



Building Block on Managing Diversity and Reducing Fragmentation¹

Context

The evidence shows that the rapidly increasing number and diversity of bi- and multilateral public and private actors involved in development co-operation broadens the potential for partnerships and creates new opportunities. At the same time, growing proliferation and fragmentation also increase management challenges at the partner country level.

Key objectives

The objective of this Building Block is the development and implementation of innovative, effective, efficient and coherent strategies to:

- embrace the benefits of broader partnerships while reducing fragmentation and proliferation, and enhancing complementarity and coherence of development co-operation at the partner country and international levels;
- strengthen partner countries in their management of the increasing diversity of external support while actively involving all relevant domestic stakeholders (parliaments, CSOs, private sector).

This Building Block will help to broaden the support for the Busan Outcome Document on these issues, showcase relevant initiatives in Busan and focus on ambitious but manageable actions for implementation after Busan.

Commitments²

1) Partner country level

Partner countries are in the lead. Development partners should support them consistently, where their support is requested and needed, with a focus on capacity development for the management of external support.

All supporters of this Building Block commit to:

- strengthen country-led initiatives to reduce fragmentation and manage diversity as part of broader frameworks, partnerships or “country compacts” for effective development cooperation³ (see Annex 1);
- involve all development partners and other stakeholders at the country level, including South-South actors, parliaments, CSOs and the private sector.

Exchange and co-ordination with other Building Blocks will be sought to ensure a coherent approach for post-Busan implementation at the country level.



2) International level

We acknowledge common but differentiated responsibilities towards making the landscape of development co-operation more transparent, coherent and effective (see Annex 2).

All supporters of this Building Block commit to:

- reconfirm paragraph 19c of the Accra Agenda for Action (2008) on “thinking twice” before creating new aid delivery channels;
- actively support evidence-based improvements in global aid allocations, *i.e.* the availability and use of information, joint analysis and the elaboration of joint recommendations on aid allocations at different levels as a basis for policy decisions towards a more coherent and less fragmented multilateral and bilateral system of development co-operation (*e.g.* analyses by the OECD Development Assistance Committee (DAC) on under-aided countries and multilateral aid as well as assessments by the Multilateral Organization Performance Assessment Network - MOPAN).

3) In addition, there are groups of development partners promoting specific initiatives in close consultation with partner countries:

- The European Union strengthens joint programming, building on ongoing processes at the partner country level and country-led division of labour (see Annex 3);
- The United Nations (UN) “Delivering as One” reform process: co-ordination and division of labour across the UN based on partner country leadership, with eight country pilots and others having voluntarily adopted the approach (see Annex 4);
- Global Programs Learning Group⁴ initiatives: managing proliferation, supporting global and country partnerships to reduce overlaps, continuing to innovate with inclusive governance and results (see Annex 5);
- Multilateral development banks and other actors are invited to join with their initiatives.

Supporters

Austria, Bangladesh, Better Aid, Cameroon, Estonia, European Commission⁵, Finland, France, Germany, Global Programs Learning Group, Honduras, Madagascar, Moldova, Netherlands, Peru, Poland, Rwanda, Sweden, Tuvalu, Uganda; the United Nations Development Group⁶ is contributing the “Delivering as One” approach.

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¹ All information presented in this concept note dates from 29 November 2011, further revisions are possible.

² The commitments and initiatives are detailed in five annexes, which can be found as part of this concept note on the HLF4 website under Building Blocks

³ Depending on the country context, strategies to reduce fragmentation could include division of labour, sector-wide and programme-based approaches, joint assistance strategies or joint programming. Closely related aid and development effectiveness issues include transparency, results and accountability.

⁴ Cities Alliance, CGIAR, GAVI, GEF, GFATM, Global Partnership for Education, PEPFAR and Bill and Melinda Gates Foundation.

⁵ The European Union as a whole has supported the establishment of this Building Block.

⁶ UNDP, UNICEF, UNFPA, WFP, OHCHR, UN Women, UNOPS, UNAIDS, UN Habitat, UNODC, WHO, DESA, IFAD, UNCTAD, UNESCO, FAO, UNIDO, ILO, UNDP, Regional Commissions, OHRLS, SRS/CAC, UNEP, UNHCR, OSAA, UNWTO, WMO, ITU.



Annex 1

Issues Paper on Country Compacts for Effective Development Cooperation

Country level implementation of the Paris, Accra and Busan commitments will be the main focus after HLF-4. Some experiences have already been made converting the thematic approach of the Working Party on Aid Effectiveness (WP-EFF) into a more country driven approach.¹ Building on these experiences, the Building Block Managing Diversity and Reducing Fragmentation proposes that “country compacts for effective development cooperation” could be introduced and endorsed in Busan as a way forward to strengthen country level implementation under partner country leadership.

The idea is straightforward. Interested partner countries would each develop their own compact in which they and their development stakeholders would lay down commitments on effective development cooperation.² These commitments would be drawn from the global commitments, while being adapted and prioritized according to the local circumstances. Preferably, only a limited number of concrete, high impact and measurable commitments would be taken up in the compact. The compact would be based on a broad consultation and involvement of the local donor/development partner group, parliament, civil society and private sector actors. The compact would be signed by the government and those development partners that wish to engage in the process. The compact would also include an independent monitoring system to assess the progress in the commitments.

The country compact is supposed to be a generic concept that adapts to different country circumstances. In many instances it will continue or build on existing processes at country level.

The Busan Outcome Document proposes different frameworks or platforms for promoting results, accountability and monitoring progress at country level. With the country compacts, we would like to promote integrated and prioritized approaches to Busan implementation at country level. In the post-Busan governance structure, technical support would be provided for the design, implementation and monitoring of the compacts. Continuous political involvement would be strengthened through a monitoring and mutual accountability process. The results of the monitoring of the compacts would not only strengthen the dialogue at the country level, but also feed into the global post-Busan governance and thus contribute to a better link between global/headquarters processes and the country level.

Advantages of the country compacts approach:

- Leadership of the partner country of their aid and development effectiveness agenda
- Wide ownership through broad based local consultation process and endorsement
- Possibility for differentiated approaches
- Priority setting will be country driven
- Mechanism for transparency, mutual accountability and peer pressure
- Potential for strengthened political attention in and after Busan
- Better linkage between global/HQ and country level process
- Technical work is driven by partner country level needs instead of global/HQ supply
- Continuous (peer) learning.

¹ Examples are the WP-EFF Cluster B Partnership for Use of Country Systems and the focus country approach, which led to five high level aid effectiveness support missions of the previous WP-EFF co-chair K. Richelle in 2010 (Ecuador, Indonesia, Ghana, Mali and Rwanda).

² The focus in the context of this building block is on taking specific aid effectiveness commitments forward at country level. Country compacts or frameworks have also been proposed e.g. under the Building Block on Results and Accountability. Preferably a country compact would address three core issues: (1) results; (2) effective development cooperation; (3) monitoring and (mutual) accountability.



Annex 2

Making the landscape of development cooperation more transparent, coherent and effective – evidence based improvements in global aid allocations

Context

The diversity of mandates and/or expertise of the various development actors - and in particular the multilateral system - offers opportunities for greater choice, mutual learning, innovation and risk diversification. However, diversity also entails the risk of fragmentation which places a heavy burden and significant costs on partner countries. In addition, when bi- and multilateral actors decide in isolation on the allocation of funds, this can lead to unintended effects like the over- or under-funding of development in some partner countries.

One of the greatest challenges of the development effectiveness agenda is to increase effectiveness not only for each individual actor but also for the whole system by streamlining global aid allocation and balancing well the aspects of diversity and fragmentation.

Scope

Designing and implementing lasting solutions for a more coherent and coordinated approach among development partners requires the effective use of existing bi- and multilateral funding channels, making best use of those that are performing well.

Supporters of the Building Block agree to work in the respective international fora to make available and use relevant information, elaborate joint analyses and elaborate recommendations on bilateral and multilateral aid allocations.

The way forward (based on the Busan Outcome Document, 4th draft)

By the end of 2012, we will contribute to the agreement of principles to guide the joint efforts, in particular:

- We acknowledge common but differentiated responsibilities between bi- and multilateral actors towards making the landscape of development co-operation more transparent, coherent and effective. We reconfirm paragraph 19c of the Accra Agenda for Action (2008) on “thinking twice” before creating new global aid channels.
- We will improve the coherence of our policies on multilateral institutions, global funds and programmes and the positions that our representatives take in their governing bodies. For this purpose, we will make maximum use of joint assessments, independent evaluation findings and third-party analyses as basis for policy decisions (using existing work streams, e.g. DAC report on multilateral aid, Multilateral Organization Performance Assessment Network - MOPAN, etc.).
- As they continue to implement their respective commitments on effectiveness, multilateral organisations, global funds and programmes will participate in co-ordination and mutual accountability mechanisms at the country, regional and global levels.
- We will accelerate efforts to address the issue of countries that receive insufficient assistance and improve information and joint analysis on global bi- and multilateral aid allocations. These efforts will encompass discussions about the common but differentiated responsibilities of bi- and multilateral development actors. Relevant DAC analyses should be made available to all stakeholders soon. All actors should contribute to address the issue of insufficient assistance on the basis of such analyses, taking into account all resource flows benefiting development.



Annex 3

European Union Strengthening Joint Multi-Annual Programming

Context

The EU and its Member States (hereinafter referred to as the EU) have adopted a framework for joint programming and repeatedly expressed commitment to move forward on joint programming of their external assistance to partner countries in earlier political agreements within the EU. Joint programming has started (Haiti, South Sudan) and will be proposed to take place in further partner countries to be identified, in line with the EU Operational Framework on Aid Effectiveness of 2009.

Joint multi-annual programming:

- enhances the effectiveness and coherence of EU and Member States' aid,
- increases the impact and delivering better results,
- reduces fragmentation,
- increases transparency, predictability and accountability,
- is open to all relevant development stakeholders.

Scope

Joint programming is a process whereby the EU takes strategic decisions based on a comprehensive view of European and other donors' support to a given partner country. Joint programming respects Member States' sovereign decisions e.g. on choice of partner countries and level of financial allocations in these countries. The core elements of joint programming are:

- joint analysis of and joint response to a partner country's national development strategy identifying priority sectors of intervention,
- in-country division of labour: who is working in which sectors,
- indicative financial allocation per sector and donor.

Joint programming does therefore not encompass bilateral implementation plans. It allows the EU and the Member States to substitute their individual country strategies.

Principles

- Joint programming is led by the partner country wherever possible, is based on a partner country's national development strategy and is aligned to the partner country's strategy and programming cycles.
- Joint programming is kept simple and pragmatic and conducted at partner country level in order to respond to specific needs and the situation on the ground.
- Participation by all Member States who are present in a given partner country strengthens the coherence of the EU's action. All other Member States are invited to contribute for the purpose of reinforcing joint EU external action. Joint programming should build on the comparative advantages of all EU donors.
- The EU will keep joint programming flexible and avoid parallel processes where, for example, donor-wide strategies exist or are being developed. While joint programming is not meant to be an exclusive EU process, the EU will act as a driving force.





**Delivering as One
in Albania, Cape Verde, Mozambique, Pakistan,
Rwanda, Tanzania, Uruguay and Viet Nam**

Partners:
Spain, Norway, United Kingdom, Netherlands,
Canada, Australia, Finland, Ireland, Sweden,
Luxemburg, New Zealand, Switzerland, European
Commission, Austria, France

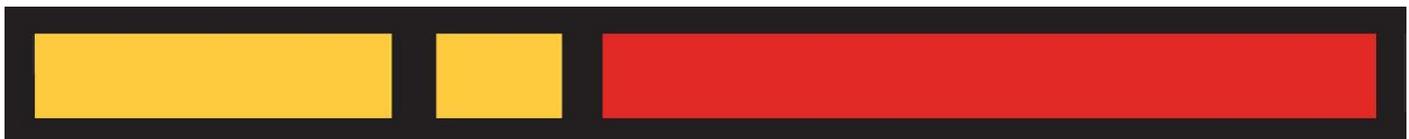


UN country teams deliver integrated support under national leadership and the premise that “no one size fits all”



“To bring about real progress towards the Millennium Development Goals and other internationally agreed development goals, we believe that the United Nations system needs to deliver as one at the country level. To focus on outcomes and improve its effectiveness, the United Nations should accelerate and deepen reforms to establish unified United Nations country teams — with one leader, one programme, one budgetary framework and, where appropriate, one office. To deliver as one, United Nations country teams should also have an integrated capacity to provide a coherent approach to cross-cutting issues, including sustainable development, gender equality and human rights.”

Secretary-General’s High-level Panel on System-wide Coherence, 2006



Objectives

Overcome the fragmentation of the United Nations system so that it can deliver as one, in true partnership with and serving the needs of countries.

Develop approaches to create a more united system for a stronger, more responsive and effective United Nations.

Reconfigure the system to optimally use its assets and expertise in support of country needs and demands.

Reduce transaction costs for national partners and lower administrative costs for the UN system.

Make UN development support more transparent, predictable and accountable.

Innovation

One programme

- ✓ Country owned, responsive to the national development framework, building on joint analysis, strategic, focused and results-based and drawing on all United Nations services and expertise.

One leader and team

- ✓ Resident Coordinator with authority to strategically position and represent the whole UN development system and a clear accountability framework for the Resident Coordinator, UN country team members and national partners.

One budgetary framework and fund

- ✓ Implementation of the One Programme through one integrated, consolidated financial framework, joint resource mobilization, un-earmarked and flexible funding and performance-based resource allocation under national leadership.

One office

- ✓ Harmonized business processes, common and integrated support services, common premises (where appropriate) and a common security infrastructure.

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Results

Delivering as One has shown ways and means for enhancing UN coherence and coordination at global, regional and national levels. It has made a significant contribution to development effectiveness and strengthened the cohesiveness, relevance and responsiveness of UN development work. Delivering as One has contributed to more effective partnerships between the UN and governments through inclusion of cross-cutting issues and reduction of duplication. Governments of Delivering as One countries have stated that **“there is no going back to doing business in the manner prior to the Delivering as One initiative.”**

Applicability

Since 2007, 21 governments and UN country teams have jointly decided to voluntarily follow the Delivering as One approach: **Benin, Botswana, Bhutan, Comoros, Ethiopia, Indonesia, Kenya, Kiribati, Kyrgyzstan, Laos, Lesotho, Liberia, Malawi, Maldives, Mali, Montenegro, Namibia, Papua New Guinea, Sierra Leone, Uganda, Zambia.**

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Annex 5

The Global Programs Learning Group - Commitment to Action (October 2011)

Although Global Programs have made a positive contribution to development assistance over the past ten years, there is also a recognition that they need to further adapt and contribute to more effective collective action. To this end, Global Programs commit to continued strengthening of efforts to improving aid effectiveness as well as to work collaboratively with other relevant stakeholders, on the following complementary actions:

- 1. Manage Proliferation** – develop a set of guidelines to reduce the proliferation by donors of global programs, to assess formally the comparative advantage and performance of different channels when new funding is initiated.
- 2. Support Global and Country Partnerships to reduce duplication** - take steps to rationalize and reduce overlap among aid providers, and support global platforms which define the comparative advantage of global programs alongside other channels. Commit to engage in country mutual accountability frameworks to implement cohesive country partnerships.
- 3. Innovate with Results and inclusive Governance:** continue to lead implementation of results and performance-based funding, with an increased focus on medium term outcomes and impact. Further implement innovative governance mechanisms to integrate private sector, civil society, parliamentarians and governments into country development partnerships.

