Plenary session 3

Progress in Delivering the Busan Partnership for Effective Development Co-operation in States of Fragility

This is the Executive Summary only. The full report is also available on the Global Partnership website.

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Developed by Development Initiatives in consultation with the Ministry of Foreign Affairs of the Republic of Korea
Executive summary

This paper synthesises country-level evidence on the delivery of development cooperation and implementation of the Busan Partnership for Effective Development Co-operation in fragile states (referred to as the Busan Partnership Agreement), highlighting broader lessons for success, methods for overcoming challenges and implications for future delivery. It is structured around the four overarching principles set out in the Busan Partnership Agreement: (1) country and democratic ownership; (2) inclusive partnership; (3) results; and (4) transparency and shared responsibility.

There has been notable progress in governments taking ownership of national development frameworks and development partners aligning to the priorities of partner countries. However, the case study evidence shows that expectations must be realistic: inclusive political change in fragile contexts is a long and complex process requiring appropriate delivery plans, timeframes, funding and results frameworks. Fostering cross-government buy-in and driving inclusive political dialogue is also critical. Civil society, often constrained by budgetary, logistical and physical access barriers, needs to be included in national development frameworks to maximise such inclusivity.

Whilst the use of country systems in fragile states has increased in aggregate, limited progress has been made in strengthening the quality of public finance management (PFM) systems. As donors avert risks associated with using weak or non-existent systems, parallel systems are often created. Greater focus on strengthening the capacity and quality of PFM systems is necessary for risk management, and case study evidence demonstrates a range of actions that can be taken by both donors and partner countries to this end. Furthermore, support should not be limited to states that already have government institutions and accountability systems in place: establishing financing mechanisms to reimburse government salary payments is critical to the very formation of government institutions.

The alignment of development partner results frameworks to those of partner countries is a central theme for development effectiveness in fragile states. However, evidence suggests that this can only be achieved through investment in measuring results and building the necessary capacity. A blueprint should be developed on how partner countries should monitor Busan Partnership Agreement principles, as well as a global results framework, and monitoring of transparency in the Global Partnership for Effective Development Cooperation (GPEDC) should go beyond a focus on the supply of information to include the routine use of data at country level.

The key findings and lessons learnt are outlined below. It is important to note that the lessons captured in this section are based on a limited number of case studies.

Country and democratic ownership

National leadership

Key findings

- There has been notable progress in terms of governments taking leadership and ownership over national development frameworks.

Lessons learnt

- A differentiated approach should be taken in fragile states, tailored to the context and type of fragility experienced.
- Government-led national development frameworks should be based on an inclusive fragility assessment in order to move beyond technocratic exercises and to shape political dialogue.
• Delivery plans, timeframes, budgets and results frameworks should accommodate the reality that inclusive political change in complex contexts takes time, possibly even generations, to achieve.
• Cross-government buy-in and leadership is critical to the effective delivery of government-led national development frameworks and priorities on peacebuilding and statebuilding.

Alignment of priorities

Key findings
• Development partners have made progress in aligning their priorities to those of partner governments.

Lessons learnt
• Development partners are more likely to support and align to government-led decisions if they are present in the meetings when these decisions are made.
• Donors need to weigh up funding international private contractors as opposed to channelling funds through country systems in terms of costs, value for money, and the potential implementation of disjointed small-scale projects through private implementers which are not able to work at scale, or be sustainable in supporting country ownership.
• There should be a greater focus on strengthening the capacity and quality of government PFM systems in order to strengthen use of country systems and minimise risks.
• To strengthen alignment, donors should fund in line with government planning cycles.

Use of country systems

Key findings
• Use of country systems continues to be a challenge in fragile states, largely as a result of donors averting risks associated with government systems that are potentially weak, slow or non-existent. This has, in some cases, resulted in the creation of parallel systems at the country level that can shift accountability for service delivery away from the state.
• However, whilst experiences have been mixed, as an overall trend, there has been an increase in the use of country and PFM systems in fragile states. Examples of use of country systems presented in this report are predominantly drawn from pooled funding mechanisms and innovative approaches to budget support, with some coverage of Sector-Wide Approaches (SWAs), while recognising that other mechanisms exist.

Lessons learnt
• It is important that partner country governments are involved in the governance of pooled funding mechanisms from the outset to foster greater and more sustainable country ownership.
• European Union (EU) State Building Contracts (SBCs) are useful mechanisms for budget support in contexts with high fiduciary risk.
• The provision of budget support is critical in enabling state institutions to be formed – particularly in contexts where government regulation is absent – and as such should not be limited to states that already have government institutions and accountability systems in place.
• The establishment of on-budget financing mechanisms to reimburse government salary payments is particularly important with regards to the formation of government institutions.
• Partner countries with weak PFM systems in place can attract on-budget support from donors by establishing financial controls and a fiduciary framework for recurrent costs, as well as strengthened transparency and accountability of revenues and expenditures.
• The Fixed Amount Reimbursement Agreement championed by the United States Agency for International Development (USAID) – an effective process for reimbursing expenditure in a government’s budget once it has been audited – could be rolled out in other countries/by other donors.

Predictable aid

Key findings
• There has been slow progress on improving the predictability of development cooperation in fragile states.
• There has been greater progress by a few donors on establishing rapid response mechanisms.

Lessons learnt
• Development partners should develop accurate systems for providing partner countries with spending estimates 3–5 years in advance to enable more effective planning in the medium and long term.
• Multi-year programming and funding is a reliable and efficient mechanism for providing rapid and predictable response.
• EU SBCs are useful mechanisms for rapid response where there is political backing from the international community and where priorities are aligned to those of the government.

Assistance in conflict contexts

Key findings
• Supporting country ownership in situations of violent conflict is a challenge, particularly where it is difficult to work with and through the government.

Lessons learnt
• Donors should take a more nuanced approach in countries where cyclical conflict is likely, by planning around a likely return to conflict, undertaking risk management and recognising that periods of calm are not always opportunities for long-term development.
• Tackling marginalisation and fostering a legitimate and inclusive political settlement in post-conflict contexts is central to minimising the risk of renewed conflict.

Support to non-state initiatives

Key findings
• Evidence shows that support to non-state initiatives can drive long-term social and political change and address underlying causes of conflict and fragility.

Lessons learnt
• Linking non-state initiatives with the government and securing its buy-in is key to sustainability, but where this is not possible, strengthening the capacity and leadership of civil society can build the foundations for longer-term peace and national buy-in.

Inclusive partnerships

Inclusion of civil society and communities

Key findings
• Significant progress has been made regarding the inclusion of civil society and communities in national development processes.
**Lessons learnt**

- Involving civil society at the outset of national responses is critical to achieving inclusive results and meeting the needs and interests of all segments of society.
- Having pre-established mechanisms in place for community leadership prior to the outbreak of a crisis can lead to greater community ownership and more inclusive results in the response.
- Regional representation of communities and civil society in assessments and in national development consultations is critical; the logistical and financial barriers to achieving this should be addressed through realistic timeframes and budgets.

**Inclusion of the private sector**

**Key findings**

- There are encouraging signs that the private sector is starting to play a greater role in responding to disasters. While disaster response is not an explicit component of the Busan Partnership Agreement, this report pays some attention to it given the role that disasters play in exacerbating political fragility and the importance of coordinating all actors engaging in fragile contexts.
- Public–private partnerships can create stable environments for businesses in post-conflict contexts.

**Lessons learnt**

- Domestic investments in infrastructure and human resources alongside stronger investment incentives can make the domestic market more profitable and attract private investment in fragile states.
- Corporate partnerships between aid agencies and the private sector can provide reliable and efficient mechanisms for rapid and predictable responses to natural disasters.
- Government-led prevention and response strategies must be developed in collaboration with the private sector to maximise the response to disasters in fragile states.

**Fragile-to-fragile cooperation**

**Key findings**

- There has been notable progress in South–South cooperation, particularly through the implementation of the New Deal and priorities around ‘Fragile-to-Fragile’ cooperation.

**Lessons learnt**

- Fragile-to-Fragile cooperation should be rolled out more widely given its value in terms of capacity building and sharing lessons between fragile states.

**Results**

**Alignment of results frameworks and mutual accountability**

**Key findings**

- There has been slow progress in aligning development partners’ results frameworks to those of partner countries. Measuring results in fragile states is particularly difficult given the contextual (capacity, access, communications and risk of insecurity) challenges experienced. Greater progress has been made in developing mutual accountability frameworks, and the New Deal has provided an importance framework for this.
- Significant progress has been made in developing joint (development partner and partner country) targets for effective development cooperation. Less progress has been made in
undertaking joint and inclusive assessments of progress, and in making the results of these assessments publicly available.

**Lessons learnt**

- Measuring results in fragile states is a long-term process and is likely to face greater challenges than in non-fragile contexts. It is important that results frameworks accommodate this reality.
- There is a pressing need for development partners to invest in capacity building for partner countries on measuring results and collecting data to track progress against indicators.

A blueprint should be developed on how partner countries should monitor commitments set out in the Busan Partnership Agreement, as well as a global results framework.

**Achieving impact by meeting the needs of vulnerable people**

**Lessons learnt**

- To achieve impact, and given that peacebuilding and statebuilding are long-term processes, it is important that the needs of vulnerable people continue to be met while support at the state level takes place through the simultaneous provision of basic services.
- Given that most humanitarian assistance goes to long-term recipients in response to protracted and reoccurring crises, and often finances provision of basic services, it is worth exploring whether (and under what circumstances) there may be a role for other actors in ensuring such provision, particularly through social protection programmes.

**Transparency and shared responsibility**

**Key findings**

- In a few fragile states there has been remarkable progress in establishing transparent PFM systems, but many states still do not provide sufficient information.
- Although Aid Information Management Systems (AIMS) have been established in many fragile states, they continue to face a number of constraints, which limit their operational value.
- Progress on implementing a common, open standard has been varied. Progress in publishing timely and comprehensive data has been greater than the production of forward-looking data.

**Lessons learnt**

- The capacity of governments to manage AIMS should be strengthened and donors should provide data in a format compatible with that of the government’s budget.
- Establishing a national budget website and accompanying this with outreach activities and the establishment of a civil society monitoring mechanism can strengthen government transparency.
- Building the capacity of intermediaries to use data is essential if open data is to benefit citizens.
- Disaggregated data made accessible on an open platform can help the public to understand the raw data behind media headlines and to verify claims. It can also help donors to identify funding gaps.
- For real transparency gains to be realised, monitoring of transparency in the GPEDC should go beyond a focus on the supply of information to include the routine use of data at country level.
- It is important that all providers of development cooperation publish high-quality data to the International Aid Transparency Initiative (IATI) Standard in order to facilitate automated data exchange with country-based systems.