

**FINAL REPORT OF THE AD HOC WORKING
GROUP ON PARTICIPATORY
DEVELOPMENT AND GOOD GOVERNANCE**

PART 1

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Organisation of the Report

The Ad Hoc Working Group set up following the adoption of the **DAC Orientations on Participatory Development and Good Governance** [OCDE/GD(93)191] at the December 1993 DAC High Level Meeting (HLM) has completed its three-year mandate.

Part I of this Report sets out the main results of this work **as agreed by DAC Members** in the framework of the Ad Hoc Working Group and **endorsed by the 1997 DAC High Level Meeting**. This includes an agreed policy note, endorsed by the HLM of 1996, on in-country co-ordination and a related guidance note on possible first steps for donors.

Part II contains summaries, **prepared by the Secretariat**, of the discussions on the main themes taken up over the last three years both in formal meetings and in a series of informal seminars organised jointly by Members and the OECD Development Centre.

An important contribution was made by the **DAC Expert Group on Aid Evaluation**, which organised surveys of evaluation results and lessons learned in a number of relevant PD/GG “sectors”. This work is now available as a separate publication: “Evaluation of Programs Promoting Participatory Development and Good Governance”, Synthesis Report.

List of Abbreviations

CG	Consultative Group
Group	DAC Ad Hoc Working Group on Participatory Development and Good Governance
PD/GG	Participatory Development and Good Governance
RT	Round Table

This document is also available on the Internet at <http://www.oecd.org/dac>

Final Report of the Ad Hoc Working Group on Participatory Development and Good Governance

Part I

A. Conclusions and Action-Oriented Outcomes

1. Eight Key Conclusions

- One: Democratisation and Good Governance are Central to the Achievement of Development Goals for the 21st Century* As stressed in the DAC Policy Statement on Shaping the 21st Century: the Contribution of Development Co-operation, investment of resources in democratic governance will contribute to progress in development goals. For all the goals specified in the DAC strategy -- poverty reduction, promoting gender equality, raising basic education and health standards, and reversing environmental degradation -- the emergence of more participatory, transparent and accountable societies is essential.
- Two: Base Partnerships on a Common Understanding of Development -- Governance Linkages* Participatory, accountable and efficient governance harnesses the activities of the state and its citizens to the objectives of sustainable social and economic development. The growing convergence among donors and developing countries on the central importance of good governance provides a basis for effective partnerships to work on the development-governance linkages. Working on the PD/GG agenda requires special commitment, transparency and dependability on all sides. Development co-operation stresses positive measures for the promotion of PD/GG. The withholding of assistance should be reserved for cases where persistent violations of men, women and children's basic rights are not being addressed by the government and no adequate basis of shared values and interests exists to permit a real partnership.
- Three: Take Local Ownership Seriously* In development co-operation, legitimate ownership by the developing country partner is a primary objective. Donor activities related to in-country co-ordination should therefore aim at building and strengthening local capacity to be in charge of the co-ordination of development assistance and ensure effective interaction with donors. Donors should also work to strengthen local capacities for policy analysis; this has implications for the way in which they commission expert studies on PD/GG issues, including country assessments.
- Four: Strengthen the Strategic Role of Civil Society* The development-participation-governance linkages can only be strengthened if civil society (in which women should play a key role) and the private sector are able to advocate for needed reforms in the political and economic systems. Technocratic approaches to institutional change and legal reform fail without effective local demand for change, expressed through local constituencies and locally-based skills for building grassroots and national participation. Through policy dialogue and capacity building, donors can effectively support the strategic role of civil society.

Five: Develop Better Country-Level Policy Dialogue and Co-ordination

Effective co-ordination, local ownership and continuity of focus in PD/GG programmes can only be realised at country level. Policy dialogue and existing co-ordination arrangements including CGs and RTs have been adjusting to the importance and special nature of the PD/GG agenda, but this adjustment remains incomplete and unsatisfactory in some key respects. In this light, a major outcome of the Ad Hoc Group's work is the "Policy Note on Country Level Co-ordination" (attached). The Policy Note, endorsed by the 1996 DAC High Level Meeting, envisages a dialogue and co-ordination process based on analysis and discussion by the host government and civil society within the partner country, from which Consultative Groups and Round Table processes can draw for more comprehensive and operational treatment of PD/GG issues.

Six: Adapt Aid Management

Most donors now try to integrate PD/GG dimensions across the range of their dialogue and co-operation, combined with some programme focus on particular PD/GG "sectors", such as the justice system or democratic decentralisation. Managing PD/GG programmes has created requirements for new aid management styles and techniques, new types of personnel and more flexible funding mechanisms. Often, modest levels of support for institutional strengthening and networking by local organisations can have large impacts. Local mechanisms for managing such support can contribute both to ownership and enhancement of capacities. Both bilateral and multilateral aid agencies have to adapt their capacities and programme design to these new requirements. Many of these questions are being treated in the DAC's Informal Network on Technical Co-operation.

Seven: Address Donor-side Problems in Public Management and Accountability

In highly aid dependent countries (with sometimes more than 10 percent of GNP accounted for by aid), the collective donor community becomes a major actor in the governance system. This goes beyond its role in sustaining policies or advocating their reform. Donor support for counterpart salaries and logistics, and multiple funding and accountability mechanisms, undermines the efficiency of public administration and the role of parliaments in the public expenditure process. Donors need to give much more attention to the good governance dimension of their role in such partner countries with the objective of correcting these problems and enhancing country capacities for accountable and effective public management.

Eight: Operate in a Long-term Strategic Framework

As DAC Members and developing countries gain experience with the PD/GG dimensions of development, they appreciate better the need for a strategic approach and a long-term perspective. Even in a strategic framework, opportunities should be grasped as they arise. For example, new elections may unblock untenable situations. But a democratic culture and pervasive respect for human rights require time before they become firmly established.

In post-conflict situations, lasting reconciliation is jeopardised if donors fail to fulfil their commitments in a timely manner or withdraw their moral and financial backing of fragile democracies too quickly.

2. Action-oriented Outcomes

Pursuing and Monitoring the Pilot Cases for Country-level Dialogue and Co-ordination

1. Pilot cases for learning how to develop locally-owned in-country processes for dialogue and co-ordination on PD/GG issues are being launched in eight countries sponsored by “lead donors”: Benin (Switzerland), Bolivia (Germany), Burkina Faso (Netherlands), Costa Rica (UNDP), Malawi (United States), Mauritania (UNDP), Sierra Leone (United Kingdom), and Uganda (Denmark). A set of “Guidance Notes” for these pilot cases is attached to this report (Annex 3). A review of experience with these pilots is planned for 1998.

Creating an Informal DAC Network on PD/GG

2. Given the increasingly central role of PD/GG for the goals and the conduct of development co-operation, the DAC should maintain the capacity to continue its work in this area, both at the level of the Secretariat and among Members. To this end, an Informal DAC Network on PD/GG has been created. Members have contributed voluntary resources to support this work. The Informal Network will track progress on the pilot cases described above. An Internet Site for the Informal Network will be established as a means of circulating information on PD/GG activities and issues. A “learning network” on human rights, connecting both aid agencies and other interested institutions and practitioners, will be incorporated in this programme. Links will also be possible to other networks such as the recently-established Latin American Network on Governance.

Other DAC Follow-up

3. It is proposed that:

- In CG/RT processes, which are in need of an overall review, PD/GG issues should be treated in a more focused and operationally-oriented fashion.
- DAC Senior and High Level Meetings should continue to monitor and discuss

PD/GG issues, including in particular, progress with the “pilot cases”, and the evolution of more satisfactory policy dialogue and co-ordination processes, based on developing country ownership.

- The PD/GG dimension should be built into the country-based aid system review now underway in Mali and into any subsequent reviews of this kind.
- The DAC Expert Group on Aid Evaluation should make PD/GG a permanent part of the evaluation agenda.
- The improvement of women’s rights and their participation in civil society, democratisation and political decision-making should be given particular attention in the continuing work on PD/GG and in the DAC Expert Group on Women in Development.
- Support for independent media in developing countries should be promoted in future work by the DAC alongside other mechanisms for providing oversight to the executive branch of governments.
- Corruption should also be one of the issues covered in the continuing work, with an emphasis on capacity development in legal and accountability systems, and connections as warranted to DAC and OECD work on corruption in public procurement.

DAC Orientations on Participatory Development and Good Governance -- Major Elements

DAC Members have identified a large range of avenues for working with developing country partners in the areas of participatory development and good governance, on the basis of a common commitment to broadly-based economic development and building upon the realisation of the potential inherent in all human beings.

Participatory Development

- Foster participatory development by helping developing countries improve their human resources through programmes which provide affordable, effective, and sustainable education and training services for all people.
- Support institutions and mechanisms which facilitate the empowerment of all people, including low-income populations and women, to enable them to become agents of their own development and contribute to the emergence of strong civil societies.
- Provide support for decentralisation programmes, and enhance people participation at local levels, through the support of grass-roots organisations and groups.
- Sensitise recipient decision makers and aid agency staff to facilitate the adoption of participatory approaches and responsive government.
- Involve all project stake-holders in project design, implementation, monitoring, and evaluation.

Democratisation

- DAC Members will assist democratisation, which they see as a broad, on-going process requiring a comprehensive understanding of each country's specific socio-economic and cultural context. Support will include:
 - helping build and strengthen pluralistic civil societies and independent professional media;
 - helping improve the functioning of representative political institutions and supporting electoral processes in their various stages;
 - helping to secure the rights of women to education, land tenure and family planning services, and strengthening their decision-making in civil society and the political process.

Good Governance

The Rule of Law

- Help strengthen the rule of law by providing assistance to improve and reinforce the legal, judicial, and law enforcement systems, and ensure their effective application in all parts of the country and at all levels of society.

Public Sector Management

- Strengthen public sector management and transparency/accountability inter alia by helping to:
 - improve accounting practices;
 - improve budgeting and public expenditure management; and
 - reform civil services.

Corruption

- Help control corruption through supporting anti-corruption strategies to reduce the opportunities for corrupt practices and encourage and facilitate the exposure of corrupt practices, including by the media.

Military Expenditure

- Encouraging the reduction of excessive military expenditures by helping to ensure transparency and proper control in military budgeting, to develop effective and efficient security strategies and to implement reductions in the size of military forces.

Human Rights

- Encourage and support the promotion and defence of human rights and adherence by developing countries to internationally agreed principles and standards and to the Vienna Declaration.
- Strengthen education on human rights, and support human rights groups in developing countries and the development of free media.

Coherence

- DAC Members will seek to improve policy coherence within their governments in relevant areas since such coherence is essential for the effectiveness and credibility of a donor country's stance on participatory development and good governance.

B. Major Points Emerging from Topic Discussions

The role of donors in democratisation processes

4. Points of consensus in the Group included the following:

- Development co-operation for PD/GG areas should be based on an agreement between the developing country and its external partners, defining the progress needed in these areas, and mutually agreed commitments on the nature of external support.
- The International Conventions on Human Rights and similar international commitments, and the DAC Orientations provide a foundation for development co-operation in the PD/GG area.
- Although democratisation and peace processes must be nationally-driven, donor support can have a critical role.
- In potential conflict situations, donors could be of help at the prevention stage and should be more willing to do so. Success in reconciliation processes can be heavily dependent on timely external assistance for priorities identified and agreed upon in peace settlements.
- In fostering democratisation in societies where political parties are primarily built on ethnic lines, systems or attitudes of "winner takes all" can be destructive. In such societies it is important to foster consensus building and tolerance for the opposition; NGOs may have a crucial role in helping nurture these values.

5. The experts recommended that donor support should be:

- given over a longer time frame

- more timely in delivery and more flexible
- easier to monitor by the recipient itself.

Civil society and democratisation

6. Civil society is central to democratisation, the rule of law and human rights. Civil society denotes a public space between the state and individual citizens (women and men) in which the latter can develop autonomous, organised and collective activities of the most varied nature. Where there are no opportunities for citizens to participate in such activities, and through them to interact with the state, individuals are isolated and vulnerable to arbitrary acts, while the state lacks the trust of the people and real effectiveness.

7. An effective state and a vigorous civil society are mutually supportive. The state has a critical role with respect to civil society first of all in providing a functioning and accessible legal system and in ensuring the existence of a legally protected "public sphere" where civil society can develop with no undue interference. Without a vigorous civil society, the state is narrowly based and susceptible to capture by political and economic opportunists.

8. In relation to democracy, civil society has both a pluralist function, through the variety of its components, and an educational and advocacy function, as groups learn to articulate their aspirations, design their projects, negotiate and bargain, and form alliances. It is recognised that civil society is neither homogenous nor necessarily consensual.

9. For democratisation purposes, associations should be encouraged to establish alliances based on compromise ("coalition building") and to learn to negotiate with the state and donors to promote the interests of their constituencies.

10. A useful distinction can be made between people's organisations -- which represent and are in principle accountable to their members, that is groups of people with common aspirations, ranging from peasants' associations to women and youth groups -- and

NGOs, which operate for, or on behalf of, the people they serve. Experience suggests appropriate ways of supporting various kinds of groups and NGOs in civil society. These are highlighted in Part II of the report. Modalities should be flexible enough to support people's groups pursuing their own objectives, with focus on learning by doing, which also includes learning from mistakes. External assistance would have a supportive role, accompanying rather than prescribing the efforts of local actors.

11. Key objectives for donors should be:

- to encourage governments in partner countries to improve the enabling environment for civil society, by strengthening the rule of law and removing obstacles to the creation and operations of associations and movements;
- to understand whether government, civil society and the law treat men and women differently, and foster appropriate remedies where necessary;
- to identify and support local initiatives for participatory development, and share information on innovative individuals and initiatives, avoiding dogmatic approaches and taking advantage of diversity;
- to foster positive features in the organisations they assist, such as:
 - ⇒ an internal structure that is democratic rather than hierarchical;
 - ⇒ an approach which includes women's perspectives and needs and encourages their participation;
 - ⇒ management that is both capable and accountable to its membership; and
 - ⇒ a willingness to co-operate with other actors for achieving systemic reform;

- to develop appropriate financing techniques and mechanisms for strengthening civil society, such as special (possibly multi-donor) funds managed within host countries with participation by representatives of civil society. Instead of piecemeal financing of projects, core funding would be provided for reliable civil society organisations who could decide by themselves which activities to finance within a mutually agreed range of objectives and principles. Insights may be drawn from the experience of the UNDP, the European Commission (EC) and a number of bilateral donors.

Human rights and development co-operation

12. The role for development co-operation in promoting respect for human rights is widely accepted and has led to increased policy and programming activities.

13. Respect for human rights is seen as an objective in its own right but also as a critical factor for the longer-term sustainability of development activities. Political suppression undermines prospects for sustainable development. Civil and political rights and economic, social and cultural rights are interlinked and mutually reinforcing and are to be equally enjoyed by men and women. There is also a close relationship between the capacity to exercise civil and political rights and levels of education, health and basic living conditions.

14. Aid agencies can help promote respect for human rights through:

- policy dialogue;
- assistance for critical institutions such as the judicial system;
- support for civil society groups involved in human rights and for a wide range of relevant activities from legal advocacy to trade unions or minorities' rights;
- support for international networks involved in documentation and

information exchange, human rights education, etc.

15. A key instrument for donor agencies is "policy dialogue" which is generally conducted with government authorities and other leaders in society.

- The basis of a dialogue on human rights is the commitment common to both donor and partner countries to UN instruments on human rights.
- The dialogue is made more credible and cogent by the donor country having developed an explicit policy to guide its development co-operation in this field.

16. The process of working out such a policy can be used to build aid agency capacity and effectiveness, by such steps and outcomes as:

- conducting an inventory of the agency's on-going activities related to human rights and establishing a database widely available to the staff;
- providing opportunities for analysis (including gender analysis) and discussion within the aid agency on ways to better integrate human rights concerns in all activities and ways of providing direct support for human rights;
- identifying entry points in development projects/programmes for promoting human rights;
- identifying areas of comparative advantage or where strengthening or co-operation with others are required; and
- determining training needs of aid agency staff.

17. A responsive approach is often used in work for the promotion of human rights. This approach, which is often small-scale, has merit during initial phases before an aid agency acquires sufficient operational experience. But support for human rights should evolve towards strategic approaches enabling opportunities to

be exploited more systematically within a framework of longer term objectives.

18. Support for the networking of groups and associations working to promote human rights has special value for strengthening local capacity and effectiveness. It also provides a measure of protection, linked to international recognition, to human rights activists.

19. As mentioned previously, the Ad Hoc Group supports the DAC Expert Group on Aid Evaluation in recommending that the DAC consider establishing a "learning network" on human rights for the exchange of information and experience among aid agencies, research institutes and other partners, and practitioners.
Women's rights

20. An important fact for development and human rights concerns is that the majority of people living below the poverty line are women. Gender-specific measures in the field of PD/GG, such as improved legal status with respect to property rights and increased participation of women in political life, can be highly conducive to poverty reduction. Similarly, it is important to improve women's access to microcredit and to education and health care.

21. There is greater emphasis in development co-operation on women's rights compared with only a few years ago, but much more needs to be done. Members are strongly encouraged to:

- include women's human rights issues in their policy dialogue with partner governments, and
- encourage ratification of the Convention on the Elimination of all Forms of Discrimination against Women (United Nations, 1979).

22. The dialogue with partner countries should aim to identify activities conducive to the advancement of women's rights or that combat violence against women, e.g.:

- shelter centres for women victims of violence;
- advocacy groups and projects for women's rights; and

- improvement in police behaviour and facilities.

Legal systems reform

23. The rule of law is essential to the effective functioning of society and the economy. As stated in the DAC Orientations, a predictable legal environment, with an objective, reliable and independent judiciary, is an essential factor for democratisation, good governance and human rights. In practice many countries (developing or developed) have difficulty meeting this objective.

24. The rule of law is defined as the following:

- Government should exercise authority in accordance with the law approved by the legitimate representatives of the people.
- The judicial system should be independent.
- The Constitution should submit the government and the administration to the rule of law, which entails the right for the judicial system to question the lawfulness of administrative actions and to hold the State liable for its acts.

25. All men and women should have an equal opportunity to seek redress in the courts and receive equal treatment whatever their social status. Legal systems are not likely to improve without significant demand for reform from within the system itself or the society. Fostering such internal demand requires parallel efforts to engage strategic constituencies. Progress in other basic PD/GG areas is also essential. For example, an independent judiciary implies a watchful parliament with a functioning opposition, clearly guaranteed rights, and a constitutional framework which defines the powers of the executive, the legislative and the judicial branches of government. Also required are guarantees for the tenure of office of judges, and a free press which can expose injustice and corruption.

26. Some lessons learned:

- Preconditions for supporting the introduction of the “rule of law” may be only marginally present in many countries; when donors pursue support in such circumstances, the high risk of failure must be factored in.
- Public accountability of the justice system is essential to democracy and requires active constituencies and coalitions that demand change and a free press to point out lapses in the system.
- An initial strategy of constituency and coalition building to promote legal reform may be needed therefore before other actions are enacted.
- Donor support in the form of provision of equipment and training, or improving management systems is easy to implement but may not lead to lasting effects without the promotion of change in political culture and in the relationship between citizens and public institutions which are much more difficult.
- Support in the rule-of-law area does not necessarily require large funding, but facilitating processes of dialogue and change within host-country institutions is time-demanding and staff-intensive.
- Legal advocacy has proved to be the most promising access strategy: this entails providing assistance to legal advocacy NGOs representing groups such as ethnic minorities, bonded labour, urban squatters, or agricultural tenants, who have traditionally operated from a position of weakness in defending their legal rights.
- Security matters should not be excluded from the consideration and funding of donors so as to contribute to develop a democratic police force, which is trained to methods for maintaining order which avoid all unnecessary or disproportionate use of violence;

submitted to civilian authorities, in particular the judicial authorities; and aware of its duties in terms of respect of human rights.

Decentralisation and democratic local government

27. Decentralisation of government roles and powers associated with democratic local government can be an important means of improving the effectiveness of services and enabling ordinary citizens to participate in the management of their own communities.

28. The democratic dimension in decentralisation is a necessary element of a process of sharing resources, power and responsibility. However, without special attention to the empowerment of the poor, decentralisation will do little to correct inequities and reduce poverty. The same applies for enhancing the role of women in the conduct of community affairs at local government level. Checks and balances are essential through, *inter alia*, accountability of the actors at different levels to the people.

29. Democratic decentralisation is an open-ended process and has no specific blueprint. Donors can play a key role in supporting capacity development at various levels and in various ways, but should not offer "standardised" models.

30. Democratic decentralisation is more likely to succeed where certain conditions are in place. These include the commitment of the political leadership; a political environment based on pluralism, with a role for civil society; an appropriate legal framework and adequate capacities. Furthermore, the advantages must be perceived at all levels: central government, local government, and individuals. If these prerequisites do not exist, donors may help to promote them while keeping in mind that the outcomes of such support are uncertain and that it may require a long-term commitment to produce significant results.

31. Experience has shown that even if most of the prerequisites are in place and resources are available, the process of democratic decentralisation requires facilitation and

training in a new style, i.e. demand-driven approaches, rather than pre-designed packages.

C. Promoting In-Country Dialogue and Co-ordination

32. The Policy Note on Strengthening Country Level Co-ordination for PD/GG endorsed by the DAC HLM in 1996 (reproduced in full as Annex 2, and highlighted hereafter) aims at encouraging systematic country-based efforts to foster PD/GG consistent with the relevant principles set out in the DAC Orientations, namely that the in-country co-ordination process should be locally owned, participative, transparent and open to all interested parties.

33. DAC Members recognise the difficulties involved in such a process but are convinced that the process itself could lead to improvements in PD/GG and in the identification of areas where donor support is necessary, e.g. institution building, capacity development, legal framework, including for NGOs and civic organisations. Encouraging regular consultation among donors, governments and civil society on PD/GG requires processes that are well-adapted to the specific country context, taking advantage of existing in-country mechanisms for dialogue and co-ordination with partner governments and civil societies. The aim is also to link the in-country dialogue on PD/GG to established consultation fora such as Consultative Groups and Round Tables.

Main elements of in-country co-ordination

34. The foundation for PD/GG discussions should be a process of in-country assessment of the status of PD/GG issues as defined in the DAC Orientations, that is, including:

- participatory development;
- democratisation;
- good governance, including the rule of law, responsible leadership and effective systems for public management, transparency and accountability;

- human rights.

35. At present, most of the work for assessing country situations in PD/GG is done or commissioned by donor-country embassies, development co-operation offices or NGOs from developed countries. Independent research institutes, especially from developing countries, could co-operate in the production of the assessments. Future assessments could be fairly wide in scope and bring together in-country stakeholders -- the government and civil society organisations, including those representing the poor and less politically engaged -- to discuss priorities and propose strategies.

36. PD/GG issues involve a review of the quality and scope of government activity and the extent to which people participate in decisions of direct relevance to their development. To the extent possible, all groups of citizens irrespective of gender, class, language, religion and ethnicity should be involved, in order to develop capacity in government and civil society for review of PD/GG issues. Where the capacity to undertake the review is not present, DAC Members' priority would be to help build it, in government and in civil society.

Co-ordinating mechanisms

37. Co-ordinating mechanisms would be flexible and function at various levels:

- Donors with government and donors with government and civil society, to develop a joint approach and reform strategies and priorities that emerge from the country assessment process.
- Donors among themselves (embassies, aid agencies) discussing PD/GG matters in existing in-country co-ordination fora (i.e. sector investment programmes, structural adjustment programmes, informal round tables), in order to consider how donor practices in such areas as financial mechanisms and technical co-operation impact on governance in-country (integrity, coverage and

sustainability of national budgets; accountability systems etc.)

38. Given the complexity of PD/GG issues, DAC Members recognise the importance of building their own capacity in these areas. This can be done in several ways, exemplified in the Policy Note. The results of in-country co-ordinating mechanisms should be shared as swiftly as possible with those donors unable to field the necessary expertise.

Links with other co-ordinating mechanisms and parallel initiatives

39. In view of the vital connection between PD/GG and sustainable development, the importance of PD/GG in donors' aid allocation decisions, and experience in recent CG and RT discussions, DAC Members support the more systematic treatment of these issues in CGs and RTs. This objective should be sought progressively over the next few years, with the PD/GG agenda issues treated in a manner suited to their nature and importance in each specific country context.

40. DAC Members will also collaborate with parallel efforts such as the Global Coalition for Africa, initiatives emerging with support from UNDP such as the Latin America Network on Governance and the "Circulo de Montevideo", and World Bank initiatives for fostering participation and reducing corruption.

Steps for initiating pilot cases

41. The Group considers that certain steps will prove useful for introducing in-country co-ordination on PD/GG. A note outlining these steps is attached to the present report (Annex 3) and is briefly highlighted hereafter. The note should be seen as a departure point and not as a blueprint, and may well have to be revised as practical experience is acquired. The steps include:

- Obtaining the support of headquarters staff in donor aid agencies and ministries of foreign affairs.
- Mobilising support in field offices, which can be done through e.g.

information seminars for field staff in the selected pilot countries, and multi-donor consultations.

- Analysing the impact of donor financial/project mechanisms and technical co-operation procedures on areas such as the integrity, coverage and sustainability of national budgets, accountability systems and institutional capacity particularly for public management and participation of beneficiaries in their own development.
- Initiating dialogue with partner country authorities, investing time and resources as may be required to identify key persons for this dialogue and best approaches, for example in terms of the selection of initial sub-sectors.
- Identifying civil society interlocutors, both male and female, which may require initiatives for capacity building in civil society organisations and for an improved enabling environment, and may be facilitated by broadly representative umbrella organisations where they exist.
- Launching the initial country assessment, whether broad-based or focused on a specific sub-sector and involving local actors and institutions to the greatest extent possible from the beginning.
- Agreeing on donor-supported actions and commitments through discussions which should be as wide as possible given country conditions.
- Linking up with country-level co-ordinating mechanisms, in particular RT and CG meetings, and monitoring implementation of agreements reached on PD/GG matters at such meetings.

42. The attached "Guidance Note" also makes certain suggestions for a possible

division of labour in each pilot case, among "lead" donors, consultants and the Secretariat. These suggestions were prepared specifically for the aid agencies and of course need to be adapted in the light of experience to the particular circumstances of each country.

D. Linkages to other Development Objectives and the DAC Strategy for "Shaping the 21st Century"

43. The PD/GG agenda is closely linked to other key objectives of DAC Members' development co-operation, in particular as set out in the DAC's Policy Statement on *Shaping the 21st Century: the Contribution of Development Co-operation*, OECD, 1996. This strategy sets out a vision in terms of specific goals in the areas of economic development, social progress and environmental challenges.

44. These goals depend upon widening participation of women and men in economic, social and political life and establishing well-functioning, accountable governance systems. A main requirement for poverty reduction is the promotion of popular participation in the development process and support for the development of a society based on the rule of law, respect for human rights and good governance as prerequisites to stability and economic, social and political progress. Only when the poor (the majority of whom are women) have an opportunity to participate in political life can it be ensured that their needs are given due priority.

45. With respect to the economic, political, and social goals, progress on gender equality can be envisaged by closing the gender gap in primary and secondary education. This requires political decisions, with advocacy groups specifically focusing on women in their role as economic actors or to defend their human rights. Some aid agencies are supporting parallel electoral campaigns to ensure that women are aware of their political rights and are earmarking resources and establishing "quotas" for women's programmes.

46. Work carried out by the DAC Task Force on Conflict, Peace and Development Co-

operation is closely linked with the PD/GG agenda. Unresolved participation and governance issues are the underlying factors in the development of civil conflict. Respect for human rights and access to resources are among key issues both in conflict and in the restoration of peace. The DAC Guidelines on Conflict, Peace and Development Co-operation, to be agreed at the 1997 High Level Meeting, thus have an important intersection with the DAC Orientations on PD/GG.

47. The questions of excessive military expenditures and corruption which are treated elsewhere in the DAC and the OECD figure prominently among good governance issues and are covered in the DAC Orientations on PD/GG. Military expenditures, when they

respond to the promotion of military exports from Member countries, are also associated with the important question of the coherence of DAC Members' overall policies and practices vis-à-vis developing countries.

48. Capacity building in partner countries is a major objective of the "pilots" for in-country PD/GG co-ordination. It may be facilitated by linking some of the activities as appropriate with the DAC Informal Network on Technical Co-operation which was created in 1994 by the DAC, the UNDP and the World Bank. The strengthening of local capacities should be a constant goal, including capacities for analysis, strategy formulation and constituency building at various levels as appropriate, from in-country research institutes to citizens' groups.

ANNEX 1

Mandate and Scope of Work of the DAC Ad Hoc Working Group on PD/GG

1. The DAC Orientations on Participatory Development and Good Governance, endorsed by the DAC High Level Meeting in 1993 [published in the DCD Guidelines Series, 1995], set out agreed principles, broad definitions and policy directions in these areas. These Orientations have been confirmed by subsequent work in the DAC and in the aid agencies as a relevant and practical reference point for donors and partners in developing countries.

2. The December 1993, the DAC High Level Meeting also approved the establishment of an ad hoc Working Group on Participatory Development and Good Governance with a three-year mandate. At a time when development co-operation programmes of DAC Members were increasingly integrating actions in support of open, democratic and accountable systems of governance and respect for human rights, the main goal assigned to the Working Group was to seek “lessons from experience” and “best practices” of operational relevance to the aid agencies in selected areas of PD/GG. The present report deals with these practical issues, complementing the “Orientations” with insights drawn from experience.

3. The Group elected as Chair Mr. Klemens van de Sand, Deputy Director General and Co-ordinator for Human Rights of the Ministry for Economic Co-operation and Development of Germany. As vice-Chairs, the Group elected Mr. Marnix Krop, Head of the Policy Planning Section of the Directorate for Development Co-operation of the Ministry of Foreign Affairs of the Netherlands, and Mr. Larry Garber, Deputy

Assistant Administrator, Senior Policy Adviser for Democracy, Human Rights and Humanitarian Affairs, Bureau for Program and Policy Co-ordination of USAID (Mr. Garber succeeded as vice-Chair Mr. Michael Morfit, also from USAID).

4. Over the three years of its mandate (1994-1996), the DAC Ad Hoc Working Group on PD/GG exchanged experience and views on the role of development co-operation in improved governance, human rights and democratisation. In addition to its formal meetings, thanks to sponsorship by several Members, the Group also organised thematic workshops on selected topics. Participants in workshops included experts from developing countries and non-governmental organisations, invited in their personal capacity. The DAC Expert Group on Women in Development and the DAC Expert Group on Aid Evaluation participated *ex-officio* in the Group. The Group wishes to extend special thanks to the Development Centre of OECD, which co-operated closely in its work and repeatedly provided welcome planning and organisational inputs.

5. The thematic workshops dealt with development co-operation issues in relation to civil society; human rights; legal systems reform; and decentralisation with emphasis on democratic local government. A related seminar, organised by the Development Centre, provided an update on experience with "participation" in development co-operation. The Group also considered the relationship of PD/GG issues to the 1996 DAC Policy Statement on *Shaping the 21st Century: the Contribution of Development Co-operation* and to the fundamental goal of poverty reduction.

ANNEX 2

Policy Note on Strengthening Country Level Co-ordination for Participatory Development and Good Governance

I. Introduction

Towards more systematic co-operation on participatory development and good governance

1. The Development Assistance Committee (DAC) of the OECD has recognised that sustainable development, poverty reduction and conflict prevention, all depend upon widening participation in economic, social and political life and establishing well-functioning, accountable governance systems.

2. The DAC Orientations on PD/GG adopted in December 1993¹ as well as the *DAC Policy Statement* on “Development Partnerships in the New Global Context” of May 1995² stress a number of key elements:

- enhanced participation of all people, notably women and ethnic minorities, in economic and political life;
- good governance and public management, democratic accountability and protection of human rights; and
- ultimate responsibility of developing countries for their own development with the donor role being limited

¹ *Participatory Development and Good Governance*, Development Co-operation Guidelines Series, OECD, 1995. These Orientations call for: a) a shift towards aid relationships based on local initiative; b) greater concern for the efficiency and sustainability of development through attention to PD/GG areas; and c) synchronisation among a multiplicity of actors (government, civil society, non-governmental organisations (NGOs), donors).

² Policy statement of the 1995 DAC High Level Meeting.

essentially to policy dialogue, financial support and capacity development.

3. The DAC established a Working Group, which first met in May 1994, with the aim of operationalising the principles set out in the Orientations.

4. This note is based on consultations in the Working Group as well as on experience from recent in-country co-ordination initiatives in several developing countries. It seeks to further encourage systematic country-based efforts to foster PD/GG consistent with the principles set out in the DAC Orientations referred to above, namely that the in-country co-ordination process should be locally owned, participative, transparent and open to all interested parties.

5. DAC Members recognise the difficulties involved in such a process. But they are convinced that the process itself could lead to improvements in PD/GG and in the identification of areas where donor support is necessary (e.g. institution building, capacity development, legal framework, including for NGOs and civic organisations). The process is necessarily a long-term one which requires extreme caution by donors, especially in the early stages.

6. Strengthening in-country co-ordination among donors and encouraging a process of regular consultations among donors, governments and civil society on PD/GG requires processes which are well-adapted to the specific country context. DAC Members, through their field representatives, will take full advantage of already existing in-country mechanisms for dialogue and co-ordination with local governments and civil societies. DAC Members will also seek to link the in-country dialogue on PD/GG to established consultation fora such as Consultative Groups (CGs) and Round Tables (RTs).

Scope and objectives

7. The note covers all aspects of the DAC Orientations:

- participatory development;
- democratisation;
- good governance, including the rule of the law, responsible leadership and effective systems for public management (policy formulation and co-ordination, public expenditure and planning, effective public accounting systems, civil service/personnel and information);
- human rights.

8. Some DAC Members have taken the Orientations one step further by enumerating specific examples of how they can help reinforce PD/GG through their development co-operation programmes.¹

9. The objectives of in-country co-ordination² for PD/GG are:

- to encourage a better understanding of the relationship between society, development and the political framework based on in-country analysis involving government, civil society, stakeholders and donors;
- general principles: promoting ownership through partnership to increase ownership and commitment of partner governments and increase co-operation with the civil society;
- to promote a dialogue among all parties that would ideally provide the basis for determining and co-ordinating PD/GG

¹ For example, see **Participatory Development and Good Governance Report of the Aid Study Committee**, Japan International Cooperation Agency, March 1995, pp. 54-61.

² For the purposes of this note in-country co-ordination refers to a joint donor/partner country process of defining, assessing, implementing and monitoring progress on PD/GG. The specific issues to be covered are to be defined in each donor/partner country context.

priorities and related donor support activities;

- to provide a basis for developing in-country assessment, design, monitoring and evaluation capacities in the PD/GG area, in particular for dimensions not covered by World Bank country reports; and
- to monitor follow-up of mutual understandings and commitments on PD/GG reached in CG or RT meetings.

10. Full ownership by the developing country partner is the primary objective. Lessons learned from experience with socio-economic reforms show that the process will not move forward substantially unless there is sufficient ownership by the country. In this context, ownership refers to direct involvement and commitment of local constituencies in the PD/GG reform process to the point where these constituencies (and not external pressure) become the driving force for change. Promoting local ownership is a priority for donors. DAC Members are committed to encouraging a positive evolution on PD/GG through constructive dialogue rather than the adoption of absolute standards or models.

11. Approaches should be based on the country's particular political, cultural, and religious heritage including the history of ethnic or socio-economic divisions. The recognition of the importance of both an effective state and a strong civil society is also key. Donors, through locally-based personnel with experience working in-country, can assist in bringing developing country governments and civil societies together, seeking complementarities, while taking care to avoid undue antagonisms. In cases where reforms lead to short-term difficulties, donors are prepared to support the partner country in its search for appropriate solutions.

II. In-country co-operation

Country assessments, monitoring and evaluation

12. The foundation for PD/GG discussions should be a process of in-country assessment of the status of PD/GG issues as defined in the DAC Orientations. At present, most of this work is done by donor-country embassies, development

co-operation offices or NGOs from developed countries. Independent research institutes, especially from developing countries, could co-operate in the production of the assessments. Initial assessments could be fairly wide in scope and provide a basis for bringing together in-country stakeholders to discuss priorities and propose strategies. In difficult country circumstances, one approach would be to begin with an important sub-sector (e.g. the judiciary system) and progressively expand the scope as local constituencies for change gain momentum. The goal is not one of presenting a joint external critical view, but to gradually develop the capacity needed for local ownership.

13. Once assessments are available, they could be discussed with the government and civil society organisations (CSOs), including those representing the poor and less politically engaged, in order to work out strategies and support activities which could then be incorporated in donor programmes. DAC Members are fully committed to supporting this process while recognising that, given the inherent difficulties of these issues, flexibility is essential.

Development of capacity in government and civil society for review of PD/GG issues

14. PD/GG issues involve the critical review of the quality and scope of government activity and the extent to which people participate in decisions of direct relevance to their development. To the extent possible, all groups of citizens irrespective of gender, class, language, religion and ethnicity should be involved. Such reviews would ideally be managed in-country. Where the capacity to undertake the review is not yet present, DAC Members' priority would be to help build such capacity both in government and civil society. The start-up phase could involve sharing expertise, including that from other developing countries that already have the requisite capacity.

15. In addition to the reviews, the capacity of CSOs would need to be adequate for them to play an active role in PD/GG. An enabling environment is necessary and mechanisms are needed for CSOs to build networks and determine their own professional/ethical

standards. How to involve civil society more, depends on each situation but, in any event, by sharing expertise among themselves and promoting co-operative arrangements among CSOs, DAC Members could help develop capacity and widen the dialogue. For example, interested donors and CSOs could establish independent funds, managed co-operatively, for financing activities such as information dissemination, networking, promotion of public awareness, training. The process should reflect the need for flexibility and openness to the participation of a multiplicity of actors.

III. Co-ordinating mechanisms

In-country co-ordination

16. Co-ordinating mechanisms should be flexible and function at various levels:

- donors among themselves (embassies, aid agencies);
- donors with government;
- donors with civil society; and
- donors, government and civil society.

17. The discussion on PD/GG matters should be integrated into existing in-country co-ordination fora (i.e. sector investment programmes, structural adjustment programmes, informal round tables) to underline that these issues are cross-cutting and essential elements of the policy framework for development. In this context, DAC Members take note of the World Bank's participation action plans, which should provide increased opportunity for local involvement in developing the country assistance strategy. Wherever possible, co-ordination would be based on a joint donor/developing country approach and reform strategies and priorities that emerge from the country assessment process.

18. The primary role of in-country donor groups would be to facilitate PD/GG through the promotion of dialogue, exchange of information and co-ordination of external support with partner-country institutions/groups. Donor groups should also consider how donor practices in such areas as financial mechanisms and technical co-operation

impact on PD/GG in-country (integrity, coverage and sustainability of national budgets, accountability systems, local ownership and institutional capacity, particularly for public management). In polarised situations the group would be a donor reference point for the factual basis of significant incidents, thus contributing to appropriate donor reactions to political trends and events. The assessments and work of such in-country donor groups could provide the customary point of reference for visiting external actors.

19. Experience already acquired with in-country co-ordination on PD/GG issues shows a fairly wide range of ad hoc mechanisms such as co-ordination in a specific sub-sector (e.g. strengthening the justice system in Haiti), around an event with a short time horizon (e.g. an election in Malawi) and around a process with a longer time horizon (e.g. peace talks, political transition in El Salvador and Mozambique). Tanzania for example, has a large donor presence with experience on a wide range of governance issues. Some of the key issues for success of these mechanisms include:

- involvement of important actors on the donor side;
- speed of the response;
- the quality of leadership and participation;
- full sharing of information and open dialogue on capacities, interests;
- regular meetings; and
- a focused agenda.

20. For the approach to co-ordination set out in this note, which involves a broader agenda and a longer time horizon, key factors would include:

- broad-based representation (government, donors, CSOs); and
- the quality of the participative process.

21. Given the complexity of PD/GG issues, DAC Members recognise the importance of building their own capacity in PD/GG areas. This can be done by placing qualified professionals in country representations, delegating to them sufficient responsibility and maintaining close communications between headquarters and field staff. Co-operative arrangements with respect to information and training in PD/GG areas could help reinforce quality both among donors and developing country professionals. The results of in-country co-ordinating mechanisms should be shared as swiftly as possible with those donors unable to field the necessary expertise.

Links with country-level co-ordinating mechanisms¹

22. In view of the vital connection between PD/GG and sustainable development, the importance of PD/GG in donors' aid allocation decisions, and experiences in recent CG and RT discussions, DAC Members support, as a medium-term objective, the systematic treatment of these issues in CGs and RTs, in a manner suited to their nature and importance in each specific country context.

23. Broad-based, in-country consultations, drawing on the assessments and processes described above, could lead to the identification of actions and commitments on the part of the partner country and its donors and of points under active debate to be addressed as a matter of priority. Presentations could be made to the plenary of the CG or RT meeting by lead speakers participating in the in-country process. Building upon the current practices of some developing countries and donors, both formal and informal meetings organised around the plenary would provide opportunities for all involved parties to express their points of view.

24. The output of the CG and RT meeting should be monitored through in-country

¹ In this context country-level co-ordination refers to periodic meetings held between individual developing countries and donors to discuss socio-economic development priorities and programmes and associated financing requirements. To date this type of co-ordination takes place in the form of Consultative Groups and Round Tables.

co-ordination mechanisms and reviewed in the next CG or RT meeting.

ANNEX 3

Proposed Guidance for Introducing In-Country Co-ordination on Participatory Development and Good Governance Issues

I. Introduction

1. The purpose of this note is to serve as a tool to initiate pilot cases. It is meant to be distributed to participating aid agencies and foreign affairs ministries' staff for comments, reactions and adaptation to country circumstances.
2. For the process of in-country co-ordination on participatory development and good governance to succeed there will need to be significant changes in attitudes of donors and partner country authorities and in the way in which such issues are handled. The process will take time and will need to be introduced progressively according to country conditions. The Policy Note on Strengthening Country Level Co-ordination for Participatory Development and Good Governance (PDGG) [DCD/DAC(96)14/REV2], approved by the DAC High Level Meeting in May 1996, should be viewed as a departure point and not as a blue print. In order to test its applicability the Ad Hoc Working Group on PD/GG has agreed to initiate a number of pilot cases. This pilot phase is projected to last about two years with an interim stock-taking exercise programmed for the end of 1997. The Chair of the Group, which will complete its mandate at the end of 1996, is proposing the creation of an informal network on PD/GG, for monitoring and information exchange. This would seem to be a pre-requisite for the introduction of pilot cases.

II. Key Steps for launching the pilot cases for in-country co-ordination on PD/GG issues

Step 1. Mobilising support at headquarters

The Policy Note on Strengthening Country Level Co-ordination for PDGG outlines a process that is not likely to exist in practice in the field. In order to give every chance for the pilot cases to succeed the first step is to convince headquarters staff in donor aid agencies and ministries of foreign affairs that this new approach is worth an experimental effort. The policy branches of aid agencies working on PD/GG issues would need to organise information/explanation seminars with headquarters staff from the geographic desks in aid agencies and foreign affairs ministries. Without substantial support from headquarters the initiative is likely to have difficulty getting started.

Step 2. Mobilising support in field offices

3. Once headquarters staff are convinced of the intrinsic worth of the process then they could organise similar information/explanation seminars for field staff in the selected pilot countries. This should include staff from embassies and aid offices. There may also be scope for organising multi-donor consultations at this stage. These seminars could provide the opportunity for gauging the overall operational environment for introducing pilot cases. Should significant reticence be expressed at this stage it might be worthwhile reviewing the country selection. Unless there is sufficient enthusiasm on the ground the pilot is likely to encounter difficulties at every stage.

Step 3. Analysing donor aid practices as they impact on PD/GG

One way of building up a donor co-ordination effort around PD/GG issues is to begin with an analysis of how donor financial/project mechanisms and technical co-operation procedures impact on areas such as the integrity, coverage and sustainability of national budgets, national accountability systems, national institutional capacity, particularly for public management and participation of beneficiaries in their own development. Such an exercise could also facilitate the approach to partner country officials to demonstrate that the purpose of in-country co-ordination is not to impose a “donor-driven” model of PD/GG but rather to promote a local/national ownership process.

Step 4. Initiating dialogue with partner country authorities

The initial contact should not be perceived as threatening which may be the case if donors are approaching the authorities as a group. When this is the case one or two donors could be designated to represent the others. Another important aspect is identifying who to approach on the partner country side. This decision can best be taken by interested donors in the field. Clearly PD/GG issues go well beyond the purview of the ministries of foreign affairs, plan or finance. In some cases it may be necessary to broach the question at the level of a president or prime minister, especially in countries where there is not a tradition of dialogue on political governance issues between donors and partner country authorities. If initial reactions are negative then donors may wish to test the process using a less sensitive sub-sector of the PD/GG agenda (i.e. judiciary system). The investment in time and resources necessary to identify key persons and bring them on board is certainly likely to pay off later.

Step 5. Identifying civil society interlocutors

Given the rapid expansion of civil society organisations (CSOs) in recent years and their diversity in terms of commitment to development, representativeness, links with the grassroots level, degree of independence from government etc. caution would need to be exercised in identifying interlocutors for the in-country co-ordination process. In fact the process may call for up-front capacity building initiatives for CSOs active on PD/GG issues and support for the improvement of the enabling environment so that these organisations can build networks and determine their own professional/ethical standards. Where broadly representative umbrella organisations exist the choice of interlocutors is likely to be facilitated.

Step 6. Defining co-ordination mechanisms/processes

To the extent possible existing co-ordination mechanisms could be used. At any rate, PD/GG issues are cross-cutting and essential to the overall policy framework for development. Co-ordinating mechanisms/ processes should be flexible and function at various levels: i) donors among themselves (embassies, aid agencies); ii) donors with government; iii) donors with civil society and iv) donors, government and civil society. In order to maximise chances for success special attention would need to be given to the quality of leadership and participation (which should be broad-based) and the quality of the participative process. Mechanisms could evolve overtime as the key players in-country become more familiar with open treatment of PD/GG issues. A first step where no appropriate mechanisms exist might be to establish a group with donors among themselves.

Step 7. Launching the

Ideally the country assessment could cover all the areas set out in the DAC

initial country assessment

Orientations on Participatory Development and Good Governance namely, participatory development, democratisation, good governance (including the rule of the law, responsible leadership and effective public management) and human rights. The methodology for the assessment would need to be defined but there are some precedents such as ODA's good government assessment methodology [DCD/DAC/PDGG(95)6], JICA's logical framework approach, and the Global Coalition for Africa's self-assessment of governance in Africa framework. Clearly the scope and methodology will have to be adapted to local conditions. Where the situation is not conducive to a broad-based assessment it could focus on a specific sub-sector or around preparations for a specific event (i.e. peace talks, elections). Local institutions that could lead or participate in a joint venture arrangement with an outside institution would need to be identified. If local institutions have not been involved in this type of work previously they may be reluctant to participate for fear of possible government reprisals if the assessment is not positive. In these circumstances a first assessment may have to be undertaken by an external institution.

Step 8. Agreeing on the nature of donor-supported PD/GG programmes

Once the initial country assessment is completed it should be discussed as widely as possible given country conditions. The purpose of these discussions would be to ensure that donor-supported programmes actually respond to an expressed need. Discussions should also help identify the views of various groups in-country on the relative priority of selected PD/GG issues. The process could help identify national constituencies/partners for the implementation of donor-supported activities. It could also lead to the identification of actions and commitments on which there is a general consensus among in-country groups as opposed to those where there is still active debate. Finally, in countries where it has not previously been possible to identify co-ordination mechanisms at all the desirable levels, these discussions could provide a spring board for forming such groups.

Step 9. Linking up with country level co-ordinating mechanisms

Following agreement on a PD/GG programme of actions in-country, links would need to be established with the Round Table (RT) or Consultative Group (CG) process. Links may be easier with the Round Table since the UNDP is mandated to deal with the full range of PD/GG issues and there is a precedent for NGO participation in such meetings. For CG meetings practices such as the use of meetings organised in country around the plenary session to provide opportunities for all involved parties to express their points of view could be adopted. The manner of linking to country level meetings would depend on the state of dialogue in-country and practices used previously in dealing with PD/GG issues at CG or RT meetings. In cases where such meetings are held in-country there are more possibilities for full participation and close linkages with the in-country process. At any rate, presentations should be made to the plenary by lead speakers participating directly in the in-country process.

Step 10. Monitoring implementation of agreements reached at CG or RT meetings

In order to prevent disjunction between PD/GG dialogues held in CG or RT meetings and those conducted in-country the responsibility for monitoring implementation of any agreements reached at plenary meetings should be undertaken by in-country co-ordination groups. The objective is to have PD/GG issues treated systematically and to measure country performance based on relative progress rather than absolute standards. As the process gains momentum another advantage would be to develop more comparable treatment across countries.

III. Possible division of labour among lead donors, outside consultants and the Secretariat

4. There are three types of players on the donor side involved in the pilot process: a lead donor for each pilot country, a number of outside consultants specialised in key PD/GG areas and the DAC Secretariat. These players would be expected to communicate among themselves on a regular basis through an informal network, where possible using electronic messaging. Through the network other interested members could also be kept apprised. The network would be a vehicle for circulating regular reports by lead donors on experience with the pilot cases. The Secretariat could co-ordinate requests from the field for technical support or problem-solving.

Role of lead donors

5. The precise terms of reference of each lead donor would be defined in-country but there are a minimum number of functions that would need to be covered. These include:

- mobilising support from other donors in the field;
- ensuring that there is adequate donor capacity in the field to handle PD/GG and if not, requesting additional staffing;
- encouraging the formation of a donor group in-country to analyse how donor aid practices impact on PD/GG;
- catalysing discussion/agreement on how to approach partner country authorities and potential civil service interlocutors. The lead donor would not necessarily have to lead the discussions. This would depend on factors such as donor visibility on PD/GG issues, perceptions of donor neutrality, quality of a donor's high level contacts, existing co-ordination arrangements and leadership designations, etc.;
- providing momentum in-country for the establishment of co-ordination processes and the launching of the initial country assessment. This does not necessarily imply chairing co-ordination meetings. It would depend on the country circumstances. In some cases a rotating chair may be effective;
- facilitating agreement on the nature of donor-supported PD/GG programmes;
- supporting preparations on PD/GG issues for CG or RT meetings. This does not necessarily imply being a lead speaker at these meetings. Ideally, national speakers could make the presentations and the donors would be given an opportunity to respond or react.

Role of outside consultants

6. The terms of reference for outside consultants would need to be defined for every assignment but the use of such consultants is designed to provide short-term technical support on specialised issues to in-country groups and to organise capacity building activities as needed. Where possible training could be organised for donor and partner country groups together. The extent to which pilot cases will have access to consultants will depend on the availability of financial resources for this purpose. A roster of qualified consultants could be established based on various donors' experience and be made available to participating donor field offices. Under certain circumstances the visit of an outside consultant could be used as a catalyst for mobilising in-country support for key steps in the process.

Role of the Secretariat

7. The terms of reference for the Secretariat will also depend on the country situation. Perhaps more than the other actors, the Secretariat role is likely to vary since it is one of "filling the gaps" and providing back up for the whole process. General areas would include:

- guiding the overall process in collaboration with interested members of the informal PD/GG network;
- facilitating communications among donors, outside consultants and across pilot countries;
- providing regular feedback on progress or problems through the informal network to all interested participants;
- disseminating information on country assessment methodology, treatment of PD/GG issues at CG and RT meetings or any other type of information that could be relevant to those participating in the pilots;
- keeping the DAC apprised of progress during the pilot phase.