





# 3 BACKGROUND TO THE DONOR COORDINATION AND AID EFFECTIVENESS AGENDA

Donor coordination has been an essential component of the development effectiveness agenda for several decades. The logic is clear: better alignment of donor policies, programmes and investments supports greater policy coherence and the alignment of initiatives, programmes and investments at the country level. This in turn enables more efficient and effective channelling and use of resources in line with partner countries' priorities; it also avoids duplication and fragmentation of investments and donor support, while reducing the burden on partner country systems and processes, and ultimately leading to better and more impactful development outcomes.

**FIGURE 2 HIGH-LEVEL FORUMS HIGHLIGHTING THE IMPORTANCE OF DONOR COORDINATION AND HARMONIZATION**



In the past two decades, a series of high-level forums have emphasized the need for improved donor coordination and harmonization to enhance the outcomes and impacts of development processes, particularly at the country level (see FIGURE 2). In 2002, the Monterrey Consensus emphasized the need for donors, partner countries and international institutions to intensify their efforts to harmonize procedures at the country level, while considering national development needs and objectives.<sup>4</sup> Building on this, at the first High Level Forum on Aid Effectiveness, held in Rome in 2003, donors committed to harmonizing their “operational policies, procedures, and practices ... with those of partner country systems to improve the effectiveness of development assistance”.<sup>5</sup>

In 2005, the Paris Declaration on Aid Effectiveness went further in emphasizing the importance of partnership between donors and development partners, outlining a set of core principles for donors and partner countries to adhere to with respect to the ownership, alignment, harmonization and results of their work and accountability for improving the effectiveness of aid.<sup>6</sup>

Building on the momentum from Paris, the Accra Agenda for Action (2008) and the Busan Partnership for Effective Development Cooperation (2011) emphasized the critical importance of country ownership and the need for donor alignment and harmonization to support country-level plans and national pathways.<sup>7</sup> The Busan partnership highlighted a set of common principles related to (i) developing countries’ ownership of their development priorities; (ii) a focus on the results of development efforts; (iii) partnerships for development; and (iv) transparency and shared responsibility. Beyond financial cooperation, the Busan partnership recognizes the fundamental contribution to sustainable development of South-South and Triangular Cooperation, and new forms of public-private partnerships.

While in theory the principles of donor coordination are well articulated, in practice donor coordination has repeatedly proven to be more an art than a science. On the ground, donors and country partners must navigate a range of issues, including differing objectives, drivers and incentives, as well as more practical considerations around institutional, technical, and financing and operating modalities. The food systems transformation agenda brings an added layer of complexity to donor coordination.

<sup>4</sup> United Nations (2002), *Monterrey Consensus on Financing for Development* (New York: United Nations Department of Public Information), para. 43.

<sup>5</sup> Organisation for Economic Co-operation and Development (OECD) (2003), “Rome Declaration on Harmonisation”, in *Harmonising Donor Practices for Effective Aid Delivery* (Paris: Organisation for Economic Co-operation and Development), 10–12.

<sup>6</sup> OECD (2005), *Paris Declaration on Aid Effectiveness* (Paris: OECD Publishing).

<sup>7</sup> OECD (2008), *Accra Agenda for Action* (Paris: OECD Publishing). See also OECD (2011), *Busan Partnership for Effective Development Co-operation: Fourth High Level Forum on Aid Effectiveness, Busan, Republic of Korea, 29 November–1 December 2011* (Paris: OECD Publishing).

