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## FOREWORD

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### MESSAGE FROM SECRETARY OF STATE TO DFID STAFF ON HARMONISATION: IMPROVING AID EFFECTIVENESS AND SUPPORTING POVERTY REDUCTION STRATEGIES

Today we are publishing DFID's Action Plan To Promote Harmonisation. It builds on existing DFID work and will enable us to align our country programmes better with Poverty Reduction Strategies.

Last year at Monterrey we saw a commitment to an increase in aid and a focus on achieving the Millennium Development Goals (MDGs). Last month, the Chancellor and I launched a proposal for an International Financing Facility to raise the extra \$50 billion needed to meet the MDGs. But as the Monterrey Consensus recognised, increased aid volume alone will not be enough. Aid must also become more effective; first, to increase the likelihood of achieving the MDGs by enhancing the impact of aid; and second to maintain public support in donor countries for rising aid levels.

Improving aid effectiveness is thus a key part of our mission – not just the \$5bn a year of British aid but also working with others to improve the effectiveness of the \$52bn spending of the international community:

- by targeting aid on countries where it will have the biggest impact. This means focusing on low-income countries and particularly those with a strong and effective commitment to poverty reduction, and finding better ways to help poor people where this commitment does not exist; and
- by providing aid in ways most likely to contribute to sustainable poverty reduction. This means delivering aid in ways that help build partner country capacity and which align programmes, procedures and timetables behind the national poverty reduction strategy, its review cycle and budget.

Harmonisation is an integral part of delivering aid more effectively. I welcome the recent work by the Development Assistance Committee's Task Force on Donor Practices, chaired by Richard Manning, to provide guidance on good practice. The Multilateral Development Banks are working to agree certain specific common procedures. Later this month Suma Chakrabarti will be participating in a High Level Forum in Rome that will help to move donors from discussion of principles and these good practices to further implementation on the ground. DFID will circulate this Harmonisation Action Plan at the Forum setting out what we will do internally and where we will work with others more generally.

What does this all mean for DFID staff? First I should reassure you that harmonisation is not a new burden. It is not a central initiative to be imposed on programme managers. It is not an objective in itself. It does not mean negotiation of uniform common global procedures or "one size fits all". And it is not an alternative to promoting partner country-led poverty reduction strategies.

Rather, harmonisation is all about continuing the progress we and others have made in simplifying the way we deliver aid so that it:

- minimises the burden on partner countries;
- is sufficiently flexible to reflect the specific circumstances in each partner country and, where appropriate, to enable harmonisation around partner government systems; and
- gives greater emphasis to building capacity in partner countries.

These are all principles that are already part of DFID's support for Poverty Reduction Strategy (PRS) processes. As we move from strategies to implementation, PRSs will not be effectively implemented unless both governments and donors make changes. From the donor side, this means aligning programmes, procedures, and timetables behind the national PRS, PRS review cycle and budget, and reducing the amount of aid provided through stand-alone projects. Harmonisation, which can be applied to all forms of aid from projects to direct budget support, enables donors to reform the way aid is delivered to make these possible.

## FOREWORD

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Many of you have a role in taking forward this agenda. Central departments need to ensure that DFID procedures give programme managers the flexibility to respond to the specific circumstances of a partner country whilst ensuring that sufficient assurance can be given over the use of our funds. Programme managers need to ensure that they use the flexibility permitted by DFID procedures and look for, and take, opportunities to simplify the design and implementation of projects and programmes. I know that many of you are already doing that.

**DFID's Harmonisation Action Plan** brings together a number of initiatives that you are already implementing or plan to introduce this year, including:

- review of certain central DFID procedures to ensure that they are consistent with the good practice guidance produced by the DAC, and by the World Bank and IMF for PRS alignment;
- revision of the guidance material and training used to explain DFID procedures to ensure programme managers understand the key points in this guidance and they apply procedures proportionately;
- a number of country specific initiatives where DFID programme managers will contribute to simplifying aid delivery on the ground.

The Plan also looks beyond DFID and sets out how we will work with other donors to support the efforts of multilateral development organisations to simplify their procedures and enhance their flexibility. We want to get as many other donors as possible to be prepared to do this and to encourage our partner countries to be readier to challenge individual donors where they do not.

We need to be able to monitor our success in making these changes to learn from experience and to demonstrate success. The Plan therefore also includes a commitment to contribute to work in the DAC and elsewhere in developing better indicators, to produce a report on DFID's performance against the Plan and to encourage an effective process of donor peer review.

Harmonisation is not of course a universal panacea. But it is an important way in which we, and others, can improve the effectiveness of aid. I appreciate all the progress that you have made to date and encourage you to continue to build on this good work.



SECRETARY OF STATE FOR INTERNATIONAL DEVELOPMENT  
Feb 2003



### INTRODUCTION

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1. This plan sets out how DFID is enhancing the effectiveness of its development assistance by adopting the principles and good practices set out in the DAC's *Harmonising Donor Practices for Effective Aid Delivery*. It explains how harmonisation mutually reinforces DFID's objective of reducing poverty through support for partner country-led poverty reduction strategies. It recognises that DFID has already taken a number of steps that enhance its ability to harmonise. It sets out three key areas for further action centrally – a programme for review of internal procedures to ensure that they are compliant with the Good Practice Papers, revision of internal guidance material, and training to ensure that procedures are applied proportionately and with appropriate flexibility. It also indicates how DFID will seek to promote harmonisable policies and procedures within multilateral institutions for improving harmonisation at the country level in a number of specific countries. It sets out how it will monitor its own performance against these commitments in an open manner and offers itself to be part of a peer review process. DFID's full commitments are set out in two annexes.

### HARMONISATION AND SUPPORT FOR POVERTY REDUCTION STRATEGIES – MUTUALLY REINFORCING AGENDAS

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2. The British Government believes that development assistance is most effective when focused on enabling partner countries to develop and implement nationally owned and led poverty reduction strategies (2000 White Paper *Eliminating World Poverty*). This means donors preparing and delivering aid in ways that strengthen partner countries' capacity to take this lead. Partner country poverty reduction strategies (PRS) will not be effectively implemented unless donors align their programmes, procedures, and timetables behind the national PRS, PRS review cycle and budget. We therefore welcome the fact that the DAC Good Practice Papers *Harmonising Donor Practices for Effective Aid Delivery* (GPP) are built on guiding principles that recognise the primacy of such country-led strategies, the importance of building partner country capacity and, where possible, for donors to work through partner country systems. The resulting good practices on simplification and harmonisation provide valuable guidance

on how to improve the effectiveness of aid in building a partner country's ability to develop and implement its own poverty reduction strategy. Harmonisation should not be seen as a new initiative but as a way of enabling donors to deliver this agenda agreed at Monterrey.

### ENSURING THAT DFID POLICIES AND PROCEDURES ENABLE HARMONISATION

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3. The importance attached by DFID to harmonisation is reflected by a number of policy changes implemented in 2002 that enhance DFID's ability to adopt the GPP guidance through simplifying procedures and enabling greater flexibility in their application. These include the untying of British aid for all partner countries globally, new guidance for preparing Country Assistance Plans based on partner country poverty reduction strategies, the ability to make financial commitments over a period that matches a partner government's budgetary planning horizon, increased delegated authority to field offices, streamlining consideration of project proposals, and an exercise that eliminated a number of procedures or raised the threshold at which they apply.

4. We recognise, however, that there is room for further progress in lightening the burden of our own mandatory requirements and in ensuring that they are sufficiently flexible to enable working with, and through, partners' systems whilst ensuring sufficient appraisal and risk management. We will therefore review certain key procedures in 2003 to ensure that they minimise transactions costs and maximise flexibility whilst satisfying DFID's fiduciary requirements (see Annex 1). We will put in place a system that encourages staff to challenge DFID procedures if they are felt to be inconsistent with the Good Practice Papers.

### ENSURING THAT PROGRAMME STAFF APPLY PROCEDURES PROPORTIONATELY AND WITH APPROPRIATE FLEXIBILITY

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5. It is not enough for correct procedures to be in place. Programme staff need to be able to understand how the procedures should be applied and face incentives encouraging the adoption of good practice. At present DFID's written guidance (particularly "Office Instructions") and internal programme management training are out of

date with insufficient emphasis given to proportionality in the application of procedures.

6. DFID is committed to addressing these weaknesses during 2003. The International Development Secretary has circulated a message to all DFID staff explaining the importance of harmonisation to DFID's work. This will be followed up by Top Management in their visits to programme departments and overseas offices. In addition, we will produce a new up-to-date user-friendly revision of Office Instructions by the end of 2003 and introduce a new programme cycle management course by June. More generally, we will work closely with other donors to identify opportunities to provide joint staff training and will host a meeting of 8 donors in September 2003 to promote this. (See Annex 1.)

### **SUPPORTING HARMONISABLE POLICIES AND PROCEDURES IN MULTILATERAL DEVELOPMENT ORGANISATIONS**

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7. We will continue to work closely with multilateral development organisations to support their progress in simplifying procedures and making them more flexible, including working at country level to deliver practical and successful examples of harmonisation. With the World Bank, Regional Development Banks and the European Commission, we will put high priority on the harmonisation of conditionality and performance frameworks for budget support and on operationalising commitments made in the *Review of the Poverty Reduction Strategy paper (PRSP) Approach*, IMF/World Bank 2002. These commitments aim to bring about closer alignment of donor policies, procedures and practices with national PRS processes and cycles. In Africa, DFID has made specific commitments to joint working with the World Bank Africa Region, including the increased use of pooled resources for technical assistance and exploring the possibility of joint country analytical work. We will work with the UN system to support their own harmonisation efforts through the UNDAF process and reform of the resident co-ordinator system, encouraging consistency with other initiatives. We will also work with other bilateral donors to monitor performance of multilateral development organisations, against their own undertakings to harmonise and work jointly with partner countries.

### **COUNTRY SPECIFIC INITIATIVES**

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8. For harmonisation to make a difference on the ground not only requires changes to the enabling framework within an organisation but also requires initiatives to promote changes to specific country programmes. Each Regional Division within DFID therefore has developed a series of country specific harmonisation targets as part of their Delivery Plans for 2003/04. These are attached as Annex 2. Each Regional Division will also start to provide material to the multi-donor Country Analytic Work website as part of their plans to improve knowledge management within their regions.

9. While harmonisation can and should be applied to all forms of aid there is a particular need and opportunity for donors providing budget support and sector programs to make rapid progress. DFID will play a full part in supporting the work of Strategic Partnership with Africa (SPA) to focus SPA-6 on achieving concrete progress in aligning budget support and sector programmes behind national PRSs in Africa. This will include contributing to monitoring progress against indicators of alignment, aligning/revising DFID programmes and procedures to "lock them into" the PRS framework, to the PRS review/budget cycle and to participate in joint donor/partner Action Learning Missions.

### **DEMONSTRATING PROGRESS**

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10. Donors need to demonstrate the progress they are making in putting into effect emerging good practice. DFID will contribute to this in three ways:

- participate in DAC discussions to refine measurable indicators;
- support individual partner country led exercises to monitor the adoption of good practices by donors; and
- produce a short assessment of performance against the attached DFID Action Plan by the second quarter of 2004.

ii. We also believe that there should be a process of peer review to encourage adoption of good practice and to help share lessons in implementation. We will work with other DAC Members to ensure that harmonisation is given appropriate attention in future DAC Peer Reviews. This

## DFID ACTION PLAN TO PROMOTE HARMONISATION

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might usefully be supplemented by more in-depth peer reviews focusing exclusively on harmonisation, which would be more helpful to individual donors in identifying possible areas of improvement. DFID is willing to be the subject of any such process. We will also play our part in ensuring that preparation for the planned stock-take by the DAC Senior Level Meeting in December 2004 enables it to deliver clear decisions on the DAC's role in future years.

**12.** DFID also welcomes the cooperation between the SPA and DAC to monitor progress against commitments made by the G8 in their response to NEPAD. We will contribute to the work of the SPA and DAC Secretariats to devise indicators and establish appropriate review mechanisms.

**February 2003**

**DFID**

INITIATIVE	PERFORMANCE INDICATORS	SOURCE OF INFORMATION	TIMING
<b>1. High Level Political Message</b>			
1.1 Message from Secretary of State	1.1-1.2 DFID programme staff understand complementarity of harmonisation agenda with DFID's promotion of partner country led poverty reduction strategies	1.1-1.2 Feedback from TMG visits. References to harmonisation in 2004/05 Divisional Plans	1.1 February 2003
1.2 Top Management Group follow up in their meetings with programme staff			1.2 On-going
<b>2. Review of Key DFID Procedures</b>			
2.1 Review guidance on advance payments of financial aid	2.1-2.4 Procedures simple and flexible enough to enable DFID to harmonise around partner country led harmonisation initiatives whilst ensuring appropriate appraisal and risk management	2.1-2.4 Feedback to PED from programme managers and partners on operation of new procedures	2.1-2.4 Revised guidance to be phased over second half of 2003
2.2 Provide guidance on handling funds from other bilateral donors			
2.3 Review policy on exemption from partner government taxes and duties			
2.4 Review requirements for project and programme memoranda			
2.5 Put in place system to enable DFID staff to challenge procedures against DAC Good Practices	2.5 Challenge system in place and DFID staff aware of it	2.5 PED records use. TMG and PED visits assess awareness	2.5 System in place by April 2003

INITIATIVE	PERFORMANCE INDICATORS	SOURCE OF INFORMATION	TIMING
<b>3. Revision of DFID Guidance Material</b>			
3.1 Updating of Core Office Instructions	3.1-3.2 Guidance enables DFID project/programme staff to understand procedures and the importance of applying them proportionately	3.1-3.2 Feedback to TMG and PED. Reduction in queries to PED. Quality of submissions seen by Principal Finance Officer	3.1 Revision complete by December 2003 3.2 Interim guidance June 2003, final December 2003
3.2 Simpler guidance on Memoranda of Understanding			
3.3 Country Assistance Plan guidance	3.3 Guidance fully consistent with both DAC Good Practice Papers and PRSP Review of Good Practice Principles on PRSP Alignment, including encouraging DFID staff to coordinate CAP with other donors	3.3 Revised guidance and feedback to Performance and Effectiveness Department (PED) on its use in reviewing CAPs and developing new ones from programme managers.	3.3 Revised guidance in place by Q4 2003
<b>4. Revision of DFID Training</b>			
4.1 Revision of Introduction to Programme and Project Cycle Management	4.1 Training enables DFID project/programme staff to understand procedures and the importance of applying them proportionately	4.1 Post course questionnaires. Training impact assessments. Reduction in queries to PED. Quality of submissions seen by Principal Finance Officer.	4.1 New course in place by May 2003
4.2 Greater harmonisation of bilateral donor staff training	4.2 DFID hosted multi-donor training conference identifies opportunities for greater shared staff training	4.2 Follow-up to agreements reached at conference	4.2 Conference to take place in September 2003

INITIATIVE	PERFORMANCE INDICATORS	SOURCE OF INFORMATION	TIMING
<p>5. Supporting change in multilateral development organisations</p>			
<p>5.1 Increasingly focus DFID work on strengthening multilateral effectiveness in support of country PRSs, through specific multilateral partnerships and strategies</p>	<p>5.1 Revised Institutional Strategy Paper (ISPs). Actions on PRS alignment included in new generation ISPs</p>	<p>5.1 International Division Director's Delivery Plan</p>	<p>5.1 Revised guidance by Q3 2003. New ISPs on-going thereafter</p>
<p>5.2 Participate in bilateral donor network for assessing in-country performance – Multilateral Organisations Performance Assessment Network (MOPAN)</p>	<p>5.2 MOPAN report that assesses performance of four key multilaterals working in health sector in terms of PRS alignment and donor coordination, and forms basis of constructive dialogue with relevant multilaterals</p>	<p>5.2 Report meets requirements and feedback from relevant multilateral agencies</p>	<p>5.2 Report produced by end 2003</p>
<p>5.3 DFID support to rationalising public financial management (PFM) diagnostic tools and using these to promote harmonised approaches based on country ownership. The development of these frameworks and initial piloting will be taken forward through our support to the PEFA (Public Expenditure and Financial Accountability) programme</p>	<p>5.3 Agreed framework for co-ordinated diagnostic work and a developed system of PFM performance measurement based on the principles in the DAC Good Practice Papers. Application to pilot countries</p>	<p>5.3 Feedback from DFID's Policy Division participation in PEFA and any pilots supplemented by PEFA progress reports</p>	<p>5.3 PEFA progress report produced by April 2004</p>

INITIATIVE	PERFORMANCE INDICATORS	SOURCE OF INFORMATION	TIMING
<p><b>6. Reporting and Monitoring</b></p>	<p>6.1 DFID assessment of performance against Action Plan</p> <p>6.2 DFID ready to be reviewed by its peers as part of any peer review process agreed at the High Level Forum or in subsequent international discussions</p>	<p>6.1-6.2 Regional and International Delivery Plans and feedback to PED</p>	<p>6.1-6.2 DFID report by April 2004</p>

COUNTRY	ACTIVITY	INDICATORS	PARTNERS
<b>Afghanistan</b>	<ol style="list-style-type: none"> <li>1. Support to Afghanistan Reconstruction Trust Fund (ARTF) for recurrent and development budget</li> <li>2. Improvement of donor co-ordination</li> <li>3. Contribution to evaluation of UN humanitarian interventions</li> </ol>	<ol style="list-style-type: none"> <li>1. 50% of DFID bilateral allocation framework disbursed through ARTF</li> <li>2. DFID participates in increasing number of jointly-funded or jointly-appraised initiatives</li> <li>3. Comprehensive Disaster Management programme successfully established</li> </ol>	
<b>Bangladesh</b>	<ol style="list-style-type: none"> <li>1. Contribution to evaluation of UN humanitarian interventions</li> <li>2. Increase in jointly funded initiatives</li> </ol>	<ol style="list-style-type: none"> <li>1. Comprehensive Disaster management Programme successfully established</li> <li>2. Sector framework supported by multi-donor interventions developed for Primary Education</li> </ol>	
<b>Bolivia</b>	<ol style="list-style-type: none"> <li>1. Harmonisation of bilateral technical and financial inputs into PRSP revision and National Dialogue</li> <li>2. Harmonised development, financing and monitoring of Government led programmes</li> </ol>	<ol style="list-style-type: none"> <li>1. Donors take on responsibility for providing assistance for specific areas with DFID supporting participation</li> <li>2.1 DFID continues to provide pooled funding for citizens' rights project</li> <li>2.2 Second phase of decentralisation project developed through joint design leading to pooled funding and joint accountability</li> </ol>	<ol style="list-style-type: none"> <li>1. GoB, World Bank, IMF, 15 bilaterals, UN</li> <li>2. GoB, World Bank, IADB, Bilaterals</li> </ol>

COUNTRY	ACTIVITY	INDICATORS	PARTNERS
Cambodia	1. Support government and donor interaction on PRSP	1.1 PRSP indicators form basis for reporting on performance at CG meetings	1.1 ADB, WB
		1.2 Support for analysis and processes to promote understanding of poverty-environment-growth linkages.	1.2 ADB, DANIDA, FAO, WB
	2. Use of multi-donor aid instruments in local governance sector	2.1 Contribute to multi-donor local governance support programme including use of pooled funding.	2.1 Sida/UNDP/WB/IFAD
3. Development of sector approach in health		3.1 Donors support newly agreed health sector strategy	3.1 ADB/WB/GTZ
		3.2 Joint Government-donor health sector reviews	3.2 ADB/WB (but hoping to expand this to include GTZ, JICA, EC, UN agencies and key NGOs)
China	1. Blending DFID Grant funds with World Bank lending for TB and Education projects	1. Blending approved and operation	1. WB
Ethiopia	1. Develop common monitoring framework based on Poverty Reduction Strategy to be used for co-ordinated budget support operations	1. Common monitoring framework and budget support arrangements agreed	1. IDA, EU, SIDA
	2. Harmonised multi-donor support to strengthen public finance management	2. Action plan agreed and funded	2. IDA, EU
	3. Harmonised food security policy and programmes	3. Policy agreed with government. Joint programmes funded	3. USAID, IDA, EU

COUNTRY	ACTIVITY	INDICATORS	PARTNERS
<b>Ghana</b>	<ol style="list-style-type: none"> <li>Assistance channelling through multi-donor budget support (MDBS), integrated annual policy, planning, implementation and review process based on Ghana Poverty Reduction Strategy (GPRS), streamline and align PRSC with MDBS</li> <li>Health SWAp: continuation of joint annual reviews process and financial reporting under Common Management Arrangements</li> </ol>	<ol style="list-style-type: none"> <li>MDBS mechanism in place</li> <li>Multi-donor Technical Assistance Fund using GoG procurement systems</li> <li>Donors using agreed policy matrix and performance assessment mechanism as basis for disbursement</li> <li>Common financial reporting systems in place for MDBS</li> <li>Joint annual GoG-donor reviews</li> <li>Joint annual GoG-donor reviews</li> </ol>	<ol style="list-style-type: none"> <li>GoG and 10 donors. Individual donors lead in key areas e.g. DFID on translation of GPRS into the MTEF</li> <li>DFID, Danidia, USAID, EU, WB</li> </ol>
<b>Guyana</b>	<ol style="list-style-type: none"> <li>Use high level PRSP Government / donor co-ordination mechanism and sectoral thematic groups to encourage development of donor harmonisation milestones in key sectors</li> </ol>	<ol style="list-style-type: none"> <li>GoG leads in developing donor harmonisation (e.g. co-ordinated technical assistance and common reporting procedures (in support of PRSP principles)</li> </ol>	<ol style="list-style-type: none"> <li>World Bank, IADB, EC, CIDA, USAID, UN</li> </ol>
<b>Honduras</b>	<ol style="list-style-type: none"> <li>Pro-active co-ordination of all major donors (G15) within PRSP framework and increasing strengthening of the GoH capacity for donor co-ordination</li> </ol>	<ol style="list-style-type: none"> <li>DFID's presidency of G15 and DFID provision of secretariat and funds results in strengthening of GoH co-ordination of donor support for PRSP implementation</li> </ol>	<ol style="list-style-type: none"> <li>World Bank, IDB, BCIE, UN, EC, IMF &amp; bilaterals</li> </ol>

COUNTRY	ACTIVITY	INDICATORS	PARTNERS
<b>Jamaica</b>	<ol style="list-style-type: none"> <li>1. Like-minded donor group establishing shared fund to improve the quality and responsiveness to public services</li> <li>2. Development of integrated approach, by international donors and lenders, local private sector, churches and NGOs, to the broader security and justice sector</li> <li>3. Explore joint World Bank Country Assistance Strategy and DFID Country Assistance Plan preparation.</li> </ol>	<ol style="list-style-type: none"> <li>1.1 Shared fund established</li> <li>1.2 Agreed common country assistance strategy with the World Bank</li> <li>2. The GoJ establishes a representative group of Jamaican officials and other key stakeholders, including international development partners, to instigate and effective group tasked with identifying and developing strategic ways to improve security and access to justice</li> <li>3. Agreement reached with World Bank on way forward in time to inform CAP and CAS</li> </ol>	World Bank, IDB, CIDA, UNDP, USAID
<b>Kenya</b>	<ol style="list-style-type: none"> <li>1. Promote donor co-ordination and harmonisation</li> <li>2. Encourage GoK to develop an aid policy, and lead donor co-ordination and harmonisation process</li> <li>3. Work with like-minded donors and GoK to raise proportion of assistance in the form of budget support or otherwise on-budget</li> <li>4. Explore joint World Bank Country Assistance Strategy and DFID Country Assistance Plan preparation</li> </ol>	<ol style="list-style-type: none"> <li>1. Greater use of common funding mechanisms e.g. basket funding</li> <li>2. GoK aid policy in place, GoK convenes regular meetings with development partners and outcome of discussions beginning to drive GoK and donor decisions</li> <li>3. Proportion of assistance in form of budget support</li> <li>4. Agreement reached with World Bank on way forward in time to inform CAP and CAS</li> </ol>	Other donors
<b>Lesotho</b>	<ol style="list-style-type: none"> <li>1. Established pooled budget support for PRSP</li> </ol>	<ol style="list-style-type: none"> <li>1. Agreement for pooled budget support reached</li> </ol>	1. Other donors

COUNTRY	ACTIVITY	INDICATORS	PARTNERS
Malawi	<ol style="list-style-type: none"> <li>Maintaining a common position on budget support and working towards a single joint financing arrangement</li> <li>Pooled donor funds for humanitarian food imports</li> <li>Development of sector wide approaches in health, agriculture and accessible justice</li> </ol>	<ol style="list-style-type: none"> <li>Common Approach to Budget Support (CABS) joint financing agreement reached with common conditionality set out in MOU</li> <li>Joint assessments and/or reviews in place, using single reporting format</li> <li>SWAPs approved and mechanisms in place for procurement, reporting progress etc</li> </ol>	<ol style="list-style-type: none"> <li>NORAD, DFID, SIDA, EC</li> <li>WFP, DFID, others</li> <li>UN group, NORAD, EC, World Bank</li> </ol>
Mozambique	<ol style="list-style-type: none"> <li>Direct Budget Support: Align assessment of performance and budget support response to common Performance Assessment Framework (PAF)</li> <li>Public Financial Management: Pooled TA set up for implementation new public financial management system (SISTAFE)</li> <li>Agriculture: Continue harmonisation. Consideration of 2nd phase of SWAP</li> <li>Health: Several pools developed into one common pool over 3-5 years</li> </ol>	<ol style="list-style-type: none"> <li>Direct Budget Support: DFID assesses performance and budget support response according to common PAF and in coordination with other (G10) donors. DFID increases Direct Budget Support</li> <li>SISTAFE on track, with untied aid</li> <li>DFID participation in second phase of SWAP but moving towards funding via Direct Budget Support</li> <li>Health: Single common pool set up and currently committed DFID funds in separate pools move into common pool. Encourage movement of health funds into Direct Budget Support</li> </ol>	<ol style="list-style-type: none"> <li>Belgium, DANIDA, EC, Finland, France, Ireland Aid, Netherlands, NORAD, SIDA, SDC</li> <li>SIDA, Danida, EC, SDC, IMF, World Bank</li> <li>World Bank, IFAD, USAID, EC, DANIDA, Ireland, Sweden, UK, Italy, Netherlands</li> <li>Ireland, Norway, SDC, EU, Netherlands, Denmark, France</li> </ol>

COUNTRY	ACTIVITY	INDICATORS	PARTNERS
Mozambique continued...	<p>5. Education: Sector fund set up. DFID develops flexible form of delegated cooperation</p> <p>6. Public sector reform: Setting up a Common Donor pool for change related technical assistance</p> <p>7. Continue to develop sector common (as far as possible) procedures across sectors</p>	<p>5. Education: Currently committed DFID assistance joins sector fund but interests represented in sector working group by like-minded donor. Encourage movement of education funds into Direct Budget Support</p> <p>6. Common Donor Pool for public sector reform set up and operational</p> <p>7. Common (as far as possible) procurement and guidelines for sector support programmes developed</p>	<p>5. World Bank, CIDA, Denmark, Finland, Netherlands, Ireland, SIDA</p> <p>6. DANIDA, NORAD, Ireland</p>
Nepal	<p>1. Progress with multi-donor sector programmes</p> <p>2. Develop integrated strategy with the international community to address the root causes of conflict, encompassing reform and development, peace building and security</p> <p>3. Assist in development of Health SWAp</p>	<p>1. Establishing joint monitoring and evaluation of programmes</p> <p>2. Integrated strategy developed</p> <p>3. Mechanism for Health SWAp developed</p>	

COUNTRY	ACTIVITY	INDICATORS	PARTNERS
Nicaragua	<ol style="list-style-type: none"> <li>1. Designing multi-donor budget support mechanism</li> <li>2. Establishing multi-donor fund for the design of SWAp in the health sector</li> <li>3. Continue contributing to multi-donor funded Anti-Corruption Fund (managed by Norwegians)</li> </ol>	<ol style="list-style-type: none"> <li>1. Multi-donor budget support mechanism established</li> <li>2. Multi-donor fund established</li> <li>3. Fund remains in place and operates successfully</li> </ol>	<p>Netherlands, SIDA, Finland, UNDP, IDB, World Bank, ASDI, GTZ, NORAD</p>
Rwanda	<ol style="list-style-type: none"> <li>1. Harmonised budget support conditionalities</li> <li>2. Harmonised support to education</li> <li>3. Harmonised food security policy and programmes</li> <li>4. Develop shared economic analysis</li> </ol>	<ol style="list-style-type: none"> <li>1. Common monitoring framework and budget support arrangements agreed</li> <li>2. DFID lead donor for education</li> <li>3. Implementation of recommendations of Strategic Partnership with Africa mission</li> <li>4. Shared/funded economists in donor agencies</li> </ol>	<ol style="list-style-type: none"> <li>1. EU</li> <li>2. Sida</li> <li>3. IDA, EU, SIDA</li> <li>4. Netherlands (shared economist), EU (funded economist)</li> </ol>
South Africa	<ol style="list-style-type: none"> <li>1. Increased coherence of member state programmes around the EU Multi-Year Indicative Plan</li> </ol>	<ol style="list-style-type: none"> <li>1. Plans to co-finance or parallel finance EU activities in water, health, justice, civil society, local economic development and private sector</li> </ol>	<p>EU</p>

COUNTRY ACTIVITY INDICATORS PARTNERS

Tanzania	<ol style="list-style-type: none"> <li>1. Harmonise around Poverty Reduction Budget Support and Poverty Reduction Support Credit support and operationalising Tanzania Assistance Strategy</li> <li>2. Document Tanzania experience of harmonisation and share with other countries</li> </ol>	<ol style="list-style-type: none"> <li>1.1 Donors adopt GoT led PRS review and reporting process</li> <li>1.2 Align budget support programmes and timetables behind national PRS review and budget cycle</li> <li>1.3 Broaden JSA process to other donors</li> <li>1.4 Joint CAS/CAP preparation</li> <li>2. Tanzania lessons clearly set out and easily accessible</li> </ol>	
Uganda	<ol style="list-style-type: none"> <li>1. Operationalise Uganda's PEAP Volume III</li> <li>2. Encouraging government leadership in donor co-ordination</li> <li>3. Explore joint World Bank Country Assistance Strategy and DFID Country Assistance Plan preparation.</li> <li>4. Align budget support programmes and timetables behind national PRS review and budget cycle</li> <li>5. Further progress in reducing transaction costs in line with PEAP III in Water and Forestry sector</li> </ol>	<ol style="list-style-type: none"> <li>1. Partnership standards for donors developed and begun to be adopted</li> <li>2. Strengthened GoU leadership in donor co-ordination</li> <li>3. Potential identified and progress made</li> <li>4. Joint GoU/donor reviews of PRSC</li> <li>5. Other donors representing DFID's engagement in sector</li> </ol>	

COUNTRY ACTIVITY INDICATORS PARTNERS

COUNTRY	ACTIVITY	INDICATORS	PARTNERS
Vietnam	1. A leading in the bilateral efforts to improve aid effectiveness, including through membership of the Like-Minded Group of Donors (LMDG).	1.1 Support for implementation of the PRSP through the Poverty Task Force.	1.1 LMDG: Denmark, Sweden, Norway, Finland, Canada, The Netherlands, Switzerland, Germany. (Australia: partial involvement).
		1.2 Multi-donor Trust Funds to support Public Financial Management Reform.	1.2 Denmark, Sweden, The Netherlands, Norway, Canada.
		1.3 Development of SWAPs for Rural Transport and Basic Education.	1.3 Rural Transport: World Bank Basic Education: (potentially): EU, Belgium, ADB, JICA, World Bank, Norway, Canada.
		1.4 Provision of budget support through a World Bank Poverty Reduction Support Credit.	1.4 World Bank, Sweden, Denmark, The Netherlands.
	2. Supporting a harmonisation project through the Like-Minded Donor Group.	2. Capacity building for the Government of Vietnam officials in management of ODA, using the Government's own ODA laws (Decree 17)	2. Switzerland, The Netherlands, Sweden, Finland, Canada, Norway.
	3. Supporting EU Harmonisation initiative	3. To be determined once nature of initiative clearer	3. EU Member States

COUNTRY	ACTIVITY	INDICATORS	PARTNERS
Wider Europe and Balkans	<p>1. Supporting effective linkages between the EU agenda and World Bank led work on poverty reduction and social and economic reform developed in PRSP countries and in MICs with national poverty reduction strategies</p>	<p>1.1 A broader consensus on a strategic framework for development assistance to MICs established</p> <p>1.2 The WB led programme in Russia on civil service reform agreed and under implementation</p> <p>1.3 Operationalisation of framework for donor co-ordination in Kyrgyz Republic</p> <p>1.4 Framework developed for donor co-operation in Tajikistan</p>	
Zambia	<p>1. Finalise and implement the Government of the Republic of Zambia (GRZ) / "like-minded" donors action plan for harmonisation (being presented at the High Level Forum in Rome). Subject to final agreement this is likely to include:</p> <p>1.1 Supporting GRZ to establish effective co-ordination mechanisms around PRSP implementation and pro-poor policy dialogue;</p> <p>1.2 Developing a joint donor approach to budgetary support, PEM and PRSP monitoring;</p> <p>1.3 Further streamlining of financial accounting, auditing, procurement, and joint monitoring arrangements in the Health SWAps;</p> <p>1.4 Compliance with the new GRZ/Donor Code of Conduct for the Education Sector;</p>	<p>1. To be set as part of the action plan, however, these might include:</p> <p>1.1 Joint MOUs between donors and GRZ</p> <p>1.2 GRZ leadership in PRSP implementation</p> <p>1.3 Agreed National Framework for Poverty Monitoring</p> <p>1.4 Agreed joint approach to budgetary support</p>	<p><b>Currently</b></p> <p>GRZ "Like-minded" group, Denmark, Finland, Ireland, Netherlands, NORAD, SIDA, DFID</p> <p><b>Future</b> (involved as observers at present): EC, World Bank</p>

COUNTRY	ACTIVITY	INDICATORS	PARTNERS
Zambia continued...	<p>1.5 Quick wins – in terms of changed procedures, reduced transaction costs and simpler programme documentation;</p> <p>1.6 Rationalising the number of consultancies commissioned by different donors for strategic planning purposes, through better co-ordination of our individual planning processes, and better information exchange</p> <p>2. Work with GRZ, the IFIs, EC and other bilateral donors to extend harmonisation in the above areas, beyond the like-minded group of seven</p>	<p>1.5 Donors giving long term commitments</p> <p>1.6 Transaction costs reduced, with GRZ having to spend less time meeting donor commissioned consultants</p> <p>2. IFIS, EC and full bilateral donor support extended to GRZ's poverty monitoring and PEM initiatives</p>	
Zimbabwe	<p>1. Standardise monitoring procedures for humanitarian aid</p> <p>2. Use of joint funding procedures for humanitarian assistance and HIV/AIDS programmes where possible</p>	<p>1.1 Adoption of common guidelines on humanitarian issues e.g. EU guidelines</p> <p>1.2 Standardised monitoring approaches and nutritional inputs</p> <p>1.3 Agreement on role and structure of the Information Verification Unit to monitor all relief activities</p> <p>2.1 Adoption of joint commodity procurement e.g. essential drugs</p> <p>2.2 Continuation of basket-funding of Soul City's regional expansion, including joint monitoring and reporting</p>	<p>1.1 EU member states</p> <p>1.2 DFID, EC, SIDA</p> <p>1.3 DFID, EC, USAID, SIDA, CIDA, NORAD, UNDP</p> <p>2.1 DFID, EC</p> <p>2.2 DFID, Netherlands, Ireland</p>

