountability, referring in particular to the excellent complementarity with UN-DCF, as was seen at the November Symposium in Vienna. Work is ongoing on indicators 1 (ownership) and 12 (mutual accountability) in collaboration with cluster D. Cluster B (country systems) updated members on work underway on PFM and procurement (see joint communiqué, RD 5) and confirmed it is also engaging more broadly with other clusters on accountability, environment, statistics and planning. Country level implementation is a priority and “country systems fora” are underway or being planned in a number of voluntary countries (RD 4). Ghana, Malawi, Nepal, South Africa and Uganda requested specific support for these fora during the Working Party meetings. Cluster C (responsible and transparent aid) reported on the workshop on aid allocation, aid fragmentation and aid orphans which constituted a first step towards the AAA commitment to “start a dialogue on international division of labour across countries” (AAA §17c). Work has started on conditionality (scope, types etc) and on predictability and transparency (IATI contribution, close collaboration with Clusters B & D, pilots etc). Cross-cluster work is ongoing on mutual accountability and measurement of division of labour and predictability.

4. Cluster D (assessing progress), which met for the first time earlier in the week, presented its planned work programme. The objective is to organise and deliver the third round of the monitoring survey on time in order to allow for a substantive discussion at HLF-4, and to provide a coordination platform for other activities contributing to assessing progress (Evaluation of implementation of PD, implementation of the International Principles for Good Engagement in Fragile States and Situations). Initial ideas on how best to ensure monitoring of the AAA commitments, going beyond the 12 indicators of the PD Survey have been put forward. The monitoring of sector application of the PD and AAA included the release of the interim report from the task team on Health as a Tracer Sector (HATS) and a whole-day event to reflect upon the positive and less positive lessons from health as well as other sectors and areas, with a specific focus on global initiatives and their impact on the aid architecture: interface between global initiatives and funds driven by political interest on the one hand, and country systems, priorities and capacities, on the other. As regards untying of aid, progress continues, with the DAC average (2005-07) standing at 75%. The DAC is in the process of reviewing the plans being developed by Members to further untye their aid to the maximum extent, in line with the commitments agreed in the AAA.

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1 Reports from these meetings and other side-events organized during the week of the WP-EFF are available separately on the WP-EFF portal.
5. **Cluster E** (Managing for Development Results) presented the “Toolkit on donor Incentives” (DCD/DAC/EFF(2009)8) commissioned by the WP-EFF two years ago. The WP-EFF welcomed it as a relevant tool for donor self assessment on a voluntary basis. It was agreed to share this tool with the DAC for consideration in its peer review methodology. Work is ongoing on promoting the MiDR culture through Communities of Practice, strengthening capacity development and reporting on results.

6. Some members requested clarification on the role of IATI in Cluster C and its link to the WP-EFF in general. While IATI is not part of the WP-EFF, it is a major actor on transparency and is therefore working, like other actors, with Cluster C on the transparency agenda. There was some discussion on the interpretation of AAA §18 (b) on untying and §25 on conditionality which will be followed up by the relevant work-streams.

7. The partner country caucus reported on its priorities (cf. Box 1). Partner countries urged donors to pay increased attention to relationships between HQ and field offices. Moreover, respect for the *spirit* of PD and AAA commitments was deemed essential to ensuring progress against the agreed targets.

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**Box 1. Priorities expressed by the “partner country caucus”**

1. Alignment to country systems, procedures, development policies and strategies
2. Predictability of aid
3. Mutual accountability and managing for development results
4. Conditionality: shift from policy to outcome-based conditionality
5. Harmonisation: reduction of aid fragmentation and transaction costs
6. Capacity development as a cross cutting objective

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8. Members thanked the teams for their hard work and dedication. In reference to the cross-cluster overview (DCD/DAC/EFF(2009)7), members pointed to the need to ensure linkages across clusters and to coordinate activities at country level where several clusters are active at the same time. Partner country participation in meetings was highlighted as a general concern, raising questions on how meetings are scheduled and, at times, the relevance of WP-EFF work to ensuring progress at the country level. Possible funding constraints should also be addressed. Further, the importance of timely information and evidence was stressed, a key lesson from Accra, in particular as regards the monitoring survey and the PD evaluation.

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**III. Implementing the PD and AAA at country level**

9. Following a presentation by the Secretariat on action plans received to date, a number of donors and partner countries updated the WP-EFF on their efforts to mainstream PD and AAA commitments into their planning. Others outlined their intention to provide action plans shortly. It was noted that developing an action plan only marks the beginning of the road and should not be seen as an end in itself. Action plans should be operationalised and embedded into existing structures and processes.

10. As regards the co-chairs proposal on country led facilitation initiatives (DCD/DAC/EFF(2009)10), the partner country caucus informed that some countries were considering taking up the offer, provided a number of core elements of the proposal are fully respected:
a. Demand-driven: work must focus mainly on priorities identified by each volunteer country. Facilitation teams must be led by partner countries and all representatives must have a clear mandate not only to identify bottlenecks but also to take decisions to remove them.

b. Results: while country facilitation is an opportunity for further dialogue, it must show results at the country level, and not result in additional reports.

c. Cost: this initiative must be linked into existing processes and should not entail additional transaction costs.

11. A number of members echoed these comments, stressing that a flexible approach must be adopted which responds to country needs and specificities. Overlap with existing structures and initiatives must be avoided and ongoing cluster work (such as that already underway in cluster B) should form the backbone. In this respect, further reflection on how cluster work can support facilitation is advisable in order to leverage existing expertise and to ensure a single coherent approach at country level. Complementarity with regional platforms is essential.

12. The co-chair reminded participants that the objective was not to agree a “perfect paper” but rather to work out how best to deliver on PD and AAA commitments at country level. He recalled that this is an entirely voluntary process. Any decision to proceed will depend exclusively on the will and desire of partner countries to take it forward.

IV. A Roadmap to HLF-4

13. The co-chair (T. Abdel-Malek) explained that the objective of day 2 was to provide WP-EFF members with an opportunity for open discussion and reflection on forward planning to HLF-4. In order to inform these discussions, he invited presentations on the following issues:

a. Key Points from Day 1
d. Communication strategy
e. Update on HLE on South-South Cooperation and Capacity Development, Bogota, Colombia (24-26 March 2010) (DCD/DAC/EFF(2009)13)
f. Update on Seminar on Global Governance, Seoul, Korea (Date TBC between November 2010-February 2011)
g. Presentation of the AfDB “African Partnership Facility”: fund in support of initiatives on aid effectiveness at country level, promoting exchange of experience among African countries including a regional event hosted by AfDB end May/early June 2010. Partner countries supported the AfDB’s proposal, in particular to help resource the implementation of facilitation initiatives and cluster B fora in African countries.

14. The Secretariat reported back to the plenary on the discussion in the 6 break out groups. On this basis, the co-chair summarised a number of converging points which emerged from the different group discussions. A synthesis of these 6 reports is set out in Box 2.
Box 2. Summary of break out discussions

Bearing in mind lessons learned from the Accra process, the main expectations for HLF-4 in Seoul which emerged from the groups were:

- While the link to broader development effectiveness must be ensured, aid effectiveness should remain the main focus at HLF-4. It is important to ensure concrete progress against aid effectiveness targets and to avoid diluting the PD/AAA agenda. It will be critical to show that aid effectiveness has delivered results for poor men and women in developing countries.

- There is a need for increased partner country participation, not only at HLF-4, but throughout the process. A strategy to operationalise these needs to be developed now. Regional workshops and platforms can be powerful tools as long as they really collect partner country voices.

- Seoul should be more outward looking and inclusive. The multi-stakeholder participation process which started in Accra needs to be taken one step further, ensuring not only broad CSO, but also other key actors in development such as the private sector and emerging economies.

- HLF-4 must further differentiate among different country situations (and related aid tools), for example adapting the PD and AAA to fragile situations and exploiting synergies with other relevant processes (e.g. INCAF).

- Seoul should include a stock taking exercise where it is established what is working and what is not. Further concrete examples and tangible results should complement the results of the PD evaluation. Ensuring and maintaining high-level political commitment will be crucial.

- Ensuring and maintaining high level political commitment for aid effectiveness will be crucial.

- Ensuring a transparent process and decision making structures from the outset is a key lesson from Accra. A roadmap which is owned by the WP-EFF should be circulated well in advance of HLF-4.

On the road to Seoul, relevant aspects that the WP-EFF should focus on include:

- Support to implementation at country level. In addition to being demand driven, this support should:
  - Involve donor HQ agencies in implementation at country level, triangulating communication with partner countries and donor field staff
  - Establish links between resolution of specific problems at country level and concrete experiences at cluster level
  - Create peer pressure in order to speed up implementation of PD and AAA commitments

- A strategic approach to different events. It is necessary to explore synergies and to avoid overload. Linking into the UNDCF and MDG summit processes will be essential.

- A complete communication strategy with adapted messages for different target audiences (politicians, technocrats, broader audience...). The main goal is to maintain public support for aid by highlighting success stories and making good use of available evidence. Partner country communicators should be involved and local media and languages used.

V. Conclusions and next steps

15. The Co-chair (K. Richelle) welcomed the valuable feedback from break out groups. This provides the executive committee with a sound basis to build upon in planning the way forward to HLF-4. The Secretariat confirmed that a “living” document setting out the main pillars and milestones for a roadmap would be circulated before the end of the year. A questionnaire on the functioning and organisation of WP-EFF meetings and side events will also be prepared.
16. Cameroon expressed interest in the co-chairs offer of country facilitation and volunteered to become a “focus country”. Priority issues will include mutual accountability, harmonisation, capacity development and alignment. Mali and Senegal also expressed interest and will confirm this decision to the Secretariat by next week. All 3 countries reaffirmed the need to ensure complementarity with regional platforms, in particular with the AfDB’s initiative for an “African Partnership Facility”.

17. There were mixed views on the proposal to split the next WP-EFF meeting in spring 2010 into 3 regional meetings in Latin America, Africa and Asia, back to back with existing events:
   - High Level Event on South-South Cooperation in Bogota, 24-26 March 2010,
   - AfDB regional event end of May/ early June 2010,
   - Possible CDDE regional event April/May in Bangkok

18. Some believed “going to the regions” is a great opportunity to bring the WP-EFF and clusters closer to country and regional realities. Others pointed to the possible cost involved (even if these meetings are held back to back with existing events) and cautioned against moving the WP-EFF away from Paris where the Secretariat is located. There were also concerns that WP-EFF meetings could potentially crowd out the main event – for example the HLE on South-South Cooperation. It was agreed to discuss the timing of the next WP-EFF meetings at the executive committee.
ANNEX 1

COMPRENDIUM OF SUMMARIES OF THE EXECUTIVE COMMITTEE MEETINGS

(4 DECEMBER 2009, 26 MARCH 2010, 8-9 JULY 2010)

WP-EFF EXECUTIVE COMMITTEE - 4 DECEMBER 2009 (PARIS)

1. The fourth meeting of the Executive Committee of the Working Party on Aid Effectiveness took place in Paris on 4 December 2009. The full list of meeting participants is outlined in Annex 1. Talaat Abdel-Malek and Koos Richelle co-chaired the meeting. The overall objective was to follow up and operationalise decisions from the WP of 2-3 December.

I. Country-level implementation: the way forward

2. In the light of the discussion at the WP, it is clear that all options to facilitate country level implementation are on the table. Any decision to proceed will depend on partner countries themselves. The co-chairs will follow up swiftly with those who expressed an interest or where processes are already underway, such as in the Global Partnership on Country Systems (cluster B). 2-3 visits could be envisaged before the next executive committee in March 2010.

Follow up
- Secretariat to draft a letter on behalf of the co-chairs to partner countries. Letter shall explain the country facilitation approach and outline envisaged next steps.
- A list of the national coordinators from countries which took part in the 2008 Survey on Monitoring the Paris Declaration is available at www.oecd.org/dac/hlfsurvey/countries. The Secretariat will look into whether this could be complemented by a list of lead coordinators on aid effectiveness at country level.

II. Budget issues

3. Cluster work is funded, with the exception of some elements of Cluster C. Germany requested members to present outstanding questions on budget in writing to Cluster coordinators and task team leaders. HLF-4 will be expensive and it may be useful to build the costs upfront into the next PWB.

Follow up
- Secretariat to start to put together elements for the budget for HLF-4.

III. Communication Strategy
4. Several members volunteered to help champion the communications strategy for HLF-4. The Secretariat will cross-reference with the communicators network and revert back.

**Follow up:**
- Secretariat and communicators network to get in touch with volunteers

**IV. Roadmap, including milestones and maintaining political momentum**

5. The co-chairs cautioned against striving for a detailed roadmap to HLF-4 at this early stage. Yet, there is a need for a framework to get a clear view of the various processes and milestones leading to Seoul. It will be a living document that will need to be updated and adjusted as appropriate. It is important to distinguish between milestones and opportunities and to prioritise occasions where a broader audience can be reached (e.g. UN events). “Milestones” should be carefully selected and fall into one of the following categories:
   a. meetings which are directly linked to the WP-EFF and its clusters;
   b. meeting where it is key to import aid effectiveness messages and to maintain political momentum (networking, references in communiqués, attendance, side events etc)
   c. meetings which are potentially useful (if political leaders present, aid effectiveness side events can help remind them of their PD/AAA commitments)

**Follow up:**
- Secretariat to circulate Roadmap before end of the year, with an events calendar for 2010-11 attached.

**V. Next WP-EFF and Ex Com meetings**

6. There was a preference to keep the WP-EFF anchored in Paris, even if it meets less frequently. There is a case, however, for holding executive committee meetings in the regions, back to back with existing events. This can help raise awareness on the aid effectiveness agenda and bring the WP-EFF and its clusters closer to country and regional realities. For their part, donors should consider whether Ex Com members or regional directors should attend these events.

**Follow up:**
- Secretariat, in close collaboration with the host, to organise the next Ex Com meeting in Bogota on 26 March 2010, back-to-back with HLE Colombia.

**VI. Participation and Efficient use of WP-EFF & ExCom meeting time**

7. There were mixed views on the advantages and disadvantages of holding a full week of back-to-back meetings around the WP-EFF in Paris.

**Follow up:**
- Secretariat to prepare a questionnaire/online survey gathering feedback on the functioning and organisation of the week of meetings.
- Co-chair (Talaat) to communicate further with partner country caucus on partner country participation

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2 The executive committee will decide on the dates for the next WP-EFF meetings in January 2010. The options are to hold 1 WP-EFF in October or to hold 2 WP-EFF, in early July and December. The decision will be driven by timeliness of events and availability of information to inform the agenda.
I. Introduction

1. The fifth meeting of the Executive Committee of the Working Party on Aid Effectiveness took place in Bogota, Colombia on 26 March 2010. The full list of meeting participants is outlined in Annex 1. In the absence of Talaat Abdel-Malek due to illness, Mr Koos Richelle chaired the meeting, supported by Ms Mary-Anne Addo (Ghana).

2. With reference to the executive committee summary of December 2009, Norway, (on behalf of the Netherlands) recalled concerns expressed by partner countries on the timing for HLF-4. The US requested an addition to the minutes reflecting the commitment by the Secretariat to provide financial statements.

3. Following the success of the High Level Meeting on South-South cooperation, Colombia shared some reflections on the way forward. The process of collecting case stories on South-South cooperation reaffirms the need for all work-streams to build a sound evidence base for HLF-4. Further, this event coupled with those in Seoul in February and Pretoria in March underline the importance of regional platforms in securing partner country representation and voice.

**Follow up**
- Secretariat to provide financial overview before the next executive committee meeting

II. Cluster Activities

4. Cluster and work-stream coordinators updated the executive committee on recent developments, highlighting progress and challenges going forward. In total, five clusters (A-E) and the work-stream on capacity development provided feedback. The reports showed that work is well underway, including at country level (see annex for detail).

5. Regarding the Monitoring Survey, there was a discussion on the World Bank position that assessment of indicators 1 and 11 would be carried out in a more objective and independent way through Clusters A and E respectively, rather than by the Bank itself. Given the timing for this process (survey guidance pack to be finalised by July), the co-chair urged relevant parties to clarify any outstanding methodological issues as soon as possible.

**Follow up**
- Secretariat to organise follow-up contacts in April to clarify outstanding issues regarding preparations for the Monitoring Survey

III. Update on implementation

6. The DAC Chair reported on key steps DAC members and observers are taking to implement the AAA “beginning now” commitments. Preliminary findings suggest that donors are at different stages in fulfilling these key commitments and tangible progress remains uneven.

7. Since the last executive committee, 10 partner countries have expressed interest in receiving support from WP-EFF to help address particular challenges in implementing aid effectiveness commitments. Following a first visit by the co-chair on 22-23 March, Ecuador has identified 3 priority areas for follow up: monitoring and evaluation methodology, use of country systems and untying of aid (see...
presentation in annex). The chair urged clusters and work-streams to respond to such requests, underlining the need for a reality check at HLF-4 on “what works and what does not”.

8. Several members emphasised this initiative could potentially generate powerful results. Continuity and dedicated follow up will be essential in order to manage expectations and ensure a catalytic impact in accelerating implementation of commitments. Human rights and democratic ownership are being closely monitored in all 10 countries, with some concerns expressed about the situation in Nigeria, Ecuador and Malawi.

Follow up
- **Ghana**: work on country systems well underway. WP-EFF co-chair visit at a later stage, possibly in May
- **Malawi**: work on country systems started March 2010, first workshops in April 2010.
- **Mali**: joint Health/ Country Systems workshop, Bamako, 22-23 March 2010
- **Senegal**: sent concrete proposal expressing interest in receiving co-chairs in May/June 2010.
- **Indonesia**: government/donor meeting planned 24 May 2010. Possible WP-EFF co-chair visit back-to-back with ASEM meeting.
- **Cameroon, Nigeria, Cambodia, Nepal**: approach to be further defined based on needs.

IV. Roadmap to HLF-4

9. While the main thrust of the concept paper was welcomed, it is too early to pin down political leaders on an event to be held end 2011. Rather than focusing on outputs at this stage, the co-chair suggested members provide Canada and the Secretariat with views and suggestions on the way forward. This will feed into a dedicated discussion on the road to HLF-4 at the next executive committee meeting in July.

10. The next step will be to present a “package” on the roadmap to HLF-4 to be endorsed by the Working Party on 27-28 October 2010. Subsequently, the results of Paris Declaration evaluation (November 2010) and the Aid Architecture event in Korea (December 2010) could help further narrow the focus leading into 2011. Close links with the DCF process (symposium meeting, Helsinki early June followed by DCF proper, New York, late June) will be ensured throughout.

Follow up
- Members to provide Secretariat and Canada with comments on the roadmap and their vision for HLF-4 before end April 2010
- Secretariat and co-chairs to prepare for dedicated session at the executive committee early July

V. Maintaining Momentum

11. The Secretariat recalled the main pillars of the communications strategy (see presentation in annex) which is currently being finalised and will be available shortly. The focus countries initiative will be a good source of information to help localise the messages around aid effectiveness. Further work may be needed to interrogate existing evidence from an aid effectiveness perspective.

Follow up
- Volunteers to examine existing evaluations from aid effectiveness perspective?

VI. Next Steps

12. In the light of the DCF end June, it was proposed to hold the next executive committee in Paris in July, over 2 days.
Day 1 (8 July 2010)

VII. Opening

1. The sixth meeting of the Executive Committee (ExCom) of the Working Party on Aid Effectiveness (WP-EFF) took place in Paris on 8 and 9 July 2010 in the form of a 2-day retreat. It was co-chaired by Mr. Talaat Abdel Malek and Mr. Koos Richelle. Mr. Richelle welcomed a number of non ExCom members invited to participate in the retreat: East Timor representing the Fragile States Group, Mali as co-chair of “Health as a Tracer Sector” (TT HATS) and AsDB in its support role to Korea in organising HLF-4. The full list of participants is set out in Annex III.

2. Mr. Richelle underlined the need to reach agreement at this meeting on a number of key points to be presented to the WP-EFF in October 2010 for decision. This includes broad consensus on an initial outline for HLF-4, key issues for discussion and the preparatory process for the event.

3. Mr. Abdel-Malek shared his impressions from the informal DAC meeting of 23 June. He noted a particular appeal for renewed political momentum and continued communication leading up to HLF-4. The co-chairs sensed caution from some DAC members against jumping from aid to development effectiveness as this could compromise OECD-DAC’s role. The DAC Chair representative welcomed the recent exchange and encouraged more regular information sharing going forward. The WP-EFF is breaking new ground and can provide valuable insights to the DAC as the latter seeks to define its role and comparative advantage in the evolving aid architecture.

4. The Secretariat agreed to provide regular (at least semi-annual) updates to the WP-EFF financial resources subject to timely provision of the required information by clusters, work-streams and UNDP.

Follow up

➢ Secretariat to provide regular updates of WP-EFF financial resources.

VIII. Implementation of PD and AAA at country level

5. As regards WP-EFF focus countries, Mr. Richelle pinpointed a number of common points emerging from this process:
   a. Lack of coherent steer between HQ and field
   b. Desire to quantify the costs and benefits of donor coordination
   c. Misconception that this is a new initiative which will lead to technical assistance from WP-EFF
   d. Volunteer countries have put themselves forward in the context of existing local processes
   e. Use of Country Systems is emerging as the most popular issue
   f. Which country priorities? Relevance of this agenda to MICs?

6. Mali updated the ExCom on a recent joint TT HATS/Country Systems meeting in Bamako, highlighting ongoing efforts on alignment and major changes underway in the health sector. Harmonisation and coordination are also being addressed in Mali, notably through the EU Fast Track initiative on division of labour (DoL). Against the background of these processes, Mali has requested support from the WP-EFF in 3 areas: alignment, management for development results and
DoL, and has called for health to be the entry point for supporting progress. While progress is being made, many bottlenecks remain, in particular as regards asymmetric information between the global and country level.

7. Cluster B co-chairs reported that government and donor dialogue on using country systems is well underway in Ghana. This dialogue has already led to increased understanding by local development partners of Ghana’s budgeting system, and the emergence of opportunities for donors (beyond those in the budget support group) to harmonise assessments and increase their use of Ghana’s Audit System. Ghana urged the WP-EFF to capitalise on its role as honest broker in taking this process forward, emphasising in particular its privileged links with the DAC and donor capitals. Further political impetus from the WP-EFF co-chairs would be welcome, specifically around the Consultative Group meetings planned 2 and 6 September 2010.

8. As regards Ecuador, Mr. Richelle informed that his visit in March appears to have helped raise the profile of the development agency, bringing it closer to other government departments. Development funding has been identified and included in the national development plan. It will be important to ensure follow up and continued input from the WP-EFF to this process. In Indonesia, while regular dialogue and coordination processes are in place, Mr Richelle noted concerns about the number of uncoordinated missions and the honest intentions of donors, in particular around the DoL agenda.

9. Several members welcomed the improved methodology underpinning the focus country initiative. In order to ensure a more inclusive process, the co-chairs should also meet with non DAC donors, Parliaments, CSOs, local authorities and the private sector. Priority issues identified by partner countries should be clearly communicated to clusters in a timely manner to allow them to prepare and follow up on interventions by the co-chairs.

Follow up
- Secretariat to post regular updates on the focus country initiative on the portal, documenting challenges, progress, outcomes and follow up.
- Secretariat to provide 1) updated list of countries involved in this initiative 2) updated list of countries where cluster work is underway or planned. This will allow coordination with CSOs who are currently piloting aid effectiveness work in 30 priority countries.

IX. Cluster contributions to HLF-4

10. Clusters and work-streams updated the ExCom on recent developments, and responded to the co-chairs’ observations on progress and challenges (See Annex II for detailed presentations). Lack of partner country leadership was highlighted as an obstacle across the board, with Ghana urging peers to take advantage of the WP-EFF to positively influence their own development agendas. In total, five clusters (A-E) and three work streams (South-South, Sector application and capacity development) provided feedback. The reports showed challenges in balancing technical and political aspects as well as an urgent need to produce working definitions of some key terms and concepts.

11. Leading up to HLF-4, the Task Team on South-South Cooperation (SSC) will focus on deepening analytical work, strengthening linkages with communities of practice and furthering policy advocacy and outreach. Policy recommendations and technical guidance will be developed based on case study analysis. The task team will provide a vehicle to strengthen partner country voice and to influence policy dialogue on aid and development effectiveness by introducing new language and concepts, such as horizontal partnerships, peer learning and south-south “development” cooperation. Going forward, the main challenges are to secure funding, keep partner countries engaged,
synthesize high quality “evidence” that is useful to practitioners and decentralise the process by respecting regional dynamics on SSC led by NEPAD, AsDB and OAS/IDB.

12. **Cluster A (Ownership & Accountability)** confirmed the centrality of the co-chairs observations around “whose ownership?” This goes to the heart of the political debate on power relations. Guidance from the ExCom is required as there are opposing views within the cluster and no agreement on how to take ownership forward in the context of the Monitoring Survey. While two members questioned the relevance of “mutual accountability” as a concept, several others reaffirmed the importance of such frameworks for financial accountability, but also for delivering on joint commitments and results.

13. **Cluster B (Global Partnership on Country Systems)** confirmed that work is underway on both donors’ attitudes to risk and how to support partner country capacity to minimise risk. Yet risk is only one dimension of the country systems discussion, and evidence is being collected more broadly. Beyond providing technical support and guidance, the Global Partnership is also responding to demands for concrete action at the country level, through the country systems initiatives, as part of the focus country work. This work is underway in Malawi, Mali and Ghana, with demands from other countries being followed up. The work is also being undertaken in conjunction with other networks, including CABRI and CDDE.

14. While **Cluster C (Transparent and Responsible Aid)** agreed that all the issues in its remit (several of which were “beginning now” issues in the AAA) require increased political momentum, this can only be achieved through thorough ground work at technical level. Concepts such as conditionality and predictability have not been clearly defined and require quite substantial definitional work and evidence gathering. Cluster C issues cannot be addressed by donors alone. While some partner countries view predictability as “a donor issue”, several members stressed the importance of interplay (e.g. as regards disbursements) and of finding common solutions. Some members questioned whether division of labour was the best response to fragmentation, and whether it was a viable agenda. Cluster C agreed to coordinate better with the DAC Chair, in particular as regards monitoring progress against the “beginning now” commitments.

15. **Cluster D (Assessing progress)** reported that 15 new countries intend to participate in the 2011 Survey. The regional workshops planned for autumn 2010 will be critical to ensuring the successful launch of the Survey as well as broader preparations for HLF-4. The funding gap of $280k must be closed by mid-August if the workshops are to go ahead. While more significant changes to the scope and methodology of the 2011 Survey will not be introduced at this stage, alternative approaches will feed into a dialogue on possible future monitoring initiatives. There will be optional survey modules on inclusive ownership and gender. On mutual accountability, practical ways of sharing evidence and analysis emerging from the UN-DCF will be explored.

A number of partner countries underlined the importance of holding regional workshops. Better Aid indicated the need to include civil society in these events. CSOs favour a comprehensive approach and will be producing a shadow report of the Survey. Several members supported the proposal for a single monitoring report, drawing on the findings of the PD Survey and additional evidence of progress in the implementation of the PD and AAA. The World Bank pointed to the need to urgently discuss the monitoring “legacy” beyond 2011: whether to continue the survey, and if so, at what level and by whom?

16. **Cluster E (Managing for Development Results)** provided an update on deliverables which include 1) promotion of country level focused MfDR through support to national platforms, 2) capacity development for MfDR, and 3) guiding principles on results reporting in donor agencies. There is
general recognition within the cluster of the need to better document and disseminate lessons learned from work in these areas. There is also scope for stronger linkages with country systems initiatives. A greater focus on results communication is key in the lead up to HLF-4 given the growing political pressure to demonstrate results as well as the challenge of better defining *what* results and *whose* results matter.

17. **Health as a Tracer Sector** (TT HATS) operates as a coalition of the willing, bringing together participants who are ready to manage and share specific pieces of work with the WP-EFF. The co-chairs observations reflected the work stream’s strong focus on providing evidence of how aid is changing to deliver better results, building on partner country’s experiences. TT HATS has prepared a proposal for a debate at HLF-4 from the angle of aid architecture, examining specifically the complexity of aid for health from a partner country’s perspective. Deliverables will include a final report addressing key issues (ownership and mutual accountability/IHP+, use of country systems, outreach to China and India as providers of development assistance for health…) as well as a proposal for a debate on health outcomes and architecture.

18. Following a meeting in June in Washington, the **global programs learning group** updated on progress on implementation of the joint Global program work program. While significant progress has been made, challenges remain. A program report will be made available to the WP-EFF. As regards IATI work on transparency, while adjustments need to be made to incorporate the global program model, there was strong support and agreement from the group on the need to provide transparent financial information by country. There was also broad agreement to engage in monitoring to support policy directions, an acknowledgement of the need for quantitative and qualitative data and for sectoral approaches to monitoring. The next steps will be to document the global program model in three areas (catalytic funding, program approach, results and impact) and to formalize progress and challenges against the work plan.

19. **Capacity Development**: Mr. Abdel Malek asked work streams to consider to what extent they are paying attention to capacity development at a policy-making level. Netherlands is currently conducting an evaluation of its capacity development activities which it will make available to the WP-EFF.

20. Mr Richelle recalled that **all deliverables need to be finalised by early 2011** if they are to be embedded in the preparatory process for HLF-4. He urged clusters and work streams to focus, and to ensure they are working with clear operational definitions as a matter of urgency.

X. **End of Day 1: Update from Korea**

21. Korea updated the ExCom on preparations for the aid architecture event to be held in Seoul in December 2010. A draft concept paper will be made available in the third quarter of 2010 which will outline the format and agenda. The main issues for discussion will include new challenges, new players and new approaches. The event will conclude with a Chairman’s summary, setting out a number of non-binding recommendations for HLF-4.

HLF-4 will take place end November 2011 at the Bexco Conference Centre in Busan. Korea will assume the direct forum expenses and will discuss with the Secretariat and others on further logistical details and expenses. A dedicated group should be established soon to take this work forward. Following a suggestion from Korea, it was agreed that the Asian Development Bank will support Korea’s HLF logistical preparations and thus be represented at future ExCom meetings for this purpose.
XI. **Opening: Intervention by the DAC Chair**

22. Building on some of the reflections from the previous day, the DAC Chair (Mr. Deutscher) reaffirmed the need to ensure more regular and coherent information flows between HQ and the field. Indeed communication around this agenda more generally remains a major challenge – many have trouble deciphering the AAA, even experts. There is an urgent need to simplify the language and content of the aid effectiveness agenda, and to better explain what the WP-EFF is seeking to deliver at HLF-4.

Within the DAC, progress against the “beginning now” commitments is slow and requires fresh impetus. Following the informal meeting of 23 June, there will be more opportunities in the future for the DAC to discuss these issues and to receive regular updates on progress by the WP-EFF.

XII. **Outline of the HLF-4: breakout sessions**

23. Three break out groups were set up to discuss 1) HLF-4: event format and structure; 2) set of key issues for discussion; and 3) consultation process, including the role of regional platforms and the ExCom. Some guiding questions and options were set out in the draft HLF-4 outline to help facilitate the discussions.
Highlights from Breakout Groups and subsequent Plenary Discussion

STRUCTURE OF THE EVENT
- Define unifying theme: positive tone on how aid works
- Organise a meaningful discussion to keep all interested for three days. To this end:
  - Avoid presentation/lecturing style, allow space for interaction, exchange, use of multimedia
  - Organise political / parliamentary debate(s), "hardtalk" style interviews.
  - Define when ministers be brought in and what their roles are
  - Manage the number of participants (1,800?)
- Link between on-the-spot discussions and outcome document: will “political debates” involving a selected few have legitimacy in deciding the final text for any outcome document?

CONSULTATIONS
- Inclusiveness and outreach are absolutely essential to ensure a successful event.
- Strong role of regional platforms to help partner countries prioritise issues and feed back to ExCom
- Don’t consult for the sake of it – framework and timelines need to be defined soon.

CRITICAL ISSUES FOR HLF-4 AND BEYOND : FOR DISCUSSION

Remain accountable for commitments since Rome, Paris and Accra
- Keep ownership as the main approach to AE (you have to take it/leadership). Should this issue be delegated to one cluster?
- Urgent implementation on “beginning, now” issues: use of country systems, predictability, transparency, conditional and use “champions” to prioritise themes.
- It’s about aid effectiveness, not development finance: Keep Busan based on aid effectiveness, but put it in the broader context of development effectiveness.
- Differentiate between political aspects and technical details
- It is about implementation at the partner country level

Contextualise the role of aid in the evolving development landscape
- How to take aid effectiveness forward in the development architecture, including for MDG 2015?
- Aid effectiveness principles and new and broader range of actors (CSO, parliamentarians, private sector, SSC, non-DAC donors etc), new sources of support, including some of which do not subscribe to PD, but can respond to, or, mirror its principles.
- Changing relationships and roles of ODA - non-DAC, MICs, others
- Continued importance of aid and responsible exit strategies
- Use experience of Korea and others in Asia (transition from recipient to donor)

Communication
- Transparent, innovative, broadly participative process to HLF-4 – strong role of regional platforms; use all tools and opportunities event (websites, IT tools, events, film competition…)
- Bring in the bloggers and other social media

What next? Post-HLF-4
- HLF-4 is neither the "end point" nor "business as usual" – whatever comes next must ensure responsible exit strategies and implementation at PC level
  - Need a forum where donors-partner countries can engage: if not the WP-EFF, another platform
  - Need to continue monitoring and accountability: shorter, qualitative version of the current survey an option, or other tools to keep up the pressure

OUTCOME DOCUMENT
- Learn lessons from Accra – any negotiation should be informed by evidence
- Participation and inclusive process of outcome document –transparent
- Separate political and technical aspects of the paper (short, succinct, clear language)
- WP-EFF and ExCom take the lead in developing the document
- Link with regional and country-level consultations
24. The highlights from the break out groups show new areas of work emerging (exit strategies, private sector…). The Vice-Chair (World Bank) stressed that the ExCom has a collective responsibility to respond and follow up on these points. Detailed summaries of each break out group are set out in annex I and will feed into the revision of the draft HLF-4 outline.

XIII. Next steps and conclusions

25. The Secretariat informed that the communication strategy is being drafted and will be available soon. The UN MDG Summit is a major communications opportunity to pass messages on aid effectiveness. The WP-EFF can, for example, provide evidence of good progress against MDG 8 (Global Partnership), citing mutual accountability mechanisms such as the Monitoring Survey.

26. In terms of next steps, the Secretariat will share the summary of the retreat and results of the breakout sessions during the week starting July 19th. The draft outline for HLF-4 will be revised and circulated for comments in September. At the same time, the Secretariat will work with the co-chairs on a draft letter to Ministers announcing HLF-4. Comments will be dealt with by email and through the portal. If necessary, a further ExCom could be envisaged in September.

List of documents prepared for the ExCom (available on the portal):

**DOCUMENTS**

- Draft Agenda  
  *For approval*

- Summary of WP-EFF Executive Committee meeting – 26 March 2010  
  *For approval*

- WP-EFF financial resources : an update  
  *For information*

- Focus countries : methodology and update  
  *For discussion*

- Key Issues Emerging from Clusters and Workstreams : Co-chairs Assessments  
  *For discussion*

- Draft outline of the HLF-4  
  *For information*

- Concept Note : 2011 publications on progress against the PD and AAA  
  *For information*
ANNEX 1: BREAKOUT SUMMARIES

**Summary Group 1 (Canada)**

What the HLF-4 will be:

- **Context matters**
  - The Monterrey Consensus was endorsed as a compact on development (aid, trade, coherence), not just aid. It helped frame the consensus on aid effectiveness that was reflected in Paris in 2005.
  - Though the Paris Declaration comes to term in 2010, its longer-term goal is to maximise the impact of aid on the MDGs by 2015.

- **Stock taking.** It is our mandate to undertake a frank stock-taking of performance against aid effectiveness commitments.
  - Demonstrating results in terms of what has worked and what hasn’t will be an essential vehicle for communicating with stakeholders, as well as exerting political pressure in both partner and donor countries.
  - This includes a cost-benefit analysis of “not-implementing” the aid effectiveness agenda.
  - Beyond Korea, more thought needs to be given to whether we carry on with the current monitoring survey with marginal improvements, or if it will be time to rethink the survey, making it shorter, differently balanced between the qualitative and quantitative aspects, and include new issues.

“Critical issues for HLF-4”

- **Development effectiveness.** Korea will be the time to demonstrate the contribution of aid to development, and to link more strongly with the whole Monterrey agenda in a broader frame for development effectiveness. This dual purpose will go a long way to re-energising political engagement.
  - Aid effectiveness is more relevant than ever, even if it may be associated with a perception of “fatigue”, over-bureaucratisation, and resurgence of planned economy (“gosplan”).
  - But it will be important to put it in a broader context of development effectiveness (Monterrey).
  - Looking at development from the partner country perspective, it becomes clear that aid is only one factor. Let’s use country examples, such as Korea and Ghana, to demonstrate the positive trends and to better understand the dynamics of development.

- **Ownership** is the cornerstone of development.
  - It is achieved in various ways, and faces many different challenges depending on the country context.
  - Ensuring that development is owned by partner countries is linked to the choice of aid modalities and changing behaviour by donors in the use of country systems.
  - Inclusive ownership remains a particular challenge. Parliamentarians are key parties to ownership, and should be included in political debates.
  - Country stakeholders must be able to take control of their development agenda. Independent think tanks and/or international bodies are needed to inform and challenge policy makers.

- **Aid dependency/aid exit.** The HLF-4 could be the time for a dialogue on aid exit strategies (dedicated roundtable on the issue). The paradox is that when aid is low and the country not aid-dependent, ownership is strong and exit easy, whereas when aid is high and the country is aid-dependent, ownership becomes an issue but exit is not possible, at least in the short to medium term. Aid exit must
not be seen as a way for donors to unilaterally reduce aid, but as a perspective to improve capacities, development strategies, investment, and rely less on aid alone. In that context, understanding the process that allows countries to progress along the development continuum and transition to self-sufficiency is that more important.

Preparing for HLF-4

- **Positive communication.** There is a strong need to ensure positive messages around aid - in particular: the Paris Declaration is actually being used as an argument within donor agencies to improve the way aid is delivered, and so change is happening. Aid Effectiveness is more relevant than ever as a result of aid budgets being under pressure. More needs to be done to communicate this so as not to ‘throw the baby out with the bath water’, and to clearly show the bridge between aid and development.

- **Regional platforms** must be used in the consultation and preparatory process up to Busan.

- **Bringing in the politicians.** Aid effectiveness issues are both technical and political. Our job as WP-EFF is to provide relevant analysis and data to make high-level political discussion and decisions possible at HLF-4. A suggestion was made regarding the organisation of 2 key sessions at HLF-4 to highlight the role of politicians: a) one session with ministries from donor countries on a roundtable with parliamentarians of partner countries- and b) another session where the ministers of partner countries would have a roundtable with parliamentarians of donor countries.

- **Focus the work at the country level.** Beyond Korea, we need to review the cost-benefit of the WP-EFF’s conceptual work, and to re-energize the debate with a focus on what is new, in particular at the country level.

**Summary Group 2 (Philippines)**

I. “Critical Issues” for HLF-4: In terms of the focus of HLF-4 the group agreed on **three main areas**:

- **Accounting for the commitments on aid effectiveness** – Monterrey, Rome, Paris and Accra – accounting for what works and what doesn’t work, addressing partner country priorities, addressing HQ-field gaps, identifying value for money and synergies with broader range of actors (providers of south-south cooperation) on aid effectiveness. This discussion should focus on setting norms, enforcing / being accountable to them, and monitoring on aid effectiveness.

- **Reflecting the changing global environment**, particularly holding discussions 1) on how partner countries maximise all resources, including from new sources (new actors, including the BRICS and Paris-sceptics, SSC, private sector); 2) the changing nature of relationships / changing role of ODA vis-à-vis fragile states, LICs (growth), MICS (aid playing a catalytic role) etc; and 3) engaging with a broader range of actors (providers of south-south cooperation, private sector).

- **Discussion on the international architecture on development** – post-HLF-4 discussions moving from aid effectiveness towards “development promotion / effectiveness” and the MDG 2015. Discussion recognising actors beyond WP-EFF and identifying comparative advantages of global / regional and country processes to take on certain commitments post-HLF-4, reflecting the diversity of country situations (FS, LICS, MICS etc) and development cooperation (MDBs, bilateral, EU, DAC etc). This may set future norms, enforcement / accountability and monitoring.

II. Preparing for HLF-4: The following points were stressed:
• **Role of WP-EFF and ExCOM** to take the lead in organising HLF-4, lead in HLF-4 “outcome” document and final say in prioritising issues.

• **Consultations / Engagement Process**: Stress the early need for the WP-EFF to communicate and propose an “options paper” (by October 2010) to provide a framework and timeframe for consultations, taking advantage of planned regional and country-level processes and events to carry out a “poll” to identify priority issues (through survey launch workshops, regional consultations etc). Priority topics could also be identified with “champions” (for example, g7+ on fragile states”). Strong link with regional process can facilitate political and technical-level follow up post HLF-4 at the global, regional and stakeholder specific groups (particularly for partner countries, fragile states).

• **HLF-4 Overarching Theme/Tone** – urgent need to identify overall theme for HLF-4. The event should have a positive tone on how aid works.

• **HLF-4 event format** – mixed format with formal plenaries with more interactive debates (Davos, BBC Hard-Talk Style) requires planning and financing. The maximum number of participants should be determined soon (1,800?) to structure the event to keep participants engaged and allow high-level people (ministers) to engage at the right time.

• **HLF-4 Outcome**: Any outcome document should be prepared by WP-EFF/ExCOM, be focused and concise and informed by open consultations and by available evidence. Document may have two parts: political messages with technical details / annex, with a possible accountability hook.

**Summary Group 3 (Better Aid)**

I. Critical issues to be discussed at HLF-4

• **Reporting back on PD/AAA commitments** (what was achieved and what was not achieved and why?) and identifying future action to deepen implementation at the country level through partnership should be the thrust of HLF-4. This discussion will build on technical reports and analysis but will essentially be of political nature. The issues of ownership (“take it, don’t ask for it”), alignment (including use of country systems), transparency and accountability should be the focus for both reporting and identification of future actions for more progress. The reporting will need to reflect on differential progress by types of countries and commitments. This will help in selecting the few actions which need more action in the future.

• **Aid effectiveness is about results** and we need to demonstrate that more effective aid contributes to results (MDGs): HLF-4 bridges between the PD/AAA and MDGs processes (there will be few voices to try and prevent from this).

• **Contextualising aid in the evolving development landscape**: Getting more clarity about the division of labour at the global level where aid plays a role, together with several other sources and forms of development finance. Key questions should be: how to rationalise the aid architecture, what is the role of aid to contribute to development and address the MDGs and other global emerging challenges such as climate change, the role of aid to leverage other forms of aid, how to keep up on our commitments whilst making a deal with a broader group, how to remain accountable on both the
quality and the volume of aid…HLF-4 should be a platform for shifting the debate from aid effectiveness to development effectiveness. The challenge is to combine the reporting on PD/AAA with this broader approach without giving up on the commitments.

II. Outcome of HLF-4

- On the form, the outcome document should not be another AAA. It should be a very succinct, punchy and political resolve, reaching out to a broader audience and not just bureaucrats. A chairman’s summary is not enough to attract Ministers.

- contentwise, the outcome document should mark the affirmation of the PD/AAA but in a broader context (CSOs, private sector, BRICS…). It should make it possible to “reformulate the relationship” between the partner countries and all other partners. More specifically, the outcome should:
  - recognize that aid effectiveness remains important to achieve development effectiveness
  - propose accommodations for bringing the BRICs and other non traditional donors to a forward looking approach
  - spell out the demand from partner countries on how aid needs to be organised for them to make the most out of it

- will link the PD/ODA with the MDG process

- include a responsible exit strategy from aid (development is the goal, not aid)

- keep accountability mechanisms for the future

III. Preparation process

Consultation will always be an issue but specific actions can be undertaken to ensure an interactive and transparent process. Learning the lessons from HLF3, the process should:

- ensure full transparency and regular feedback to the local process and regional platforms
- make good use of the PD survey process and orientation fora to raise the level of participation and interest in countries
- address specific issues (Arab States)
- identify a set of specific issues which can’t be resolved by the time of HLF – 4 and for which the participation of Ministers will be essential
- make full use of IT, websites and other electronic platforms and events at regional and sub-regional levels
- build on the role of WP EFF and executive committee
- define more clearly the role of the clusters for preparing the political debates and round table discussions

IV. Format

- The format will be designed in details once agreement on the expected outcome and clarification or respective role of political discussions, round tables…has been achieved
- HLF – 4 will have a technical component and a political component. Ministers will hardly come for 3 days and their participation would be important on the 3rd day.
- HLF-4 should table innovative discussions such as a debate between members of parliaments from partner countries and Ministers from donor countries, and/or a debate between Ministers from partner countries with Member of Parliaments from donor countries
• political debates should be attractive but not conditional to the outcome which will be negotiated in advance
• Outreaching to a broader public should be a priority. Possibilities include: a development village and a film contest for partner countries
• the format should leave space for reporting back from Korea’s experience in using aid to support its development process