Rationale for donor harmonisation

The delivery of development aid has been characterised by a high diversity of methods and procedures. The management of multiple donor rules and procedures has resulted in an overload on beneficiary countries – especially the poorest and the most aid dependent. Implementing parallel, uncoordinated programmes has lead to inefficiency in aid delivery, duplication of work and high transaction costs. Partner countries have difficulties in co-ordinating and controlling aid, which in turn limits ownership. Furthermore, external assistance does not always match national development priorities and budget cycles.

Donor harmonisation is a response to this situation. The leading principles consist in **simplifying the delivery of external support for partner countries and reinforcing country ownership and leadership**. Donors should adjust, simplify and streamline their operational policies, procedures and practices around country-led approaches. This will put the beneficiary countries in the lead and reinforce their role in managing external support. Donor harmonisation is a means to increase the efficiency and effectiveness of external support by reducing the transaction costs on the partner country’s side.

International initiatives

Progress on donor harmonisation is being made in several related initiatives. The **Development Assistance Committee (DAC) of the OECD**, in which the European Commission and the EU Member States are active participants, has prepared a series of papers on good donor practice, which were approved at a high level meeting in Rome in February 2003. At this meeting a Declaration on Harmonisation was adopted which specifies a series of commitments to harmonisation.\(^1\) To facilitate, support and monitor progress on harmonisation, DAC set up a Working Party on Aid Effectiveness and Donor Practices (WP-EFF) in May 2003, which is identifying a limited set of indicators on donor harmonisation (annex 1). At the country level, the **World Bank** is discussing concrete steps on donor harmonisation with eleven countries associated with the Rome Declaration on Harmonization.\(^2\) A related work was launched in January 2003 by the **Strategic Partnership with Africa (SPA)**, focusing on budget support alignment with national processes. The objective is to align and harmonise donor assistance with

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\(^1\) Rome Declaration on Harmonization, 25 February 2003

\(^2\) Bangladesh, Ethiopia, Niger, Philippines, Tanzania, Vietnam, Zambia, Bolivia, Kenya, Kyrgyz Republic and Senegal. Exploratory discussions are also being initiated with Brazil, Colombia, Egypt, India, Morocco, Serbia, Sri Lanka and Tajikistan.
national poverty reduction strategies and the national budget cycle in 23 countries. Among the agencies in the United Nations family there is an ongoing initiative to develop simplified and more flexible procedures by which the UN can better respond to specific country situations and needs. As a first stage, the new procedures are being implemented in five countries.

The European Union has made strong commitments to donor harmonisation. In the European Council meeting in Barcelona before the Monterrey conference in 2002, the EU Member States agreed to “take concrete steps on co-ordination of policies and harmonisation of procedures before 2004, both at EC and Member States level”. The follow up four-country pilot initiative focusing on donor harmonisation in education and health confirmed the demand for more co-ordination and harmonisation from field level actors.

Donor harmonisation in education for development co-operation

From the perspective of donor harmonisation, education for development co-operation is a sector with a comparative advantage of allowing faster progress in harmonisation as some of the building blocks are already in place both at country and international level. At country level, Sector-Wide approaches in education is being set up or reaching maturity in many countries and in yet other countries progress on common financing mechanisms or monitoring systems are being made. At the international level, a strong partnership and consensus on the main priorities of education strategies and reforms is achieved in the Education For All process and the education Fast Track Initiative (FTI) indicative framework. Twelve countries have so far modified their national education plans in accordance to the indicative framework in order to accelerate progress towards universal primary education and several other countries are expected to follow. In the EFA-FTI the donor community is not only committed to fund the resulting financing gap these countries but also to ensure a harmonisation of donor practices under government leadership.

The European Union, actively promoting EFA and FTI as the major donor group, has a responsibility and an added value in terms of taking concrete steps to further promote this process of donor harmonisation in education. In the Council Resolution on “Education and Poverty” of 30 May 2002, the European Community and the Member States are committed to donor harmonisation as the resolution emphasises the

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3 Benin, Burkina Faso, Cameroon, Chad, Ethiopia, Gambia, Ghana, Guinea, Ivory Coast, Kenya, Lesotho, Madagascar, Malawi, Mali, Mauritania, Mozambique, Niger, Rwanda, Senegal, Sierra Leone, Tanzania, Uganda and Zambia.
4 Benin, Ecuador, Kenya, Niger and Pakistan.
6 Morocco, Mozambique, Nicaragua and Vietnam.
7 Bangladesh, Botswana, Burkina Faso, Cambodia, Dominican Republic, Ethiopia, Mozambique, Namibia, Nepal, Nicaragua, Niger, Rwanda St Vincent, Tanzania, Uganda, Vietnam, Yemen, Zambia.
8 This is for instance the case in Bolivia, Mauritania, Gambia and Guyana.
10 8958/02 (Presse 147)
importance of promoting EC donor harmonisation around national sector programmes in education, to seek greater synergy of policies and strategies and to increase harmonisation of procedures and complementarity of donor assistance. The Council resolution provides a common policy framework for education in development co-operation, the four-country pilot initiative launches actions at country level and the Barcelona commitments affirm agreed targets in time.

**Indicators to measure progress in harmonisation of education sector support**

In this context, the European Union has taken the initiative to launch a concrete tool to promote and monitor progress at country level on donor harmonisation in education. It is a methodology based on indicators for donor harmonisation focused on the education sector. A total of 10 indicators are proposed for analysing at country level how advanced donors are in the different dimensions of harmonising their policies and procedures in education, identifying areas where further support is needed and for measuring progress in time. This methodology is flexible and provides multiple entry points to the harmonisation process, ranging from policy analysis and alignment with government policy to transfer mechanisms, aid conditionalities, monitoring and reporting. Management mechanisms at country level which increase the potential for donor harmonisation should be promoted (i.e. transfer mechanisms relying on the country’s own budget) and donors should be encouraged to make active use of the potential for donor harmonisation. It is a clear move towards a concrete approach to harmonisation at country level. The methodology can benefit countries at different levels of harmonisation. Each country progress depends on its specific circumstances and should be measured individually.

This initiative is situated in the framework of the follow up of the Rome Declaration and is complementary to the ongoing work of DAC, the World Bank or the SPA:

a) **Country choice**: The work of DAC, the Rome follow up and the SPA harmonisation initiative focus principally on macroeconomic harmonisation: public expenditure, procurement, auditing, alignment between PRSP and budget cycle, etc. These are areas which are highly relevant also for education harmonisation. In countries where there is progress on macroeconomic harmonisation, then the potential for progress on harmonisation in education increases. However, this sector progress is not automatic but demand specific efforts on donor harmonisation also in education. The choice of focal countries for harmonisation in education should therefore give priority to countries which are making progress on macroeconomic harmonisation (cf. annex 2).

b) **Sector specification of indicators**: Part of the components of the macroeconomic process, i.e. alignment with national policy, annual reviews, monitoring of poverty reduction, etc. can also be found in the education sector but with a different application. Some of the indicators chosen to monitor donor harmonisation in education are in this sense complementary to the indicators chosen in the DAC working group (cf. annex 1). For instance, the macrolevel DAC indicator “Number of countries where donor’s country assistance

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11 These indicators cannot be applied across the board, for example in countries where the government is opposing donor harmonisation.
strategies are fully consistent with PRSPs or equivalent national framework” can be specified in the education sector to “Share of donors in education which align their support in education to the national education strategy plan”.

c) *Education leverage effect:* The education sector is one of the most advanced in donor harmonisation. It is thus possible to be more ambitious in donor harmonisation in this sector, which then could have spin offs and a positive stimulus for harmonisation also in other sectors.

The proposed indicators have been chosen and designed to support an increased **country ownership and leadership of the external support to education**. The indicators measure donor behaviour towards education harmonisation in key sector areas for country ownership. Each indicator points at a specific feature of donor activity in the education sector, all of which need increased country leadership. The building blocks aim at country led donor coordination, integration of sector analysis and priorities under the national education strategy, capacity building driven by government managers, transfer mechanisms moving towards budget support under government financial management, monitoring using indicators identified in national education strategy, joint assessment of performance led by partner country and transparent aid disbursement linked to the in-country annual education review.

10 Indicators on harmonisation in education

1. **Active donor group in the field of education**

   Indicator: *Share of donors supporting education that participate in meetings of an education donor group on a regular basis.*

   The existence of a sector donor group is a prerequisite for progress on genuine cooperation and harmonisation amongst donors active in any given field. In essence, the fulfilment of all the other harmonisation indicators contained in the present paper are dependent upon the existence of some structured forum in which donors and other partners can meet and discuss their activities.

   Such a group can exist in many configurations and have different characteristics, some of which are listed below:

   - **Composition of the group:** While the group should encompass donors and development partners working in education, it should also include the government (responsible for co-ordination of external partners), and non-state actors, particularly NGOs and representatives of relevant segments of civil society. It is also essential to include donors participating in the macroeconomic dialogue in the country.

   - **Frequency of meetings:** To ensure efficiency and continuity in the work, the group should meet on a regular basis and with a minimum level of frequency. This will vary in different country circumstances. As a minimum, the group should consider regular quarter meetings.
− Planning and management: Some form of planning and management of the forum will be needed to make sure that the group functions effectively. In some cases the group is chaired by the lead donor (“chef de file”) or by a smaller planning sub-committee, in some other instances management is done on a rotating basis, from meeting to meeting, or yearly. The objective should be that it is the Ministry of Education that chair these meetings, backed up by the lead donor in education.

Once such a structure is established, co-operation and harmonisation amongst donors can start to scale up. It is essential that all participants in the group has a real mandate to be able to take part in the decision making. The basic level of co-ordinated actions, which do not require any modification of procedures or practices are: open discussion and exchange of information; avoiding duplication of another agency’s programs; and eventually ensuring that one’s actions complement or are coherent with those of other donors.

Examples of best practice could be drawn from existing donor-sector groups and used to support the creation of new groups or to enhance the operation of existing ones.

2. Joint policy analysis of the education sector

Indicator: Share of donors participating in a joint analysis of the education sector

For donor harmonisation to be effective and successful, it needs to be implemented throughout the “policy development – implementation” cycle, starting with analytic work. Country analytic work (CAW), which can be undertaken at many different levels – macro, sector, crosscutting, sub-sector or sub-national - forms the basis of and provides the required evidence base for policy dialogue and policy design. It provides the context, strategies and priorities within which specific donor interventions in education may be identified. At the same time it also needs to support the government’s policy development.

Good co-ordination between donors and the government on planned analytic work will enhance aid effectiveness. A partner government should be fully involved in donor supported analytic work and preparation of donor operations in order to promote country ownership and build the government’s capacity: raise quality, coverage, consistency, transparency and relevance of analytic work to policy development and reform. The aim should be to carry out CAW and project/programme preparation in the context of a government-led strategy. Analytic work should rely on and strengthen the in-country sector dialogue and PRS process fully involving all actors in the sector (including civil society).

The amount of analytic work in countries has risen, and in many cases due to the limited capacity of partner countries, the shortage of experienced and qualified staff in the national institutions, much of it has been commissioned by donors or carried out by external consultants. Inadequate co-ordination and failure to share the results with other donors and the partner governments has led to duplication of work and put unnecessary strain on the government’s resources. The proliferation of preparatory work on specific donor operations - missions, concept notes, financing proposals, consultation meetings, etc.- adds to the administrative burden on the government. And finally, external
consultants, while technically competent may not have the detailed understanding of the in-country details needed to adequately fit their policy recommendation to the country-specific circumstances.

The Council Resolution, which calls on the Community and Member States to strongly support developing countries to develop and implement national education strategies, emphasises the necessity for these countries to learn from international experience and bring their education strategies in line with best practice. Full benefit should be made of international analytical work, done for example in the context of the Education Fast Track Initiative. The FTI Framework has identified basic parameters that could help countries improve their performance and thus achieve faster progress towards the MDGs and the Education for All (EFA) goals. The FTI provides a structure and a platform for developing a fully-fledged primary education component of an education sector plan in co-operation between the partner government and the donors. Other analytical frameworks are also being developed. The degree of joint policy analysis can also be measured by the number of donors which have signed a common Memorandum of Understanding related to their support to education.

3. Alignment with government education sector plan

Indicator: Share of donors aligning their interventions in education to the government education strategy

It has become widely recognised that externally imposed policy priorities do not result in sustained improvement. In spite of this, donors are slow to realign their own targets, priorities and interventions with the government education strategy.

Donors should support good country-owned and country-led strategies by ensuring that their assistance operations are consistent with and maximally integrated in the partner government’s education sector strategy. Donor programming should be based on the needs and priorities identified in the country’s own strategy. Furthermore, the country’s PRS (Poverty Reduction Strategy) and the education sector strategy should be mutually consistent to maximise policy coherence at national level.

Increasing focus on supporting sector programmes or using general/sectoral budget support should make it progressively easier to align donor assistance with the government’s priorities provided that the national strategies and their translation into budget plans are comprehensive and coherent. The resources provided can be used across the full spectrum of activities identified in the national education sector program. In addition to sector-specific and general budget support from external partners, external support in the form of projects can and should address elements in the national program and reinforce its implementation. Projects can have a high value in supporting targeted poverty-focused interventions, capacity building and technical assistance as well as the development of innovative concepts in education when they are aligned with the government’s strategy.
4-5. Pooling of expertise

Indicator 4: Share of donors supporting a pool of technical assistance for capacity building in partner country

Indicator 5: Share of donors participating in joint appraisal/auditing/evaluation studies

Technical assistance (TA) in broad terms can be used for two functions: first, to support capacity building in the partner country, and second, to evaluate and audit country performance (mostly financial management) independently of the partner country. Technical assistance for capacity building can be further harmonised. At the same time, capacity building in the partner country will in itself promote increased country owned harmonisation of external aid.

Focusing on the first function, the EU Code of conduct for education sector funding by agencies strongly advocates a common approach to TA outlining the following principles: TA should be driven by government priorities and absorption capacity; technical assistants should report primarily to government managers; skills transfer and institutional capacity building should be ensured; where appropriate, TA should be joint and shared by donor agencies; preferential treatment should be given to national or regional consultants; finally, where expatriate/international TA is necessary, it should contribute to developing national expertise. This approach has also been endorsed by several NGOs as well as ADEA. The emphasis is on ensuring country ownership and sustainability.

In some cases these principles are not yet respected, partly because of pressure on donor representatives in the field to produce reports by given deadlines, but also because they diverge from regular practice or trust relations. Progress towards real ownership of the TA support by the beneficiaries remains a difficult challenge for all.

6. Transfer mechanisms for development assistance

Indicator 6a: Advancement on a spectrum of transfer mechanisms running from traditional projects to budget support

Interpretation: As more on-budget transfer mechanisms become more commonplace, the potential for donor harmonisation is increased.

Indicator 6b: Share of donors directly supporting the most harmonised transfer mechanism

Interpretation: An increasing figure indicates the degree to which the potential for harmonisation is being taken up by donors

Currently, donors use a wide range of transfer mechanisms to channel their external assistance to the education sectors of beneficiary countries. The spectrum of such

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transfer mechanisms runs all the way from traditional project funding, through silent partnerships, pooled funding, sector budget support, to budget support. And while most donors historically focussed on project support, in the context of donor harmonisation they are now moving towards budget support. The more recently available mechanisms in this spectrum present an increasing potential for donor harmonisation and trust in government programmes and procedures. For instance, compared to traditional co-financed projects, a pool funding arrangement reduces the transaction costs of parallel systems and enhances national ownership. Where donors deliver their assistance exclusively through projects, the potential for donor harmonisation is constrained. On the other hand, if one or more donors provide their external assistance to education through general or sector-specific budget support, then other donors have the possibility to use the same channel. This indicator measures the potential for increased donor harmonisation through a proxy – the movement along the spectrum of different transfer mechanisms used by donors and gives the value of the most harmonised transfer mechanism reached to date. If in a specific country, four donors are transferring their funds through individual free-standing projects, three have moved towards a pooled fund and no donor transfers funds directly to the national budget, then the value of the indicator is that assigned to the pooled fund. (This indicator measures the position on the spectrum but not the number of donors occupying that position).

The second part of this indicator measures the actual use of this potential for harmonisation. That is, how many donors have picked up the possibility of using more harmonised transfer mechanisms. Since the value of the first indicator only needs the presence of one single donor, it is necessary to monitor the increase in the number of donors that move to using a more harmonised transfer mechanism.

Promoting the move towards harmonised transfer mechanisms, such as pooled funding or on-budget support, implies tackling the problem of weak ownership. There is no automatic link between a harmonised transfer mechanism and increased country ownership. Even in budget support, there are problems related to ownership, which need to be tackled in view of promoting the move towards increased potential for donor harmonisation. Where country ownership is poor, often because of lack of capacity, donors will tend not to trust government and instead set up their own parallel aid implementation systems, thus further reducing ownership. Alternatively, ownership can be concentrated, for instance in the hands of central government with little or no involvement of local government and civil society organisation (communities, NGOs, etc.). At central government level, ownership can also be concentrated in the hands of the Ministry of Finance with sector ministries having little or no say at all.

7. Common education indicators to monitor key performance in education

Indicator: Share of donors that join up with government and donors on agreed common education indicators

At international level, core sets of indicators have been identified for measuring progress towards jointly agreed goals in education. There are the six EFA goals and the three Millennium Development Goals (MDGs) relevant for education. There are also specific indicators for the EFA Fast-track Initiative.
At country level, each PRSP lists a set of education indicators, and in national education strategies, the Ministries of Education elaborate a large number of indicators (up to 100 in certain countries) in order to monitor all aspects of progress in the field of education and training. It is important that the internationally identified indicators are incorporated in the national sets of indicators.

A big step forward in harmonisation can occur when donors agree on a common core set of indicators to monitor progress in the sector (mainly outcome indicators, but also input and process). The core set of indicators should be drawn from the partner country’s education sector plan - donors should not elaborate separate indicators. Such an approach will further lower transaction costs and facilitate policy dialogue at country level. These core indicators can be used during joint annual assessments (see indicator #10) to measure progress against targets set by the partner government and can thus provide donors with the information needed to release their assistance funds.

In several countries with a strong donor co-ordination around a sector programme (e.g. Uganda, Ethiopia, etc.), donors have agreed with the Ministry of Education, and amongst themselves, to focus on a core set of education indicators (around 10-12 indicators). Nevertheless, a recently finalised study on common education indicators (see Annex 1) clearly shows that not all EU donors in the field are using common education indicators, even in countries in the process of establishing a SWAp. Some donors still continue to use their own indicators in monitoring progress in education. And even in those countries where a common set of core indicators had been agreed upon, doubts about data reliability have led some donors to generate their own data, independent of the national education management information system that other donors rely upon.

The lack of capacity in partner countries to generate accurate, reliable and timely data for indicators is a major obstacle to donors’ willingness to join a common monitoring system. If the quality or timeliness of national data is not satisfactory, donors tend to develop their own monitoring systems. In such situations, some donors only use national indicators or data as general background material. However, in many countries, donors are assisting the partner government to develop a reliable information system. A quality assurance process for data collection and management should be set up in the partner countries.

8. Joint assessment of performance progress led by partner country

Indicator: Share of donors participating in the Annual Joint Education Review led by the partner country government

The analysis and interpretation of progress on the agreed outcomes should be made in the framework of the annual review of the education sector, which should in turn feed into the PRSP review. The context (e.g. number of AIDS orphans, teachers affected by HIV/AIDS, private sector delivery, general poverty indicators, etc.) should be taken into account in this analysis. The review process should be open to all actors in the sector including civil society, NGOs, etc. A joint review guarantees the coherence of interpretations by donors of results achieved in the sector.
The study on EU donor harmonisation on education indicators shows that in some countries, even though many donors operate under the framework provided by an PRSP and an education strategic plan, little has been done to co-ordinate and harmonise the assessment and review process across donors. In many countries, including countries moving towards a SWAp, there is no common assessment of education among donors.

9. Common reporting procedures

Indicator: Share of donors using a common procedure for reporting back to their home countries or multilateral agencies

In the EU code of conduct for education sector funding agencies, EU Member States have agreed to work towards harmonised reporting procedures, using the financial, procurement, monitoring and reporting procedures of the Ministry of Education. This code of conduct also highlights the importance of working towards common fiduciary standards, standardised accounting and auditing procedures and standardised monitoring and evaluation processes, and joint program evaluations.

The study on EU donor harmonisation on education indicators shows that there is no guarantee of the use of one common reporting procedure, even where there is a well functioning annual sector review. Donors willing to use the new common monitoring system around the sector review do in some cases still carry out their own separate parallel procedures for reporting back to their home country or multilateral agency.

If the long term objective is a common preparation and signature of the reports, it is possible to move step by step towards this objective. The first step could be to achieve that different donors structure their reports around common elements or in a similar structure. This could be further developed with common reporting dead lines, time frames and deposit procedures.

10. Performance-based aid disbursement

Indicator: Share of donors linking their aid disbursements directly to the progress against agreed targets through assessment of key education indicators during the Annual Joint education review

Interpretation: An increasing figure expresses an increase in donor flexibility, i.e. a greater potential to adapt and adjust to other partners and thereby to increased donor harmonisation

Under traditional projects, the flexibility to vary the size of resource transfers in function of progress towards agreed targets is limited and rarely available. Disbursements vary in response to the size of the inputs (goods and services) rather than in response to progress on outcomes. Attempts to introduce such flexibility in projects through conditionalities have often led to delays and difficulties with contracts. In contrast, flexibility to adjust to other partners’ procedures is built-in to performance-based disbursement model which allows quick response to changes in sector
performance and adjustments of disbursements without having to go through complex procedures to modify contracts. It also gives the partner country incentive to develop and implement effective policies as maximum support is given against full achievement of targets. Save-guards need to be taken to avoid entering in the paradox of a country with a strong political commitment not being able to improve education outcomes due to a decreased external funding.

Partner countries should make use of the data from performance assessment in designing and revising their policies, action plans and financial planning. The study on EU donor harmonisation on education indicators showed a widespread uncertainty in partner countries about why indicators are needed and how they can/should be used (including links to the planning process). In fact, many times monitoring of indicators is in practice a separate function with no links to education planning or expenditure decisions. There is clearly a need for capacity building to reinforce the use of indicators by the partner countries.

**Testing this tool for donor harmonisation in education at country level**

This methodology using 10 indicators on donor harmonisation in education will be tested in 2004.\(^{13}\) This will enable in-country donors to evaluate the value and usefulness of the approach and to further refine the present concept document.

This initiative is open to all donors in education that wish to join the indicators approach.

The implementation will be co-ordinated by the lead donor (“chef de file”) in education in the country, in close co-operation with the Ministry of education.

There will be continuous information exchange between the lead donor at country level and his/her education counterpart at head quarter level, in order to feed into the discussion also at International level, including the EU Member States education expert meeting in autumn 2004. In the end of the testing phase, for each country chosen, the lead donor will report on the following items:

1. Progress made on the individual indicators during the testing period
2. Possible improvements needed in the methodology

As part of this testing phase, it would be useful to carry out joint missions from HQs to the countries where this approach on donor harmonisation is being tested. This would broaden the testing of this indicators methodology and increase the common understanding of best practices in furthering donor harmonisation.

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\(^{13}\) The selection of countries will be based upon existence of an approved EFA Fast Track Initiative plan, a sector programme in education, an ongoing and potential process of donor harmonisation and an agreement by the lead donor to implement this testing. Consideration has also been taken to other ongoing harmonisation initiatives at country level in order to ensure complementarity and synergy.
### Annex 1: DAC Indicators for donor harmonisation

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<th><strong>Objective 1</strong></th>
<th>Partner countries co-ordinate development assistance</th>
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<td><strong>Indicator 1</strong></td>
<td>Number of countries with agreed country-based action plan on harmonisation (Criteria 1.a)</td>
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<td>Number of partner countries that have adopted agreed international standards in the area of public financial management (Criteria 2)</td>
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**Objective 2**

| **Indicator 4** | Number of countries where donors’ country assistance strategies are fully consistent with PRSs or equivalent national framework (Criteria 4) |
| **Indicator 5** | Number of countries where donors rely on partner country’s Supreme Audit Institution (Criteria 5.a) |
| **Indicator 6** | Number of budget support countries where assistance is aligned with budget cycle and poverty reduction review cycle (Criteria 5.b) |

**Objective 3**

| **Indicator 7** | Number of countries where donors rely on a common conditionality framework (Criteria 6.a) |
| **Indicator 8** | Number of SWAps where funding, reporting and monitoring is guided by a single agreed framework (Criteria 6.b) |
| **Indicator 10** | Number of donor missions per partner country, of which joint donor missions (Criteria 7.a) |
| **Indicator 12** | Number of donors posting full information on aid flows and missions (Criteria 8) |

**Objective 4**

| **Indicator 14** | Number of donors that have ascertained that their procedures are fully consistent with the DAC Good Practice Papers on effective aid delivery (Criteria 9.a) |

**Streamline aid delivery**

| **Indicator 9** | Number of agreements on delegated co-operation (Criteria 6.b) |
| **Indicator 11** | Number of financial reports per partner country (Criteria 7.b) |
| **Indicator 13** | Number of donors that regularly post country analytic work on Website (Criteria 8) |
## Tracking Progress on Commitments made at Rome High-Level Forum on Harmonisation

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<th>1. Ownership</th>
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<td>Partner countries assume leadership role in the coordination of development assistance (§3)</td>
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<td><strong>Criteria 1.a</strong></td>
<td>Partner countries design country based action plans for harmonisation (GPP p.19)</td>
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<td>Partner countries lead the overall consultative institutions, including organising and chairing consultative groups (GPP p.20)</td>
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| **Commitment 2** | Partner countries, when necessary, reform their systems and procedures and adopt international principles and good practices (§3) |
| **Criteria 2** | Partner countries adopt appropriate international standards especially in the area of financial management and procurement (GPP p.52) |

| **Commitment 3** | Donors support partner countries’ capacity to manage development assistance effectively (§3) |
| **Criteria 3** | Donors work with partner countries to address weaknesses in institutional capacity or other constraints that prevent reasonable assurance on use of co-operation resources (GPP p.19) |

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<td><strong>Criteria 4</strong></td>
<td>Donors reflect national priorities in their country assistance strategies (GPP p.19)</td>
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| **Commitment 5** | Donors rely increasingly on partner country systems & procedures (§5) |
| **Criteria 5.a** | Donors deliver aid through partner country systems and procedures (GPP p.19) |
| **Criteria 5.b** | Donors deliver aid in accordance with partner countries budget cycle and poverty reduction strategy reviews (GPP p.20) |

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| **Commitment 7** | Donors streamline missions, reviews and reports where appropriate (§5.2,§5.7) |
| **Criteria 7.a** | Donor missions are planned and coordinated in an effective manner (GPP p.63) |
| **Criteria 7.b** | Donors have simplified their procedures and diminish the number of reports and audits required from partner countries (GPP p.19) |

| **Commitment 8** | Donors are transparent about their activities (§6) |
| **Criteria 8** | Donors provide information at country level on their planned activities, including missions, country analytic work and aid flows (GPP p.22) |

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| **Commitment 10** | Global and regional programmes promote and support harmonised approaches (§5.7,§5.9) |
| **Criteria 10.a** | Regional development programmes support harmonisation (§5.9) |
| **Criteria 10.b** | Peer review mechanisms are used to support harmonisation (§10) |

- § indicates number of the paragraph that refers to the specific commitment in the Rome Declaration
- GPP indicates the number of the page that refers to the specific Good Practice in the DAC’s Good Practice Papers on Harmonising Donor Practices for Effective Aid Delivery
- **Note:** Paragraph 7 of the Rome Declaration on Harmonisation called for tracking and refining indicators of progress on harmonisation. This list of commitments and the accompanying list of indicators of effective partnerships address that undertaking.
## ANNEX 2: Harmonisation initiatives – the most advanced countries

### Harmonisation at macrolevel

<table>
<thead>
<tr>
<th>Activity</th>
<th>Niger</th>
<th>Ethiopia</th>
<th>Bangladesh</th>
<th>Vietnam</th>
<th>Zambia</th>
<th>Tanzania</th>
<th>Bolivia</th>
<th>Mozambique</th>
<th>Kenya</th>
<th>Philippines</th>
<th>Uganda</th>
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<td>DAC country case studies on harmonisation</td>
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<td>Rome follow up - WB harmonisation initiative</td>
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### Harmonisation in education

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<tr>
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<th>Bangladesh</th>
<th>Vietnam</th>
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<th>Kenya</th>
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Indicator 1: Active donor group in the field of education

All EU/MS participate in the donor group in education (FR, EC, BE, DK, DE) NL and NO are present indirectly through the WB

The group is co-ordinated by lead donor in education, Canada. Ministry of education of Niger is often present in the meetings, sometimes represented by the General secretary for basic education. Meetings are held twice a month.

Currently, there are three parallel and only partly integrated donor dialogues of relevance for education in Niger: the macroeconomic dialogue between multilateral donors and Ministry of Finance, the education sector donor dialogue between principally bilateral donors and Ministry of education and the local dialogue between NGOs and local and regional authorities. It is crucial that these three donor dialogues are harmonised between themselves and under the leadership of the Ministry of basic education. The donor group in education co-ordinated by Canada intends to ensure this, incorporating in their meeting both NGOs and donors providing macroeconomic support.

Indicator 2: Joint policy analysis of the education sector

All EU donors base themselves on the sector analysis done by the Ministry of education in the national ten-years programme for basic education (2001), in the national proposal for the Fast Track Initiative (2002) and in the national Poverty Reduction Strategy (2002).

The government of Niger is fully involved in this analytical work, which was initiated in 2001 but consolidated in 2002 and 2003. However, one weakness is that to a large extend it is donors that finance analytical work and technical experts.

Indicator 3: Alignment with government education sector plan

All EU donors have aligned their priorities in basic education to the national ten-years basic education programme (PDDE), focused on increased access, quality and institutional development.

However, some difficulties can be foreseen in the implementation, in particular in the component increased quality in education, where more than 10 different donors are participating with project support. The co-ordination capacity and leadership of the ministry of education can be reinforced.

Indicator 4: Pooling of technical assistance for capacity building in partner country

The area of capacity building in the new national ten years programme for basic education shows that there is a real will on the part of the leadership of the Ministry to have a common pool of technical assistance in direct relation to the ministry.

All EU donors are still using their own technical assistance. No pool of technical assistance exists.

Indicator 5: Participation in joint appraisal/auditing/evaluation studies

FR, BE and Canada will participate in joint auditing and evaluation once the new pooled fund is operational. EC is participating with WB and FR in joint appraisal and evaluation of macro-economic support. The Public finance review conducted by European Commission and the World Bank covers also the education sector.

Indicator 6a: Advancement on a spectrum of transfer mechanisms running from traditional projects to budget support

There is a new move from project support to silent partnerships, pooled fund and budget support. A new pooled fund will be created, focusing on the national FTI/basic education programme of Niger and using national financing procedures. However, the financing flow will be parallel to the national budget. The EC channel its funds through general budget support with education outcome indicators related to variable tranches.

Traditional donor support in Niger has gone through projects. There are still many projects in education, but they are all conceived before the new common strategy of education, and most donors consider them transitional. One important element for the continuous move towards targeted budget support is the trust in the financing flows of ministry of finance and ministry of education, in particular at local level.

Indicator 6b: Share of donors directly supporting the most harmonised transfer mechanism

FR and BE will participate in the pooled fund for FTI/basic education.

NO and NL has started silent partnership with WB. A new pooled fund is being created between BE, FR and Canada. In total 11 donors support basic education through projects, out of which 3 EU Member States (EC, AFD and DK). In addition to this a large number of NGOs are active in the country through projects (the largest being Oxfam Quebec, Care International, Aide et Action and Concern).
**Indicator 7: Share of donors that join up with government and donors on agreed common education indicators**

All donors agreed on the first national forum on basic education on October 2003 that donors should use a core set of 24 education indicators extracted from the national ten-years programme in basic education (PDDE). This core set is flexible, to be used for the first time at first annual review in April/May 2004.

This is a new methodology and the challenge is if this approach is really followed. A risk is the large number of projects (among which EC, AFD, DK) that still exist. Their assessment must form part of the overall assessment of the national programme in basic education.

There is also a need of financing of the national system of statistical data collection in education. A systematic use of common indicator and statistics needs to be backed up by a systematic funding of this activity.

**Indicator 8: Share of donors participating in the Annual Joint Education Review led by the partner country government**

The first Annual Joint Education Review will be held April/May 2004. All EU donors active in education in Niger have announced they will participate.

In line with the harmonisation at macro-level, the first Annual Joint Education Review will be *aligned with the Annual PRSP review* in June 2004, which in its turn is aligned with the national budget cycle of Niger.

**Indicator 9: Share of donors using a common procedure for reporting back to their home countries or multilateral agencies.**

As for the moment, there are no common reporting in education.

However, with the consolidation of the national programme in basic education and the pooled fund, there might be potential for some donors participating in common reporting under the co-ordination of the ministry of basic education.

**Indicator 10: Share of donors linking their aid disbursements directly to progress against agreed targets through assessment of key education indicators during the Annual Joint education review**

The EC and the WB link its variable tranche in the general budget support directly to assessment of agreed targets in key outcome indicators in education.

On the First National forum for basic education in October 2003, many donors raised the importance of performance based aid disbursement and the principle was accepted as an essential part of the Joint Annual Education Reviews starting in 2004. The donors supporting the national basic education programme, including the Fast Track Initiative, would link their aid disbursement to progress assessed on the basis of the 24 key education indicators. This concept is particularly discussed for the pooled fund arrangements, given sufficient flexibility in interpretation and timeliness of statistical data (in general considered reliable).