



Global Donor Platform
for Rural Development



Joint Donor Principles for Agriculture and Rural Development Programmes

Incentives for change

Preface

In 2008, with only 7 years until the 2015 target date for the MDGs, 1.4 billion people live on less than \$1.25 a day and almost a billion people are undernourished. Although the proportion of official development assistance (ODA) spent on agriculture is slowly on the rise after the dramatic hike in food prices in 2008, an effective agriculture-for-development agenda is still a far vision. This is despite the evidence showing that sustainable agricultural development centred on smallholders is the most promising and most sustainable approach to address rural poverty and hunger.

In 2005, world leaders agreed in Paris to increase the effectiveness of the aid that they provide. The Paris Declaration (PD) on Aid Effectiveness has created a powerful momentum for change in the way developing countries and donors work together. The 2008 report on monitoring the implementation of the Paris Declaration pointed out that there is progress, but not enough. Still, a large number of developing countries have improved their management of public funds and donors, in turn, are increasingly improving their co-ordination at country level; yet the pace of progress is too slow. Without further reform and faster action, we will not meet our 2010 aid effectiveness commitments and targets.

The Accra Agenda for Action (AAA), endorsed during the September 2008 Accra High Level Forum, has re-focused the political debate on the need for country ownership, more and inclusive partnerships and achieving development results and openly account for them. The challenge arising from Accra is to advance the aid effectiveness agenda at sectoral level to enhance development effectiveness and impact.

Members of the Global Donor Platform for Rural Development have been working to help draft a set of 'Joint Donor Principles' for effective assistance in agriculture and rural development. It is important to recognise agricultural sector specificities when reviewing the application of Paris partnership commitments in the sector. Generally, agricultural activities are private sector led with a wide range of private actors (farmers, wage-labourers, agribusinesses, producer organisations, suppliers, traders etc.). There is great potential to define the role of the state, which is bound to policy, regulation, provision of public goods and addressing market failure.

Fostering greater effectiveness of public investment at sector level: The Joint Donor Principles focus on the process and modalities of achieving greater effectiveness of agriculture and rural development programmes. They do not provide a joint vision on the content of sustainable agriculture and rural development (ARD) programmes.

The Joint Donor Principles highlight the need to include stakeholders in decision making, ensure coherent policies, recognise the importance of inter- and intra-ministerial coordination, support 'internal alignment' and focus on donors' alignment with decentralised levels of government.

The members of the Global Donor Platform for Rural Development endorse the Joint Donor Principles. We would encourage development

partners at the country level to use these principles as a benchmark that can be used when preparing and implementing country-specific partnerships. The principles are based on the Platform's experiences on aid effectiveness applications, and are derived from the background papers prepared for Round Table 8 at the High Level Forum in Accra 2008, as well as on the Forum's outcome document.

Recognising the underlying principles of the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action, the members of the Platform agree to the following principles of **ownership, alignment, harmonisation, managing for results, and mutual accountability.**



...❖ Ownership: 'Partner countries exercise effective leadership over their development policies, and strategies and co-ordinate development actions'

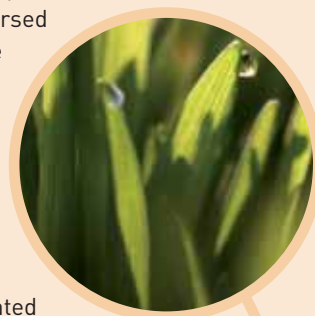
As the AAA states, country ownership is key to more successful development policies.

In order to accelerate the PD commitments, donors will support partner governments by respecting countries' priorities, investing in their human resources and institutions, making greater use of their systems to deliver aid, and increasing the predictability of aid flows.

The agricultural and rural development sector includes a wide range of stakeholders (farmers, public sector, private sector and civil society), all of whom need to be involved in designing and implementing agricultural policies/programmes at national and local/farm level. Efforts to increase these stakeholders' involvement are often damaged by the use of a one-size-fits-all approach of focusing support on a government-led sector programme and by the dispersed and often isolated nature of rural areas. And, although the role of the state in the sector is generally understood to be about regulation, provision of public goods (such as research and development), and the addressing of market failures, there is still a lack of consensus about what that means in practice.

There is a need to focus on **capacity development among stakeholders, including their institutions**, in order to foster the inclusion of the private sector and civil society in the planning, financing and execution of coordinated programmes, as they are the drivers of economic growth.

However, there are clear challenges in achieving fruitful macro-level relationships between sectors. The relationships between the agricultural sector's ministry and the ministries of finance and planning are of particular importance for the success of agricultural programmes. Lack of support from these ministries can create various problems for the sector. Donors must therefore support the **'internal alignment'** of government institutions (such as the ministries of finance and planning) and their policies. Donors must also support them in identifying, preparing and monitoring all forms of support for ARD, in order to strengthen their partner governments' capacity in terms of programme planning and financial administration.



Joint Donor Principles on ownership

1. Support government leadership and ownership in ARD that are based on inclusive processes, promoting effective participation of key agricultural stakeholders.
This includes remote rural farming communities and women farmers.
2. Support capacity development of key stakeholders and their institutions to participate more effectively in the design, delivery and monitoring of ARD-specific country strategies.



❖ Alignment: 'Donors base their overall support on partner countries' national development strategies, institutions and procedures'

As the AAA stipulates, we need to build more effective and inclusive partnerships for development, thereby reducing costly fragmentation of aid and redundancies, in order to accelerate the PD commitments.

Aid is about building partnerships for development. Such partnerships are most effective when they fully harness the energy, skills and experience of all development actors – governments, bilateral and multilateral donors, global funds, CSOs, and the private sector. To support developing countries' efforts to build for the future, we resolve to create partnerships that will include all these actors.

Development issues in ARD are highly heterogeneous and location-specific. They require decentralised and flexible approaches and strategies for action. When agricultural policy is being decentralised to lower levels of government, the interplay between central and peripheral government in a country sometimes obstructs decentralised implementation of strategies devised at the central level. Agricultural policies must therefore be aligned with decentralisation and regional/local territorial planning to ensure the coherence of policies and strategies. With this in mind, it is therefore necessary to widen the application of the aid effectiveness principles from the central to the decentralised levels.



Joint Donor Principles on alignment

3. Focus on alignment with national ARD development strategies and country systems that are 'good enough', strongly considering decentralised government institutions.
4. Support the strengthening of internal coherence of policies (internal alignment), enhancing cross-sectoral approaches to ARD.
5. Support consensus building on the role of government (civil society and private sector) in ARD.
6. Contribute to and sign up to existing country PRSP, thematic or sector working groups and national compacts (such as the Comprehensive Africa Agriculture Development Programme (CAADP) process); alternatively, elaborate national MoUs/CoCs/JPs between the national government and the donor group, reducing conditionality and increasingly improving the predictability of aid.

❖ Harmonisation: 'Donors' actions are more harmonised, transparent and collectively effective'

The development of common funding mechanisms via sector-wide approaches (SWAs), programme-based approaches (PBAs), basket funds and forms of budgetary support represent a significant effort in promoting country ownership and donor harmonisation with a view to rationalising aid and reducing transaction costs.

Because of the complexity and extent of the ARD sector with its various actors, securing agreement among donors on common programmes and aid modalities and transactions is a specific challenge. Agricultural SWAs have now begun to establish effective stakeholder coordination mechanisms that reach beyond the administrative boundaries of ministries of agriculture into other areas of strategic importance such as trade, infrastructure and finance.



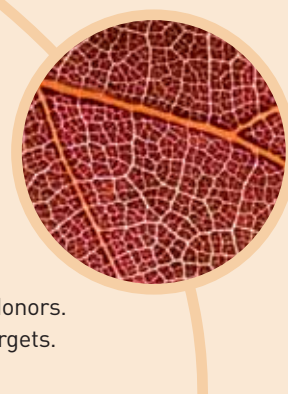
Joint Donor Principles on harmonisation

7. Use and support national development strategies, Joint Assistance Strategies (JAS), agricultural sector policies and common funding mechanisms via sector-wide and programme-based approaches, to bring about harmonisation.
8. Advance complementarity and country-led division of labour in ARD, reducing fragmentation.
9. Recognise the need for intra- and inter-sectoral harmonisation in rural development.

❖ Managing for results: 'Managing resources and improving decision-making for results'

As stipulated in the AAA, achieving development results – and openly accounting for them – must be at the heart of all we do.

More than ever, citizens and taxpayers of donor and partner countries, together with their parliaments, expect to see that efforts have tangible results. Monitoring and evaluation (M&E) systems, however, remain extremely weak in many developing countries. In the agricultural sector, the challenge has been to define results indicators which can be linked back to public service delivery and investments. The establishment of suitable agricultural performance targets remains a key requirement for assessing the progress of government policies and justifying aid allocations by donors. Parliaments and civil society organisations should play a role in establishing and monitoring such targets.



Joint Donor Principles on managing for results

10. Support the tracking and reporting on measurable outcome and results indicators for ARD. These must be consistent with the national development strategy (such as the Poverty Reduction Strategy, and sectoral ARD strategies), should be set up at the start of any programme, and should use national M&E systems and be gender-specific.
11. Development indicators for ARD should highlight the role of smallholder agriculture contributing to equitable growth.

❖ Mutual accountability: 'Donors and partners are accountable for development results'

As stipulated in the AAA, transparency and accountability are essential elements if development efforts are to show results.

With this in mind, CSOs, farmers, parliaments, local governments, and farmer associations can play an important role in the mutual accountability process. They can help monitor implementation of programmes on the ground at a level that most conventional M&E systems cannot reach. They are also in an excellent position to hold governments and donor support accountable, within an evolving framework of democratic ownership at country level. In their role as advocates, they can help raise public awareness and engage in policy dialogues at all levels. Through their proximity to communities, they are also able to engage end-user beneficiaries in the crucial assessment of results.

Joint Donor Principles on mutual accountability

12. Join with partners to promote and to develop sector-level mutual accountability frameworks, which need to include roles for rural stakeholders (farmers, farmer organisations, CSOs and local governments).
13. Consider cross-cutting issues (particularly the roles of women in agriculture, and environmental or natural resource management issues) when drawing up mutual accountability frameworks for agriculture.

Matching the Joint Donor Principles with Paris Declaration

Paris Declaration and Accra Agenda for Action commitments for donors

1. Ownership: 'Partner countries exercise effective leadership over their development policies, and strategies and co-ordinate development actions'

Paris Declaration

1.1. We will respect partner country leadership and help strengthen their capacity to exercise it.

Accra Agenda for Action

1.2. We will broaden country-level policy dialogue on development.

1.3. We will strengthen and use developing country systems to the maximum extent possible.

2. Alignment: 'Donors base their overall support on partner countries' national development strategies, institutions and procedures'

Paris Declaration

2.1. We will base our overall support on partners' national development strategies.

2.2. We will link funding to a single framework of conditions and/or manageable set of indicators.

2.3. We will use country systems and procedures to the maximum extent possible.

2.4. We will avoid the creation of parallel project implementation units (PIUs).

Accra Agenda for Action

2.5. We will increase aid's value for money.

2.6. We will welcome and work with all development partners.

2.7. We will deepen our engagement with civil society organisations.

2.8. We will adapt aid policies to countries in fragile situations.

3. Harmonisation: 'Donors' actions are more harmonised, transparent and collectively effective'

Paris Declaration

3.1. We will implement common arrangements at the country level for planning, funding, disbursement, etc. of aid activities.

3.2. We will work together to reduce the number of separate, duplicative diagnostic reviews and missions to the field.

3.3. We will make use of our respective comparative advantage and on our complementarity at country and sector level.

3.4. We will reform procedures and strengthen incentives for management and staff to work towards harmonisation, alignment and results.

4. Managing for results: 'Managing resources and improving decision-making for results'

Paris Declaration

4.1. We will link country programming and resources to results and align them with effective partner country performance assessment frameworks.

4.2. We will harmonise our monitoring and reporting requirements.

4.3. We will work with partner countries in a participatory approach to strengthen country capacities and demands for results-based management.

Accra Agenda for Action

4.4. We will focus on delivering results, by strengthening the quality of policy design, develop cost effective results management instruments and align our monitoring with country information systems.

4.5. We will strengthen incentives to improve aid effectiveness.

5. Mutual accountability: 'Donors and partners are accountable for development results'

Paris Declaration

5.1. We will provide timely, transparent and comprehensive information on aid flows to complement national budget presentations.

5.2. We will jointly assess with partner countries mutual progress in implementing agreed commitments on aid effectiveness.

Accra Agenda for Action

5.3. We will be more accountable and transparent to our publics for results.

5.4. We will continue to change the nature of conditionality to support ownership.

on Aid Effectiveness and Accra Agenda for Action

Joint Donor Principles in agriculture and rural development

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2. Support capacity development of key stakeholders and their institutions to participate more effectively in the design, delivery and monitoring of ARD-specific country strategies.
3. Focus on alignment with national ARD development strategies and country systems that are 'good enough', strongly considering decentralised government institutions.
4. Support the strengthening of internal coherence of policies (internal alignment), enhancing cross-sectoral approaches to ARD.
5. Support consensus building on the role of government (civil society and private sector) in ARD.
6. Contribute to and sign up to existing country PRSP, thematic or sector working groups and national compacts (such as the Comprehensive Africa Agriculture Development Programme (CAADP) process); alternatively, elaborate national MoUs/CoCs/JPs between the national government and the donor group, reducing conditionality and increasingly improving the predictability of aid.
7. Use and support national development strategies, Joint Assistance Strategies (JAS), agricultural sector policies and common funding mechanisms via sector-wide and programme-based approaches, to bring about harmonisation.
8. Advance complementarity and country-led division of labour in ARD, reducing fragmentation.
9. Recognise the need for intra- and inter-sectoral harmonisation in rural development.
10. Support the tracking and reporting on measurable outcome and results indicators for ARD. These must be consistent with the national development strategy (such as the Poverty Reduction Strategy, and sectoral ARD strategies), should be set up at the start of any programme, and should use national M&E systems and be gender-specific.
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