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EU Toolkit

**for the implementation of complementarity
and division of labour in development policy**

January 2009

This document has been coordinated by the European Commission (DG.DEV.C1).
It will be updated regularly.
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1. INTRODUCTION

1.1 The objectives of this EU Toolkit

- ✓ *To speed up the complementarity and division of labour process, with a view to complying with international commitments and the general principles in the EU Code of Conduct.*
- ✓ *Scope limited to in-country complementarity and division of labour. It does not seek to address wider issues of aid effectiveness.*
- ✓ *It is not a formal EU document — not a policy document or a procedure. It brings together current experience on the division of labour on the ground. It provides practical information and examples and gives answers to frequently asked questions. Where needed, information is given on the context.*
- ✓ *It is a living document that will be updated regularly on the basis of best practices.*
- ✓ *It provides guidance on elements that are common to Member States and the Commission. The Toolkit may be complemented by Member States' own specific internal procedures.*
- ✓ *It is written for use by EC Delegations, Member States' agencies and diplomatic missions as well as EC and Member States' headquarters. It could be shared with partner countries.*

1.2. Definitions

Complementarity is the result of an optimum division of labour (DoL) between various actors in order to achieve optimum use of human and financial resources for enhanced aid effectiveness, i.e. to attain country strategy objectives and achieve better results in poverty reduction.

Complementarity goes much further than just coordination. It means each donor focusing its assistance on areas where it has the most added value, and complementing the activities of others. It involves complex decisions on DoL, on concentration on a limited number of sectors, on defining the role a donor wishes to play in a particular partner country. Division of labour is particularly important in the context of scaling up of aid as it enhances absorptive capacity.

In-country complementarity seeks to address a situation where aid fragmentation in a sector or country leads to increased administrative burden and transaction costs for both partner countries and donors, blurs policy dialogue, and may lead to a situation where some politically attractive sectors receive increased funding while other areas of development priority remain under-funded. It concerns all aid modalities and instruments.

It may interact with other dimensions of complementarity:

- *Cross-sector complementarity*: refers to a situation at country level where some sectors receive much more donor attention than others, leading to congestion and/or under-funding.
- *Cross-country complementarity*: refers to a situation at the global level where some countries receive in relative terms much more donor support (“aid darlings”) than others (“aid orphans”).
- *Vertical complementarity*: relates to global aid initiatives concentrating on one particular sector worldwide, adding more complexity to the existing aid architecture.
- *Cross-modalities and instruments complementarity*: whether at the sector, country or global level, looks at strengthening synergies between, say, budget support and projects, or grants and loans.

1.3 Rationale

The harmonisation commitments of the *Paris Declaration on Aid Effectiveness* (2005, annex 2) were translated into the *EU Code of Conduct on Division of Labour* (2007, annex 3), which aims to address the problem of aid fragmentation, donor congestion, and high transaction costs. The use of its approach is voluntary. Partner countries should decide whether they have this problem, see a need to solve it, and how far they wish to go, with donor support.

The *Council Conclusions of 27 May 2008* state “the Council calls for further efforts of the Commission (COM) and Member States (MS) to speed up DoL in partner countries. It takes positive note of the activities already ongoing, like the EU fast-track initiative. It also looks forward to the intention of the COM to give priority to the operationalisation of principles 3 and 4 of the Code of Conduct on DoL including delegated cooperation and lead donor arrangements. The Council calls upon the Commission to immediately develop a Toolkit for implementation of DoL together with MS”.

The EU fast-track initiative seeks to speed up DoL, with the EC or a MS playing a facilitating role on the ground in a number of selected countries (annex 4)¹.

Division of labour was one of the prominent issues discussed, among others, in one of the special Roundtables at the 3rd High Level Forum on Aid Effectiveness held in Accra from 2-4 September 2008. The Ministerial Declaration, the *Accra Agenda for Action* agreed by the international community, calls for fast action on DoL (annex 1).

Division of labour in the Accra Agenda for Action (AAA):

The effectiveness of aid is reduced when there are too many duplicating initiatives, especially at country and sector levels. We will reduce the fragmentation of aid by improving the complementarity of donors' efforts and the division of labour among donors, including through improved allocation of resources within sectors, within countries, and across countries.

To this end:

- a) Developing countries will lead in determining the optimal roles of donors in supporting their development efforts at national, regional and sectoral levels. Donors will respect developing countries' priorities, ensuring that new arrangements on the division of labour will not result in individual developing countries receiving less aid.
- b) Donors and developing countries will work together with the Working Party on Aid effectiveness to complete good practice principles on country-led division of labour. To that end, they will elaborate plans to ensure the maximum coordination of development co-operation. We will evaluate progress in implementation starting in 2009.
- c) We will start dialogue on international division of labour across countries by June 2009.
- d) We will work to address the issue of countries that receive insufficient aid.

The EU's work on division of labour helps to inform the broader work by the OECD/DAC on aid effectiveness, such as the drafting of international Good Practice Principles on In-country Division of Labour, demonstrating to other donors the importance of this work and encouraging their participation in country level exercises.

¹ Commissioner Michel, in a letter to Development Ministers of 21 May 2008, invited MS to explore possibilities for delegated cooperation, indicating the potential in fast-track countries.

Recalling the 11 principles of the EU Code of Conduct:

On in-country complementarity:

1. Increase donor concentration: a maximum of three sectors in country + general budget support + support to Non-State Actors + plus research and education schemes, based on:
 - Comparative advantage of each donor, self-assessed, endorsed by partner government and recognised by other donors,
 - Partner countries to identify areas for increased or reduced support and identify donors remaining engaged in the sector,
 - Donors to work with governments to identify sectors in which to remain and propose sectors from which they will withdraw,
 - Assure long term engagement in sectors by remaining donors.
2. Redeploy funds for other in-country activities, based on local negotiations.
Where donors are in more than three sectors, either use delegated cooperation or exit, responsibly redeploying funds in three priority sectors or into general budget support, avoiding any gaps in aid.
3. Lead donor arrangements for each sector to reduce transaction costs.
4. Delegated cooperation/partnership arrangements.
5. Ensure adequate donor support to sectors of key priority for poverty reduction.
At least one active EU donor per sector, maximum 3-5 active EU donors per sector.

On other dimensions of complementarity:

6. Replicate these practices at regional level.
7. MS opt for limited number of priority countries; in non-priority countries consider delegation.
8. Address the “orphans” gap, often countries in situation of fragility.
9. Analyse and expand global areas of strength: the Commission to further develop expertise in areas of comparative advantage, at country level, in line with deconcentration and ownership.
10. Progress on other dimensions of complementarity (vertical and cross-cutting instruments).
11. *General principle*: Deepen the reform of aid systems: decentralised structure, institutional incentives and redeployment of financial and human resources.

Constraints: avoid negative impact of DoL on global aid volumes and predictability.

1.4 The structure of the EU Toolkit

This EU Toolkit can be used in different ways: as a practical manual with different entry points, either on specific issues or as a general introduction to the concept of division of labour.

Chapter 2 paints a broad picture of the starting position for division of labour processes.

Chapter 3 focuses on the steps in the division of labour process. Although these are presented in a particular order, it does not mean that steps always need to be taken in that order.

Chapter 4 presents specific issues that will come up during any of these steps.

Chapter 5 addresses the monitoring and reporting on the division of labour process.

Throughout the various chapters brief examples are presented in boxes. More extensive information on examples from around the world, including actions by non-EU donors, is presented in the EC and OECD/DAC (2008) Compendium of best practises of division of labour.

2. THE CURRENT SITUATION

Generally speaking, the efforts to enhance complementarity and division of labour start, or have started, from a sound basis of donor coordination, although coordination practices vary between partner countries and sectors. Information sharing is widely practised. Coordination of programming, monitoring and evaluation in donor working groups at the (sub)sectoral level is increasingly becoming common practice. More and more Sector Wide Approaches (SWAPs), basket financing mechanisms, Trust Funds, joint country strategies and multi donor frameworks (e.g. for budget support) are emerging. In many countries donor coordination mechanism involving wider donor coordination are already in place. Division of labour processes should build on those existing mechanism, aiming at involving non EU-donors.

Even so, in many countries *donor congestion* continues to be a major cause of *fragmentation* and duplication and of a heavy organisational and administrative burden, leading to high transaction costs, for both partner countries and donors. In some countries as many as 10-20 donors operate in the same sector (not counting Non-Governmental Organisations), each with their own specific programming and reporting requirements and conditionalities. The time and energy spent on organisation and administration (“the transaction costs”) means there is less capacity available to implement aid, and to get development results.

Division of Labour seeks to reduce that burden by rationalising aid flows and creating economies of scale. It goes beyond information sharing, consultation and coordination. It looks for joint agenda setting, joint decision making, work sharing, working in a complementary way according to each donor’s comparative advantage. Several examples of (steps towards) DoL have already emerged in the shape of EU joint programming exercises, donor-wide Joint Assistance Strategies, silent partnerships, etc. These initiatives have in varying degrees and ways been coordinated by partner countries, sometimes with considerable donor support.

The picture is different in the “donor orphan” countries, which are countries often in a state of fragility or conflict or just emerging from that state. In these countries dialogue and coordination between donors is often less organised, and/or the partner country involvement in coordination is limited or absent. The challenge there is to prepare for a coordinated influx of new donors.

The situation for European Neighbourhood countries is quite specific. The European Neighbourhood & Partnership Policy (ENP) and the relevant financing instruments contain specific provisions for programming EU support, for dialogue, for the mobilisation of particular strengths of the Member States (e.g. through twinning programmes), and for coordination by the Commission. In the application of the Code, appropriate account will be taken of the broader political framework and the nature of the ENP.

Wherever efforts for more Division of Labour are being made, one has to bear in mind that it is not an end in itself: *the goal of Division of Labour is to achieve improved development results.*

3. THE IMPLEMENTATION PROCESS OF DIVISION OF LABOUR

3.1 Starting work on division of labour

Experience to date shows that there is no optimum time for starting preparations for DoL. Good practice cases show that various opportunities have been used:

- Concurrent with the formulation of a national development plan or similar strategic plan, a new Poverty Reduction Strategy Paper (PRSP), and related financing plan (Medium Term Expenditure Framework). Drafting the strategic plan and working on division of labour could even take place simultaneously.
- Just before Round Tables or Consultative groups, where governments present their strategic plans and solicit donor support.
- During implementation of the strategic plan.
- At the start of a new strategic programming period or a review process of a number of important donors.
- With the development of a joint assistance strategy where (some) donors already have a multi-annual strategy in place.
- When, in situations of fragility, ad hoc humanitarian aid is being succeeded by more structured programmatic aid and more donors come in.

Whatever the starting moment, the leading role and ownership of the partner country is crucial. This aspect is discussed in detail in para. 4.1.

The start of the division of labour process in Mali:

- Started with a joint analysis of the political, economic, social, and environmental situation during preparations for the 10th EDF Country Strategy Paper, including the joint EU governance profile and a joint donor matrix of aid programmes per sector.
- Existing coordination (for budget support, education and health sector), and silent partnerships between some EU donors, as well as the joint donor/government harmonisation action plan proved to be a sound basis for further work.
- A seminar was organised with donors, various levels of government and civil society to explain the concept of DoL and to develop a common view on how to get there. The preparation of decisions on DoL is now taking place.

3.2 Preparing for division of labour

As practice shows, preparation for DoL usually means going through the following steps:

Assessing the present situation

- Assessing or reviewing the basis for greater aid effectiveness, for instance in the shape of a strengthened harmonisation action plan, roadmap or Blue Book that sets out the planned steps towards more donor harmonisation, coordination and alignment. New efforts for complementarity and division of labour should fit into ongoing donor wide processes.
- Consultations with government on how it will lead and shape the process, the government being involved in all steps.
- Mapping of existing donor financial participation, and projection of (estimated) donor commitments for the medium term at the country level, across sectors as well as through general budget support.

The EU Road Map for Increased Aid Effectiveness in Cambodia

- Regular Coordination meetings led to the adoption of the “EU Road Map for Increased Aid Effectiveness” which was shared with the Government and other Development Partners (DPs).
- Annual retreats helped to cement the EU Donors’ network and commitment.
- The EU Code of Conduct was reflected in the revised Road Map (with Government), with three sectors per EU DP and others redeploying into ‘silent’ partnerships, delegated cooperation, and/or towards budget support. At least one EU DP in each strategic sector; others will redeploy based on comparative advantage.
- Then the EU Code of Conduct was used as the basis for discussion among EU donors about their respective lead roles and responsibilities for coordination in the different sectors.

Working on Division of Labour improvements

- An agreed timetable for the various steps may be useful to monitor progress and to keep the momentum going (it could be part of an updated harmonisation action plan/roadmap).
- Self-assessment by donors of their comparative advantage per sector.
- Comparing and reconciling each donor’s self-assessment of comparative advantages per sector with that by the partner country and other donors.
- Exploration by donors and partner country of possibilities for (further) sector concentration.
- Identification of criteria for selecting lead donor(s) per sector.
- Definition of donor roles.
- Projection of donor roles in a sector as preferred by each donor and by partner country.
- Negotiations between donors on sector concentration and roles.
- Involvement of donor headquarters in the decision making process.
- Discussion with the government (Ministry in charge of aid coordination, Ministry of Finance, sector ministries) on preferences for sector concentration and donor roles.
- Involving other stakeholders (civil society, local authorities, Parliament).

Starting to work on Division of Labour in Ethiopia:

- Awareness raising by EC Delegation of other donors and Government through a series of briefings and presentations.
- Mandate requested by EC Delegation from the Development Assistance Group (made up of Heads of Agencies of all major donors) to establish a small Division of Labour Team to take the issue forward.
- Division of Labour Team (EC, Irish Aid, USAID) sets out to research other experiences, donor policies and existing analyses on the subject.
- Executive briefs on the research, proposals for possible roles and criteria for lead donors, ways forward and potential challenges posted on a dedicated website (www.deleth.ec.europa.eu), and presented to donor heads of agency.
- Design and circulation of a questionnaire to identify comparative advantage and lead donors.

Implementation

- Draft a joint country context analysis (making use of existing material where available).
- Draft a joint donor response to the priorities and needs of the partner country, based on the proposed division of labour.
- Reach a pragmatic and workable agreement between government and donors on DoL.
- Reach agreement on a responsible exit strategy (phasing out of sectors outside the concentration areas), without creating a financing gap.
- Seek partners for delegated cooperation/co-financing.
- Reach agreement on the final texts of the joint country analysis and joint donor response.
- Possible formalisation of agreement on DoL through a joint document by government and participating donors (Joint Assistance Strategy, DoL document, sometimes a MoU).

These steps need not necessarily be taken in the above chronological order. Some may be carried out simultaneously and/or may be combined. Experience shows that implementation of DoL tends to be incremental. The involvement of the partner country government is an intrinsic part of all steps, although the expected role of government may be more active in some steps than in others. That also applies to the involvement of other stakeholders, which may vary according to the steps and local context (see paragraphs 4.1, 4.3 and 4.4).

The figure below, based on GTZ (2008), presents a summary of the general stages and elements for drawing up and implementing Division of Labour agreements.

3.3 Mapping exercises

Usually a mapping exercise is one of the first steps in the DoL process, to provide insights into how aid is allocated within the country, by donors, sectors, regions, etc. The earlier versions in hard copy that donors in some countries produced were good, but difficult to keep up to date. One helpful tool might be an electronic, publicly accessible and frequently updated database, as in Mozambique (www.odamoz.org.mz, see box), Nicaragua (www.odadata.eu/odanic) and Ethiopia (www.deleth.ec.europa.eu).

Mapping aid flows in Mozambique

“ODAmoz is a new EC-funded electronic tool that provides information on Official Development Assistance (ODA) to Mozambique. ODAmoz provides a detailed inventory of current and future aid flows. It is a user-friendly database, accessible to all through the internet. Its “Design your own report” function makes it easy to search for specific information through a set of predefined criteria (donor, sector, location, project status, funding type and MDGs). It offers tables and geographic maps, provides insights into the complementarity of aid activities, and promotes predictability of aid flows. It is now managed by the Government of Mozambique.

Other examples are the aid fragmentation study of the OECD/DAC, supported by the EC (www.oecd.org/dac), and the in-country IT systems set up by the Development Gateway

Foundation (www.dgfoundation.org) with the World Bank and the UNDP. (www.aida.developmentgateway.org). Some partner countries may have their own mapping system, which could be used and improved.

The exercise is very important for understanding the current situation before deciding on how to plan future aid flows. The mapping information should as far as possible be forward looking so that donors can plan DoL (financial support and donor roles) on the basis of expected next 3-5 year fund flows.

See also paragraph 3.7 on the related issue of sector definitions, and annex 5 on mapping methods.

3.4 Analysis of comparative advantages

The EU Code of Conduct mentions that “*the comparative advantage of a given donor should be self assessed, endorsed by the partner government, and recognised by other donors*”. It also states the need to avoid orphan sectors and for a long term (minimum 5-7 years) engagement.

The Code also mentions a number of general criteria for the analysis of comparative advantages:

- presence in the country,
- experience in the country, the sector or the area,
- trust and confidence of the partner government and of other donors,
- technical expertise and specialisation,
- aid volume at the country or sector level,
- capacity to enter into new or forward looking policies or sectors,
- capacity to react rapidly and/or long term predictability,
- efficiency of working methods, procedures, quality of human resources,
- relatively better results,
- relatively low cost compared to other donors for satisfactory level of quality,
- acquiring experience and new capacity as an emerging donor.

To this non-exhaustive list could be added specific criteria of particular importance in the partner country, such as the length of the engagement in a sector, and very specific expertise. Small/emerging donors should have the opportunity to build up experience (see also para. 3.5).

There is no commonly agreed framework to determine donors’ comparative advantages. At country level donors have sometimes developed an assessment tool.

Assessment of comparative advantages in Uganda, Zambia and Ethiopia

In Uganda a *questionnaire* was used to ask each prospective participant in the Uganda Joint Assistance Strategy (UJAS) to assess its own comparative advantages against a list of criteria. As a next step the replies were discussed in sector working groups and with the sector ministries.

In Zambia donors were also asked to self-evaluate their comparative advantages and position themselves in the sectors. Results were not satisfactory, so donors agreed to rethink the answers. Sector ministries were asked to give their visions as well.

In Ethiopia donors also used a self-assessment questionnaire (www.deleth.ec.europa.eu) as a step in preparing division of labour.

This self assessment could be followed by a discussion among donors on how they perceive each others’ comparative advantages. Also the government, the aid coordinating ministry as well as the sector ministries could be asked to give their views, basing them not only on aid volumes (as they tend to do) but on all the above criteria. Overcrowding of popular sectors should be avoided, while making sure that no gaps appear in “difficult” sectors.

3.5. Donor roles

The EU Code of Conduct mentions the various donor roles: lead, active, delegating, withdrawing or redeploying donor. The precise roles may vary according to local needs. But from practice so far, at the sector level for each donor role a number of common characteristics have emerged:

a) The lead donor

- Is the main liaison with government in policy dialogue and advocacy.
- Speaks on behalf of other (active and delegating) donors in a sector (or theme).
- Can act on behalf of another donor (the delegating donor).
- Shares relevant information with other donors.
- Builds consensus among donors and/or reports on divergent positions and views in its dialogue with the government.
- Coordinates joint analytical work, reporting, monitoring and evaluation among donors.
- Will have a role that is tailored to specific local needs and circumstances.
- Has a substantial mandate and the trust of partner government and other donors.
- May find specific terms of reference on lead donor role useful.
- May in some cases find it practical to share the work load.
- May be assisted by donors with expertise in a certain niche.
- Has to ensure that there is sufficient time and staff capacity for the task.
- Is not necessarily the donor providing the largest aid volume.

For practical organisational aspects see paragraph 3.6.

b) The active donor

- Participates in the policy dialogue in the sector (among donors to agree on the line to take with the government).
- Is represented by the lead donor in the dialogue with the government.
- Manages its own activities in the sector.
- Can act on behalf of another donor (the delegating donor).
- Can have a coordinating role on specific themes (cross-cutting issues, niche, sub-sector) that are important in the sector, thus acting as an assistant to the lead donor.

c) The delegating donor (or background donor or silent partner)

- Provides only financial support to sector activities.
- Does not usually participate in dialogue and monitoring except perhaps at strategic moments (such as annual meetings on PRSP performance). A background donor may sometimes be somewhat more visible in the partner country.
- Delegates authority to another donor (active or lead) to act on its behalf for the administration of funds and sector policy dialogue with the government.
- May choose to become a delegating donor in a transitional period as part of its exit strategy.

d) The withdrawing/redeploying donor

- Will phase out its support to the sector.
- Might redeploy to another sector.
- In both cases this may entail changes in staffing requirements. (see also paragraph 3.10)

A useful tool for making an inventory of donor roles could be a matrix, based on an inventory of aid flows (see para. 3.3). For more information on the various donor roles see annex 6.

3.6 Selection criteria for the lead donor

There are no clearly defined selection criteria for a lead donor in a sector. In principle the lead donor will have a comparative advantage in that particular sector, with a commitment to maintain its presence over the medium term (see paragraph 3.4), and will be well placed to fulfil the role (see paragraph 3.5). The lead donor may be a single donor, or might share the task with one or two active supporting donors.

A donor may be “lead donor” for a limited period of time: a system of annual rotation could be put in place, but for the sake of continuity and specialisation it seems preferable to retain the lead donor role for a longer period, ideally even the entire period of the partner country’s poverty reduction or similar strategy. A rotation system could use a “troika” model of outgoing, current and incoming lead donors.

On the one hand the “lead donor” role carries prestige and visibility, and can enhance reputations if the job is well done. On the other hand if the tasks are not done well, reputations can be harmed. So donors that put themselves forward as candidate for a “lead donor” role should be aware that the role carries considerable extra work and responsibility, and is not without risks. Acquiring the status of “lead donor” is an important commitment and responsibility that places heavy demands on policy staff in the sector concerned, and on Heads of Delegation/Mission and support staff. Having sufficient capacity available, in-house, and where needed supplemented with outsourced capacity, is therefore crucial (see also para 3.5 and annex 6).

3.7 Sector definitions

According to the EU Code of Conduct “the appreciation of what constitutes a sector, being intuitive or informed, should be done in a flexible manner, at partner country level and match the definition of the recipient country”, adding that splitting up of sectors should be avoided as much as possible.

National sector definitions vary depending on the sectors defined by the government in its development or poverty reduction strategy. Sector definitions may be *very wide*, covering a vast area (“human development”). In this case concentrating on a limited number of sectors will be relatively easy. But it will not have much effect on aid effectiveness as aid will remain scattered across a wide variety of activities, and complementarity will only be considered at a highly aggregated level. Sector definitions may also be *very narrow*, covering virtually the same area as a project (“support for elections”). This will make concentration on only three sectors complicated and may leave some sectors not sufficiently supported.

Donors can suggest fine tuning government-defined sectors. It may be useful to break up very large sectors into smaller sectors, or to group very small sectors into one larger one in order to make discussions on sector concentration more manageable. Criteria could be the presence of a sector strategy, a functional division for a sector budget and a sector ministry².

As regards what may be considered a reasonable scope for a sector, it may be helpful to refer to the OECD/DAC common standard (3-digit code) already in use by donors and partner countries for reporting on aid flows (www.oecd.org/dac). (The ODAmoz database, see paragraph 3.3, provides an example of the use of OECD/DAC definitions).

² For more information on the sector wide approach, see OECD/DAC (2005b).

3.8 Cross-cutting areas

In some partner countries' strategies, cross-cutting areas are defined as a sector, and should be recognised as such. In others they are considered as a cross-cutting issue with the intention to be mainstreamed. The question is how to ensure that cross-cutting areas like gender, environmental sustainability, human rights and HIV/Aids are adequately covered in the DoL exercise.

Some suggestions are given in Irish Aid (2008):

- ✓ Rename these issues "policy priority issues" to avoid their marginalisation.
- ✓ Ensure adequate analysis of the relevance of each policy priority issue in all sectors/pillars/clusters of the partner country poverty reduction strategy, including economic growth.
- ✓ Improve the coverage of these policy priority issues in analysis, monitoring and performance assessment frameworks, focusing also on results for these issues.
- ✓ Share innovations and promising approaches to policy priority issues under division of labour.
- ✓ Join forces with other stakeholders.

Mainstreaming could be assured by appointing a lead donor for a particular policy priority area throughout all sectors, briefing the lead donor for each sector on the cross-cutting aspects.

3.9 Working on more sector concentration

In efforts to achieve more concentration the reduction of sectors of individual donor involvement is a first priority in seeking a structural solution for donor congestion and aid fragmentation. Delegated co-operation/co-financing could be part of a short term solution (see paragraph 4.6).

A maximum of three sectors

The EU Code of Conduct asks EU donors to concentrate their active support to a partner country on a maximum of three sectors, based on the donor's comparative advantage in a sector, whereby the sector definition is based on that of the partner country. General budget support, support for civil society and programmes for research and education, specifically scholarships, are considered additional and do not count as sectors.

The EU Code of Conduct also mentions that "in a limited number of cases, when donors are confronted with a significant reduction of sector coverage, they may engage in more sectors taking into account partner country views, neglected and important issues, as well as a realistic timetable to authorise changes in their country programmes". This could for instance be the case in countries which are supported by very few donors and which have a variety of needs spread across numerous sectors, such as countries in or just leaving a situation of fragility.

During programming

Sector concentration is a programming matter. Currently donor programming periods differ both in starting dates and in length. This means that talks on more sector concentration will often be held at the moment when some donors are working on their strategic programming for the next period, while others are already in the implementing stage. Flexibility on adapting multi-annual strategies during implementation already helps considerably. A timetable of programming periods per donor could help.

Working on sector concentration in Zambia

The Zambia JAS (JASZ) is aligned with the Fifth National Development Plan (FNDP) 2006-2010 and its Medium Term Expenditure Framework (MTEF). The Country Strategy Paper for the 10th EDF (2008-2013) is aligned with the priorities and needs as identified in the FNDP and JASZ.

During the implementation of Country Strategy Papers

Using EC procedures, current multi-annual programming shows concentration on two focal areas, and a non-focal area covering various activities, and calls for further concentration on one or two sectors within each area. There is scope for further concentration and more DoL, particularly in countries with a high level of donor congestion in sectors. Depending on the scope of the concentration proposals, these can be put forward during the Annual Operational Review (AOR) or the Mid Term Review (MTR)³. A proposal to enter into a delegated co-operation partnership with a Member State will need to be mentioned in the Annual Action Plan (AAP).

Apart from considerations of aid effectiveness, considerations of internal efficiency (procedures, staff capacity, presence in the country etc.) may play a role too.

3.10 A responsible exit strategy

Obviously the donor should consult the government and other donors about its intentions. Following DoL, support should not be withdrawn overnight, but projects and programmes will be phased out as they reach the end of the contract period or at any other date agreed by the contract partners. The withdrawing donor should ascertain that where country needs for external aid have not diminished, its total volume of aid to the country does not diminish, so that any resources freed by withdrawing from a sector will be used to increase support to its concentration sectors, or where circumstances permit, to increase General Budget Support (GBS). Alternatively the withdrawing donor may withdraw from an active role in monitoring and dialogue, but may wish to carry on funding for the sector. In that case co-financing or a silent partnership or delegated cooperation with a donor who remains active in the sector may be a useful solution (see paragraph 4.6).

The essence is that when a donor is phasing out of a sector and the needs of the sector have not diminished, the support to a specific sector does not decrease, i.e. another donor and/or GBS compensates.

4. SPECIFIC ISSUES WHEN IMPLEMENTING DIVISION OF LABOUR

4.1 The role of the partner country government

The leadership of the partner country government, ownership of and alignment with government policies, planning process and budget cycle are key elements of the EU Code of Conduct. In particular the partner country government is expected to:

- Define national priorities (in a Poverty Reduction Strategy and Medium Term Expenditure Framework or similar development strategy and budget),
- Ensure relevant stakeholders are involved, such as non state actors (NGO's, private sector), local authorities, parliament etc.

³ Further details will be given in the respective drafting guidelines.

But for partner governments themselves ownership and leadership of a DoL process may be less evident. They may have had less time to internalise the objectives, and its implications. Therefore, in cases where the partner country is not yet in the lead, or ready to take the lead, it should be taken on board as early as possible in any DoL process started by donors.

Enabling conditions

ODI (2006) mentions five enabling conditions -facilitating factors not preconditions- for recipient governments taking a lead in their relationships with donors:

- A supportive macro-economic and growth environment.
- A history of open and frank engagement between donors and recipients that promotes mutual trust and confidence.
- Commitment to reform and/or strengthen public institutions (especially Public Finance Management).
- Strong political will and commitment by the recipient government to lead on the development agenda and to own the development process.
- Mutual accountability mechanisms (donors monitoring country performance, the government monitoring donor behaviour).

Respect for human rights and the rule of law also form part of the enabling conditions.

Perceived benefits for partner countries

Benefits for partner countries will vary from country to country. A partner government at the beginning of its term, when it can also expect to reap the benefits, may show more interest than at the end of its term, when any benefits will be for its successors. The benefits will also be related to institutional capacity, to political will, and to levels of aid dependency and aid flows. For heavily aid dependent, less developed and lower income countries, cutting the transaction costs of aid can make a large difference. For middle income countries not dependent on donor support, it may be of relatively less importance. For partner countries that do not receive sufficient donor support, diversification of donor flows may take priority over rationalisation of donor support; even so, complementarity remains an important issue.

At a DoL conference in Pretoria, organised by Germany on behalf of the OECD/DAC Task team in February 2008, Uganda, Senegal, Burkina Faso, Zambia, and Bangladesh stated that achieving more aid effectiveness and DoL (on partner countries' terms) was their first priority.

Examples of possible benefits for the partner country government:

- Lower transaction costs: reduction of the burden on administrations caused by the extremely complex organisational and administrative donor demands, with a multitude of conditionalities and reporting requirements, will leave more time available for implementing aid, getting development results.
- Donor engagement with partner countries on DoL offers opportunities for greater alignment.
- A more rational link between donor support and country priorities and needs per sector.
- Improved planning and results orientation, moving away from traditional conditionality to mutually agreed development outcomes and broadly agreed principles, consistent with national development strategies.
- Simplified procedures (joint partner country/donor analysis, monitoring and evaluation).
- Better coordinated technical assistance for capacity development support, consistent with national development strategies.

- More predictability on aid flows and more transparency on funded/underfunded sectors.
- Better utilisation of resources, avoiding duplication and conflicting efforts of donors.
- Fewer interactions between individual donors and partners.
- A more strategic orientation of the policy dialogue.
- Economies of scale.

Perceived risks

Partner countries may be apprehensive about:

- ✓ A joint approach by donors, leading to donors “ganging up”, and thus stronger imposition of donor views, thus reducing flexibility and in fact increasing conditionality.
- ✓ Stronger donor coordination and more alignment, bringing more influence to the Ministry that coordinates foreign aid (often the Ministry of Finance), at the expense of sector ministries.
- ✓ Perceived advantages or disadvantages at central and decentralised government levels, such as loss of interface with individual donors.
- ✓ Risk of loss of aid for the country or a particular sector.
- ✓ The capacity required to lead a division of labour process.

These particular aspects can be addressed in various types of frank and open dialogue with the government, at the technical level, and at the political level. An inclusive approach with the early involvement of the various government stakeholders may help to overcome this apprehension. A seminar with donors and government (Ministry of Finance, sectoral ministries, at central and decentralised levels) can be a useful way of exchanging views and developing a common vision.

Capacity support to the partner country government

As government capacity to lead the process is sometimes limited, it may, depending on the country context, be useful to provide technical support. The EU Code of Conduct says that donors can encourage and support the partner country to assume its responsibility for donor coordination and preparation of DoL. Support may help the government to progressively assume more ownership and leadership of the process. Technical Assistance (TA) can be given for specific tasks or for general support during the whole DoL process. Working in tandem with the government can also help to build mutual trust.

Capacity support in Mali

In Mali donors created a "Pool Technique" with TA in order to organise meetings and carry out a mapping study of aid flows, of donor presence per sector, of donor's programming systems, thus providing valuable support to the recently created Government Secretariat for donor coordination.

Partner countries' aid policies

Some partner countries have written down their wishes on the delivery of foreign aid in an aid policy document. This is a useful means of clarifying the expectations of the government towards donors. Other partner countries may have included this aspect in their development plan or Poverty Reduction Strategy. Still other partner countries may express their expectations about aid delivery during the DoL process.

Aid policies by the Governments of Tanzania and Zambia

The Joint Assistance Strategy for Tanzania 2006 (JAST) is a medium term framework for managing development co-operation between the Government and the Development Partners (DPs). Subjects include DPs' alignment with national strategies and processes, national capacity development, role of non-state actors, expectations on DoL, financing instruments and arrangements, and dialogue.

The Zambia Aid Policy and Strategy 2005 is a similar document, covering additional areas like procurement and financial oversight and accountability strategies.

4.2 Division of labour in a situation of fragility

Situations of fragility form a major challenge to sustainable development and peace. The EU should make more effective use of the full range of existing EU policy tools and external action instruments to address, in a coherent and timely manner, situations of fragility in partner countries. This requires an appropriate response in the context of aid effectiveness.

DoL can be effective in countries supported by many donors. It can also be effective in countries in a conflict situation or countries just coming out of that state. With few EU donors present, it is important for EU aid to be visible, and for EU donors to be well coordinated and to speak with one voice. This may help to attract other donors to the country; it will also help to achieve complementarity of support from the newly arriving donors, thus avoiding the need to rationalise aid programmes during the implementation stage. Moreover in fragile states the capacity of the government to manage aid is usually quite limited, so the argument of reducing the burden on the government is even more pressing than for other aid recipient countries.

Pilot schemes have been started in a number of countries⁴, aimed at achieving more coherence between the various donor instruments, as well as improving donor coordination and complementarity of donor actions. This includes joint donor assessments on the causes of conflict, fragility and insecurity, a coordinated donor response strategy in line with partner country needs and priorities, better use of existing financial instruments and finding more flexible ways of funding the early recovery phase.

The OECD/DAC (2007) Principles for Good International Engagement in Fragile States and Situations and EU (2007) Council Conclusions provide a key framework for aid effectiveness in these challenging environments.

The Accra Agenda for Action (2008) commits donors to make funding modalities more flexible and rapid, and to conduct joint assessments of governance and fragility in situations of fragility and conflict.

Aid coordination in a situation of fragility — Burundi

The EU (2007b) Council Conclusions on fragility requested the EC to acquire experience by testing the EU response to situations of fragility in pilot cases. Burundi is one of these pilots. The aim is to contribute more effectively to maintaining the ceasefire and to transform it into a situation of durable peace, which will make it easier to address the development needs of the country. It seeks higher visibility of EU action, and its translation into a “peace dividend” through a more structured EU response in the field and a more efficient use of limited donor capacity. This EU aid coordination could also act as a catalyst for other donors.

⁴ Burundi, Guinea, Haiti, Sierra Leone, Timor-Leste, and Yemen.

4.3 Involving other stakeholders

The partner country government should also ensure that all relevant stakeholders are included, such as Non-State Actors, NGOs, parliament, private sector, employers' organisations, trade unions, the academic world, and Local Authorities (LAs), as these play a major role in achieving the MDGs by supporting social infrastructure and social services and by improving dialogue among citizens, their communities, civil society and the private sector. As an active part of the international aid architecture, Civil Society Organisations (CSOs) have to be engaged in general discussions on aid effectiveness and at country level in the framework of the DoL process. Donors can encourage and support that process.

4.4 Outreach to other donors

The approach proposed in the EU Code of Conduct is not restricted to EU donors. Other donors may wish to use the same approach, contributing to the process. *Inclusiveness* is an important aspect. For DoL to have a real impact on the transaction costs of the partner country, a critical mass of donors is required. Where many EU donors are present, an EU process can already make the difference, but in general the larger the number of donors the better. This does not have to mean that the lowest common denominator determines the pace of the process. The more ambitious donors can move ahead while other donors commit themselves to following at their own pace. For instance, these latter donors may be able to participate in joint monitoring missions but may not yet be ready to withdraw from one or more sectors.

A DoL process with a small number of (like-minded) donors will be easier to organise. The drawback is that there will be less impact on the reduction of transaction costs, and other important non-participating donors will bypass the DoL arrangements.

A challenge is how to get new donors, such as China, Brazil, Indonesia, Arab Funds, as well as private foundations and vertical funds — donors often not locally represented — to participate in these exercises, especially as some of these aid flows are quite significant.

The 3rd High Level Forum on Aid Effectiveness held in Accra helped to raise awareness among non-traditional donors. Draft principles on in-country division of labour were prepared for a Roundtable at the Accra meeting by an OECD/DAC Task Team on Rationalising Aid Delivery and Fostering Complementarity jointly with a number of partner countries.

<p>The Joint Assistance Strategies in Zambia, Tanzania, Kenya, Uganda, Ghana and Mali are examples of multi donor exercises, including the Commission, EU Member States, Norway, the World Bank, UN organisations, the African Development Bank. Others are for the moment more restricted, for instance in Sierra Leone (EC and DFID — looking to expand and take in other donors).</p>
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In this context it is worth noting that to date a total of 162 countries and organisations have signed up to the Paris Declaration on aid effectiveness (see annex 2).

EU joint programming and donor-wide initiatives

The key objective of EU joint programming (by way of multi-annual Country Strategy Papers, as envisaged by the Common Framework for Country Strategy Papers⁵) is to improve aid effectiveness by taking a more focused and collaborative approach to EU strategy programming, thus reducing transaction costs for the government. Donor-wide Joint Assistance Strategies (JAS) likewise seek a joint response to the partner countries' needs and priorities, each donor focusing on specific sectors where it has a comparative advantage.

A JAS may vary in scope, form and size from one country to another. The extent of donor collaboration ranges from common analysis and diagnosis of country issues to the adoption of a joint document that includes joint analysis, joint response - with DoL, or DoL in preparation - joint results frameworks and joint monitoring.

EU Joint programming and Joint Assistance Strategies (JAS)

Some Joint Assistance Strategies involving the EC and MS: Ghana (GJAS), Kenya (KJAS), Mali (Stratégie Commune d'Assistance Pays), Tanzania (JAST/Development Partners Joint Programming Document), Uganda (UJAS), Vietnam, Zambia (JASZ).

Joint EU Programming Frameworks were used in South Africa, Somalia and Haiti.

Donor-wide support for a national development plan (JAS) and multi-annual joint programming for drafting Country Strategy Papers (CSP) at EU level are meant to be complementary. JAS and CSP are not competing systems but processes that can mutually reinforce each other. These processes may not be synchronised. The JAS process will feed into the EU programming or, if the EU programming is earlier or at the same time, it should enrich a donor-wide exercise for drafting a JAS.

Mainstreaming of JAS in EDF programming

The CSP for the 10th EDF for Tanzania includes in the country diagnostic part a summary of the country analysis of the JAS, with the complete JAS document attached as an annex. Thus the Common Format for Country Strategy Papers was used in a flexible way, which enhanced donor complementarity.

4.5 Drivers and challenges for donors

As the EC and OECD/DAC (2008) Compendium on Good Practices on Division of Labour mentions, some EU MS have already been practising in-country DoL in various forms, and at various levels. While there are good examples at the project level too, the real efficiency gains in-country will be made at sector level. The most important drivers and challenges are summarised below.

Drivers

- ✓ Partner country ownership, pro-active attitude, clear political will.
- ✓ Genuine concerns about the real transaction costs to partner countries from a multiplicity of donors, trust funds, global funds etc in international development.
- ✓ Quest for policy coherence.

⁵ The CFCSP was first applied in ACP-countries for programming the 10th EDF (2008-2013). Non-ACP countries funded from the EC budget under the development Cooperation Instrument (2007-2013) started their programming before the adoption of the CFCSP but worked according to the same main principles. The Mid Term Review offers further prospects for joint programming.

- ✓ Donors' solid political will at the highest levels and like-mindedness (EU, Nordics).
- ✓ Quality of management of public finance.
- ✓ Increasing returns to scale.
- ✓ Flexibility, adherence to DoL in an incremental way.
- ✓ Offers the option for a minimalist approach by donors that wish to support a country/sector, but have limited capacity and/or wish to reduce risks.
- ✓ Being part of a larger donor group offers more leverage and visibility.
- ✓ Need for more efficiency in aid delivery (because of increasing aid budgets that are not paired with increasing staff numbers).

Challenges

- ✓ Acquire partner country government's leadership.
- ✓ Doubts about benefits DoL will bring to the partner country.
- ✓ Need for all partners to analyse, explain and understand the gains of DoL.
- ✓ Donors' alignment with partner country strategy and budget.
- ✓ Donors' decision making capacity on the ground.
- ✓ Legal and financial procedures may need to be adapted.
- ✓ Donor predictability.
- ✓ Clear communication.
- ✓ Coordinated aid modalities.
- ✓ Visibility of individual donor action.
- ✓ Emphasis on a bureaucratic process may slow the momentum significantly.
- ✓ Transitional increased transaction costs.

Addressing the challenges

One pitfall to watch out for is that DoL does not take over as a central and bureaucratic exercise at the cost of overall aid effectiveness, i.e. at the cost of tangible development results. Setting a timetable and monitoring progress will help. A step-by-step approach and a lean process in order to build on country systems and not to overburden partner country systems are recommended.

It is clear from what has been said that implementing DoL is not a quick and easy process. It needs political will, long term preparation and time to bring everyone on board and to work together. It requires specific staff skills (such as negotiation skills and openness to change), changes in donor aid procedures, and procedures for joint monitoring and reporting at sector and country level.

As far as legal aspects are concerned, the EC revised its financial regulations in 2007, making them more flexible and allowing co-financing (see paragraph 4.6). The Nordic Plus group has addressed some of the challenges by a strategic decision not to make DoL legally binding. They are able to delegate cooperation among themselves through non-legally-binding MoUs. This flexibility has allowed them to simplify the process of applying DoL (see paragraph 4.7).

Division of labour concerns all modalities. Projects and programmes can be part of division of labour arrangements. DoL is not an automatic move towards more general budget support.

Development cooperation is one of a donor's external actions. Donors may be reluctant to give up cooperation in a given sector or country, as it may lead to reduced *visibility* for their action. Visibility also has a domestic dimension, e.g. vis-à-vis Parliaments and the public. However it is now widely accepted that small and scattered projects reduce impact and visibility. Joint co-financing with one or more other Member State(s) will make joint EU action and the role of the

lead partner in the delegated cooperation partnership more visible. For the silent partner its contribution can be ‘visibly’ acknowledged⁶, and the very act of ‘delegation’ can be portrayed positively as contributing to efficiency gains so that ‘more children can go to school’ or ‘more children can be immunised’, etc. (see also paragraph 4.6).

4.6 Partners for delegated cooperation/co-financing

Co-financing with one or more EU MS is an important instrument for division of labour and for boosting the efficiency, visibility and impact of EU action. The added value in promoting common European values is an important criterion in promoting joint co-financing.

EU MS which do not have sufficient capacity on the ground in a country or particular sector, or which do not have a local presence, may find co-financing an attractive option for nevertheless providing financial support to that country or sector.

Forms of co-financing:

- *Parallel co-financing:* the project or, programme is split into a number of clearly identifiable components, each of which is financed by the different partners providing co-financing, in such a way that the end-use of the financing can always be identified.
- *Joint co-financing:* the total cost of a project or programme is shared between the partners providing co-financing and the resources are pooled in such a way that it is no longer possible to identify the source of financing for any activity undertaken as part of the project or programme.
- *Delegated cooperation:* when one *fund managing donor* acts with the authority of one or more other donors, applying the fund managing donor’s rules and procedures.

EU donors may enter into a delegated cooperation/partnership arrangement with another EU donor, and thereby delegate authority to the other EU donor to act on its behalf in terms of administration of funds and/or sector policy dialogue with the partner government. Partner governments should be consulted on the donors’ delegating agreements. Delegating donors should be able to review policies and procedures of the receiving donor under their delegation agreements. A delegated cooperation/partnership role in a sector will be considered to be in addition to the maximum of three sectors in which a given donor is engaged.

The legal basis for the delegation of cooperation from the Commission to other donors is the financial and implementation regulations of the Community Budget and of the EDF. The regulations have been translated into a practical Guidance Note for EC Delegations.

The legal framework consists of templates for:

- (1) Transfer Agreements for programmes where the EC will manage funds of other donors/MS, and
- (2) Delegation Agreements to be used in case of indirect centralised management, by which the EC delegates its funding to a Delegatee body to implement an Action.

In the case of delegation agreements, a generic ex ante assessment is required of the donor the EC would like to delegate its funds to. The purpose is to verify compliance with EC financial regulations on i) procurement and grant-award procedures, ii) internal control system, iii) accounting system, iv) independent external audit, v) public access to information, vi) annual ex-

⁶ And retained a the delegation agreement.

post publication of beneficiaries. The assessment will lead to a report with recommendations, subject to contradictory procedure, and then approval by the EC. This approval enables the EC to sign a delegation agreement with this donor⁷.

4.7 Legal and procedural aspects

At the local level the Commission and Member States sometimes feel the need to jointly sign a document to confirm their joint programming work. Several forms are possible: an exchange of letters at the local level between Heads of Agencies/Missions and the EC Delegation, or the signature of a Memorandum of Understanding (MoU) type of document (such as a Joint Assistance Strategy document). What is important is that these documents are not legally binding⁸.

Neither the Cotonou Agreement nor the 10th EDF Implementing Regulation provide for co-signature of Country Strategy Papers by Member States (and/or any other donor)⁹. Member States can express their final opinion on Country Strategy Papers in the EDF Committee before their adoption by the Commission, but do not sign the Country Strategy Papers as such.

For specific aspects of joint co-financing with Member States and other donors see paragraph 4.6.

4.8 Support from headquarters and communication

Headquarters are expected to support the DoL process at country level in various ways. Some provide staff training, websites and written guidance. Some have funds available for technical assistance to the partner country government for coordinating and leading the DoL process (see paragraph 4.1).

The EC has a dedicated training programme in Brussels which is open to MS. The AIDCO website on aid effectiveness has a specific section on DoL with documentation and information on processes in partner countries. Problem-solving workshops in partner countries involve MS and all other donors together with government. Where required, staff is available to answer specific questions and/or provide ad hoc support¹⁰. Communication between the country level and headquarters is important.

7 See www.cc.cec/dgintranet/europeaid/contracts_finances/fin_and_cont_rules/co-financing_with_nb/index_en.htm

8 For ACP countries the legally binding document is the ACP-EU Partnership Agreement signed in Cotonou in 2000, subsequently revised in 2005, and the resulting Country Strategy Paper/National Indicative Programme signed by the partner country and the Commission on behalf of the EC.

9 Article 4(6) of the 10th EDF Implementing Regulation [(EC) No 617/2007, OJ L 152, 13.6.2007, p 1] in line with the Cotonou Agreement, annex IV, art 4(3).

10 Any suggestions, comments, questions and examples of best practices on division of labour may be addressed to the Commission's dedicated e-mail address DEV-TOOLKIT@ec.europa.eu.

5. MONITORING AND REPORTING

The OECD/DAC Survey measures donor and partner country behaviour against the indicators of the Paris Declaration. Division of Labour forms part of the indicators on harmonisation, and at the same time affects all the other indicators.

The EU reports on progress in aid effectiveness in the annual Monterrey Report. For the 3rd High Level Forum on aid effectiveness in Accra (September 2008), a Staff Working Paper was presented to the Council in April 2008¹¹.

EC Delegations are requested to report on progress in aid effectiveness, including division of labour. Reporting in the Joint Annual Reports (JAR) for 2008 and 2009 and for the Mid Term Review (MTR) in 2009/2010 will be used to monitor progress towards achievement of the Paris indicators for 2010.

Mutual accountability includes monitoring country performance jointly by the partner country and donors. Such monitoring should increasingly be based on alignment with partner country systems, and supported by capacity building for data collection. The common approach in DoL can potentially reinforce mutual accountability and the focus on development results. At the same time performance monitoring also includes monitoring of donor behaviour by the partner country.

Monitoring donor behaviour in Mozambique

At the country level some partner countries do their own monitoring of donor behaviour. Mozambique for example does so through its annual PARPA (the Mozambican Poverty Reduction Strategy) Partners - Performance Assessment Framework, in brief the "PAPS-PAF". This monitoring of the donor behaviour coincides with the joint Mozambique/donors monitoring of the PARPA development results. Both systems are country monitoring systems, based on mutual accountability between donors and the government of Mozambique.

¹¹ Commission Staff Working Paper, accompanying COM (2008)177, An EU Aid Effectiveness Roadmap to Accra and beyond: from rhetoric to action, hastening the pace of reforms, SEC (2008) 435/2 of 9.4.2008.

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Useful websites

www.deleth.ec.europa.eu

www.odamoz.org

www.odadata.eu/odanic

www.oecd.org/dac

www.dgfoundation.org

www.aida.developmentgateway.org

<http://ec.europa.eu/europeaid> (or www.cc.cec/dgintranet/europeaid - for EC internal users)

List of acronyms and abbreviations

AAP	Annual Action Plan
ACP	African, Caribbean and Pacific States
AOR	Annual Operational Review
CAS	Country Assistance Strategy (World Bank)
CC	Council Conclusions
CFCSP	Common Framework for Country Strategy Papers
COM	European Commission
CSO	Civil Society Organisation
CSP	Country Strategy Paper
DAC	Development Assistance Committee (of the OECD)
DFID	Department for International Development
DoL	Division of Labour
DP	Development Partner
EAMR	External Aid Management Report
EC	European Community
EDF	European Development Fund
EU	European Union
GAERC	General Affairs and External Relations Council
GBS	General Budget Support
GJAS	Ghana Joint Assistance Strategy
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit
KJAS	Kenya Joint Assistance Strategy
JAR	Joint Annual Report
JAS	Joint Assistance Strategy
JAST	Joint Assistance Strategy Tanzania
JASZ	Joint Assistance Strategy Zambia
JFA	Joint Financing Arrangement
LA	Local Authority
MDG	Millennium Development Goal
MoU	Memorandum of Understanding
MS	Member State(s)
MTEF	Medium Term Expenditure Framework
MTR	Mid Term Review
NSA	Non State Actor
NGO	Non-Governmental Organisation
ODA	Official Development Aid
ODI	Overseas development Institute
OECD	Organisation for Economic Cooperation and Development
PAF	Performance Assessment Framework
PAP	PARPA — partner
PARPA	Poverty Reduction Strategy of Mozambique
PFM	Public Finance Management
PRS	Poverty Reduction Strategy
PRSP	Poverty Reduction Strategy Paper
SBS	Sectoral Budget Support
SCAP	Stratégie Commune d'Assistance Pays
SP	Silent Partnership
SWAP	Sector Wide Approach
TA	Technical Assistance
UK	United Kingdom
UJAS	Uganda Joint Assistance Strategy