Working Party on Aid Effectiveness and Donor Practices

DAC PEER REVIEWS CONTRIBUTION TO MONITORING THE PARIS DECLARATION

Seventh Meeting to be held on 19-20 October 2005

This document was prepared by the Peer Review Division as a contribution to the discussion of the WP-EFF work programme taking place on 19-20 October 2005.

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DAC PEER REVIEWS CONTRIBUTION TO MONITORING THE PARIS DECLARATION

Introduction

1. This paper aims at clarifying the contribution of the DAC Peer Review mechanism in the monitoring of the Paris commitments, based on the Peer Reviews’ specificity and the experience gained in assessing the implementation of the Rome commitments since 2004.

2. Peer Reviews can be part of the monitoring process of the Paris declaration as a complementary mechanism taking place at the DAC member country level. While contributing to the assessment of DAC member countries’ performance with regard to the implementation of the Paris commitments, they can maintain the peer pressure which will be needed to support the reforms deriving from these commitments - as mentioned in paragraph 8 of the Paris Declaration.

3. Peer Reviews’ specificity lies in the holistic perspective they provide on the development cooperation policies and programmes of DAC member countries. They cover the following dimensions: 1) General strategic framework; 2) Aid volume, channels and distribution; 3) Sector priorities; 4) Policy coherence for development; 5) Organisation and management systems; and 6) Country operations. Their comparative advantage in reviewing progress in implementing the aid effectiveness agenda lies, on the one hand, on their qualitative approach, which may usefully complement and further explain the data measured through the agreed twelve indicators of the Paris declaration. On the other hand, they are an opportunity to reinforce the dissemination of the aid effectiveness principles, within DAC member countries as well as in a small sample of developing countries through the field missions. Typically, five member countries and 7-8 field missions to partner countries are annually examined.

4. The proposal outlined below focuses on individual Peer Reviews and the Synopsis report on progress toward aid effectiveness. Parameters for such work should be agreed by DAC members and included in the Peer Review “content guide” under construction.

1. Reviewing processes through individual Peer Reviews

Objective and scope

5. Consistent with the language of the Paris declaration, the OECD/DAC Peer Reviews could provide qualitative information relating to the following set of main issues.

- **Ownership**: Extent to which DAC member countries promote efforts made by partner countries toward ownership, through the implementation of their own commitments as well as through the existence, content (including time-bound) and implementation of Plans of action on aid effectiveness. Incentives for staff to increase efforts on aid effectiveness and meet the targets. Specific training on this issue.

- **Alignment**: Status of donor country strategies with regard to locally owned strategies. Use of partner countries’ own systems and procedures. Promotion of programme or sector-based approaches and budget support. Approaches to capacity building and to technical cooperation (joint programmes, support to capacity development). Implementation of the DAC recommendation on aid untying.
• **Harmonisation**: Efforts made in reducing and co-ordinating missions. Common arrangements at country level for planning, funding, disbursing, monitoring, evaluating and reporting. Involvement in coordination mechanisms. Delegating authority to lead donors and promoting complementarity and synergies between bilateral activities and those of other bilateral and multilateral agencies. Efforts made to strengthen and adapt the DAC Principles for Good International Engagement in Fragile States.

• **Managing for results**: Alignment wherever possible with partner country performance assessment and monitoring frameworks and results-oriented reporting. Harmonisation of monitoring and reporting requirements.

• **Mutual accountability**: Financial management to provide timely, transparent and comprehensive information on aid flows and disburse them as scheduled.

**Process**

6. While preparing for the Review, headquarters of reviewed countries would be asked to include in their memorandum a section on aid effectiveness. The list of issues generated by the Secretariat for each visit (field or headquarters) would include questions referring to the process and means developed to implement the Paris Declaration commitments, in line with the above issues. In addition, Peer Reviews would make use of existing documentation as well as the Declaration’s monitoring data, as available, at the partner country level or at the international level.

7. The information collected would be analyzed and presented in specific paragraphs within Chapter 6 of the Peer Review Report, as specified in the forthcoming content guide.

**2. Synthesis report on progress toward aid effectiveness**

8. Synthesis reports can present aggregated data and analysis on the implementation of the Paris Declaration. A first report could be prepared for the 2008 third High Level Forum on Aid Effectiveness. It would draw on findings and lessons learnt from the 15 Peer Reviews which will have been conducted since the Paris Declaration was adopted. Based on the outcome of the first report, subsequent reports could be generated over timeframes that best inform the overall aid effectiveness tracking process.

9. While focusing on DAC members, these reports may benefit from qualitative information gathered during the field missions on the overall relationship between partner countries and all donors regarding the aid effectiveness agenda. Building a simple knowledge framework to capitalize such information may also be considered.

**PEER REVIEW TIMETABLE 2006-08**

<table>
<thead>
<tr>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>PORTUGAL (April)</td>
<td>SPAIN</td>
<td>IRELAND</td>
</tr>
<tr>
<td>UNITED KINGDOM (May)</td>
<td>CANADA</td>
<td>LUXEMBOURG</td>
</tr>
<tr>
<td>NETHERLANDS (September)</td>
<td>EUROPEAN COMMUNITY</td>
<td>FRANCE</td>
</tr>
<tr>
<td>GREECE (November)</td>
<td>DENMARK</td>
<td>NORWAY</td>
</tr>
<tr>
<td>UNITED STATES (December)</td>
<td>FINLAND</td>
<td>JAPAN</td>
</tr>
</tbody>
</table>