Working Group Session
Discussion Note
### Program at a Glance

#### Day 1  |  November 6 (Thu.)

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<th>Time</th>
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<tr>
<td>08:00</td>
<td>Registration</td>
<td>LG Convention Hall (B1, Lobby)</td>
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<tr>
<td>09:00</td>
<td>Opening</td>
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<td>10:00</td>
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<td>Plenary Session 2</td>
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#### Day 2  |  November 7 (Fri.)

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"Results-based National Accountability Framework"

Breakout Group Discussions (1) November 6, 14:00-15:30

Background

Country-level accountability processes are a key platform that can serve to strengthen country-owned management and monitoring of the delivery of development results. Where the processes are strong, they can have a major impact on changing behavior at the country level. Within the Global Partnership for Effective Development Cooperation (GPEDC), there is an attention made for partners to adopt transparent, country-led and country-level results frameworks as a common tool to assess performance. The country-led results framework in this context provides an opportunity to advance on focus on results agenda which supports developing countries’ ownership of development priorities and places the country-led results at the center of national accountability framework.

While there are some encouraging examples, there remain challenges in grounding accountability within the country-level processes by using country results-framework. Within the context of GPEDC’s monitoring framework, 8 countries piloted the monitoring of the use of country-results framework. Experience from pilot countries suggested that use of country results framework is complex. While development cooperation framework sets out the results at strategic level, drawing on country-results framework (i.e. national development and poverty reduction strategies), practical applications of the principle at sector and project/programme level vary greatly.

Equally important for enhancing accountability are country-level efforts to strengthen results-framework at national, sector and programme level. The increased multiplicity of cooperation modalities as well as the increased numbers and types of cooperation providers means that there is implication on country-level accountability processes and framework; a degree of coherence and collaboration is necessary if best-impact results are to be achieved.

Objective of the Session

The session will offer an opportunity for participants to share their experiences on strengthening / improving country-results framework as a core element for national accountability process, in particular how changing cooperation dynamisms has impacted the scope and the depth of the results framework. It will also provide an opportunity to discuss how increasingly development partners are and/or can be using country results framework to inform their planning and results management. Building on examples from
Plenary Sessions in the morning, this session aims to examine concrete actions taken at the country level to accelerate progress with particular focus on what works, what does not and what more needs to be done to accelerate the progress. Participants will be invited to: briefly present specific achievements (drivers for progress, good practices, and interesting initiatives); share challenges encountered and lessons learned; identify ideas for action/reform to be undertaken at the policy or implementation level in order to overcome remaining challenges.

**Facilitator: Mr. Niloy Banerjee, Director, UN System Affairs, Bureau for External Relations and Advocacy, UNDP**

**Case Presentation:**

- Mr. Manh Cuong Cao, Deputy Director General, Dept. of International Economic Relations, Ministry of Planning and Investment, Vietnam
- Ms. Cristina Matusse, Deputy National Director, National Planning Directorate, Ministry of Planning and Development, Mozambique

› **Outline of the Session**

The session will last 90 minutes. The facilitator will set out key guiding questions drawing on relevant papers shared with participants ahead of the workshop and invite panel-type brief feedback (5 minutes maximum) from three-four panel members/presenters. In order to promote an interactive environment, the facilitator will invite brief interventions from the floor, presenting their perspectives on the topic by drawing on experiences from their own country or organization.

For each session, the facilitator will have a rapporteur whose role will be to help him/her synthesize key points for the recap Plenary session (3:45pm). These points should consist of 3-5 action-oriented suggestions identified during the discussion, aimed at moving the agenda forward, either by clarifying pending issues, helping to scale-up existing good practice, or removing bottlenecks.

› **Guiding Questions to the Panellists**

- Since Busan, what progress have you achieved in improving results-based national accountability in terms of concrete action? How has the Mexico HLM informed / guided the efforts at country level?
- Is political will stronger? Have there been any policy changes that enable acceleration of the progress?
- Can you share drivers for success (relevant for replication) and/or lessons learned from challenges and bottlenecks?
- What global actions will help to break through the challenges faced on the ground?

› **Background Documents**

- GPEDC Progress Report
"Institutionalized Dialogue for Enhanced Use of Country Systems"

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**Breakout Group Discussions (2)  November 6, 14:00-15:30**

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#### Background

Strong country systems – including fiduciary systems, statistical systems, monitoring and evaluation processes and results frameworks – are key to country ownership. In Busan, countries and organisations recognised that “the use and strengthening of developing countries’ systems remains central to our efforts to build effective institutions” (BPa §19) and committed to “use country systems as the default approach for development co-operation in support of activities managed by the public sector.” (BPa §19a). Within the context of the GPEDC monitoring framework, developing countries have indicated the continuous need to focus on use of country’s PFM and procurement system as a core of country systems. The **GPEDC’s Progress Report** indicated that some progress has been made, but that stagnation and sometimes deceleration of use of country systems has been identified. It however underlined that an increased use of country system could be achieved through stronger dialogue at country-level. The discussions in Mexico highlighted the importance of looking beyond fiduciary risk and broadening the understanding of country systems, including issues of ownership, leadership, accountability monitoring and evaluating. The participants also agreed on the importance of partnerships built on trust and of structured dialogue (for example, CABRI and the US developed an initiative in the framework of the EIP to support “Country dialogues on using country systems”).

#### Objective of the Session

The session will offer an opportunity for participants to share their experiences on institutionalising dialogue for increased use of country systems on the ground (planning, budgeting, execution, and implementation). Participants will be invited to:

i) briefly present specific achievements (drivers for progress, good practices and interesting initiatives),

ii) share challenges encountered and lessons learnt,

iii) identify ideas for action and reform to be undertaken at the implementation and policy levels as well as country and global levels, in order to overcome bottleneck challenges and accelerate an effective use of country systems efforts.

The session aims to discuss two or three country studies and a mix of cases of concrete actions taken at country-level by partner countries as well as bilateral and multilateral donors.
Facilitator: Mr. Steve Pierce, Special Coordinator for Development Effectiveness, USAID/EIP Co-Chair

Case Presentation:
- Mr. Mustafa Aria, Aid Management Director, Budget Department, Ministry of Finance, Afghanistan
- Ms. Monica Asuna, Senior Economist & Head, Aid Effectiveness Secretariat, External Resources Department, National Treasury Kenya

Outline of the Session

The session will last one hour and a half. The facilitator will launch the discussions by inviting feedback on the reading materials including discussion papers that will have been shared with participants ahead of the workshop and by sharing a series of guiding questions. In order to enable a dynamic interaction, participants are invited to make brief interventions, presenting their perspectives on the topic, drawing on the experience in their own countries or organisations.

For each session, the facilitator will have a rapporteur whose role will be to help him or her bring back key points for the recap plenary session scheduled at 3:45pm. These points should consist of 3-5 action oriented suggestions that have been identified during the discussion to take the agenda forward, either in clarifying pending issues or in helping to scale up existing good practice or to remove bottlenecks.

Guiding Questions for Discussion

- What progress have you achieved at country-level since Mexico in institutionalising dialogue for increased use of country-systems, in terms of thinking and concrete actions?
- Can you share drivers for success, relevant for replication, as well as lessons learnt from encountered challenges and bottlenecks?
- What can the GPEDC community do to push for action and reform in order to move forward? What recommendations would you make, at implementation and policy levels, as well as local and global levels?
- How can providers systematically clarify when and why they do not use country systems?
- What roles and responsibilities can different stakeholders play in making use of country systems a reality?

Background Documentations

- GPEDC Progress Report
- CABRI country cases (Tanzania and Burundi)
Draft Discussion Note

Working Group Session 1

"Predictability and Transparency"

Breakout Group Discussions (3)  November 6, 14:00-15:30

Background

The Paris Declaration recognized that more predictable and transparent development cooperation flows enable developing country governments to plan and manage their development programs effectively. Development providers who signed the Paris Declaration promised to “disburse aid in a timely and predictable fashion according to agreed schedules,” and the Accra Agenda for Action reemphasized the importance of predictability by urgently calling for the provision of “full and timely information on annual commitments and actual disbursements.” The Busan Partnership agreement explicitly reaffirmed the Paris and Accra predictability commitments, however, the 2014 Progress Report notes considerable variation between countries regarding timely disbursements and funding gaps (e.g. Congo, Jamaica, and Mali received at best half the funding originally scheduled by providers, whereas DRC and Niger received more than double the disbursements originally scheduled).

In addition, in many countries, discrepancies between planning information and actual execution of financial commitments still significantly hamper predictability. Transparent and equal information on resources, their terms, conditions, objectives, and outcomes feeds into the long-term predictability of aid flows and provides the basis for mutual review of progress. However, according to partner-country practitioners, despite progress on the global transparency agenda, the data available from development cooperation providers at the country level is not enough to ensure realistic and solid planning. In spite of the recognition of transparency and accountability as essential for meaningful planning, decision-making, and learning, progress with implementing these commitments remains mixed.

Objective of the Session

The session will offer an opportunity for participants to share their experiences on improving predictability and transparency at the country level. Building on examples from Plenary Sessions, this session aims to examine concrete actions taken at the country level to accelerate progress in the fields of transparency and predictability, with a view toward possible replication in other partner countries. Participants will be invited to:
briefly present specific achievements in increasing transparency and predictability at the country level (drivers for progress, good practices, and interesting initiatives); share challenges encountered and lessons learned; and identify ideas for action/reform to be undertaken at the policy or implementation level in order to overcome remaining challenges.

**Facilitator: Mr. Arjan Schuthof, Strategic Advisor, Ministry of Foreign Affairs, the Netherlands**

**Case Presentation:**
- Mr. Than Zaw, Director, Central Statistical Organization, Ministry of National Planning and Economic Development, Myanmar
- Dr. Narayan Dhakal, Under Secretary, International Economic Cooperation Development, Nepal
- Ms. Sari Lehtiranta, Director, Unit for Development Policy, Ministry of Foreign Affairs, Finland

**Outline of the Session**

The session will last 90 minutes. The facilitator will initiate discussion by inviting feedback on the relevant papers shared with participants ahead of the workshop and by sharing a series of guiding questions. In order to promote an interactive environment, participants will be invited to volunteer brief interventions, presenting their perspectives on the topic by drawing on experiences from their own country or organization. For each session, the facilitator will have a rapporteur whose role will be to help him/her synthesize key points for the recap Plenary session. These points should consist of 3-5 action-oriented suggestions identified during the discussion, aimed at moving the agenda forward, either by clarifying pending issues, helping to scale-up existing good practice, or removing bottlenecks.

**Guiding Questions for Discussion**

- Since Mexico, what progress have you achieved in improving predictability and transparency at the country level, in terms of rhetoric, political will, or concrete action?
- Can you share drivers for success (relevant for replication) and/or lessons learned from challenges and bottlenecks?
- Has your country recently instituted or strengthened an AIMS? What key takeaways can you share for others looking to institute a similar system?
- What do you see as the biggest stumbling block to harmonizing development cooperation providers’ commitments and actions when it comes to providing timely and forward looking information at the country level?
- What are some of the key successes or ongoing challenges in terms of using globally available data for national planning?

**Background Documents**

- GPEDC Progress Report
Inclusive partnerships are at the core of the ‘Busan spirit’ and encompass important elements of the transformation of the effectiveness agenda over the last decade. The GPEDC’s 2014 Progress Report pointed that, while inclusiveness is translating into stronger recognition and engagement of non-state development actors, including the private sector, civil society and gender equality advocates, more time and efforts are needed to fully engage these actors in a development cooperation architecture which is still skewed towards a government-centred, North-South setting. In the Mexico HLM discussions, several areas of action were identified to concretely move forward: institutionalising multi-stakeholder dialogue and consultations, setting partnerships which take into account the power relations and comparative advantages of different stakeholders on the ground, ensuring flexible and predictable funding mechanisms for CSOs and implementing mutually adopted guidelines for a more effective engagement of all stakeholders in the development agenda (such as the voluntary Guidelines for Effective Philanthropic Engagement).

Objective of the Session

The session will offer an opportunity for participants to share their experiences on implementing inclusive partnerships and multi-stakeholder approaches on the ground. Participants will be invited to: briefly present specific achievements (good practices and interesting initiatives), share challenges encountered and lessons learnt, and identify ideas for action and reform to be undertaken at the field and policy levels as well as country and global levels, in order to overcome bottleneck challenges and accelerate implementation efforts.

The session aims to discuss a mix of cases speaking to different stakeholders (developing countries, providers, CSOs, private sector companies) in different locations. The cases could draw on the issues of creating an enabling environment, creating an inclusive policy space, strengthening existing frameworks and mechanisms.
Facilitator: Prof. Eun Mee Kim, Dean, GSIS, EWHA Womans University, ROK

Case Presentation:
- Mr. Alymbek Orozbekov, Head of International Aid Coordination Department, Ministry of Economy, Kyrgyz Republic
- Mr. Benjamin Herzberg, Program Lead, Open Private Sector, Governance Global Practice, WB
- Ms. Nwe Zin Win, Chairman of National NGO Network, Myanmar
- Mr. Matthew Simonds, Policy Advisor, Trade Union Advisory Committee (TUAC)

Discussant:
- Mr. Anselmo Lee, Executive Director, Korea Human Rights Foundation, ROK

Outline of the Session
The session will last 90 minutes. The facilitator will set out key guiding questions drawing on relevant papers shared with participants ahead of the workshop and invite panel-type brief feedback (5 minutes maximum) from three-four panel members/presenters. In order to promote an interactive environment, the facilitator will invite brief interventions from the floor, presenting their perspectives on the topic by drawing on experiences from their own country or organization.

For each session, the facilitator will have a rapporteur whose role will be to help him or her bring back key points for the recap plenary session scheduled at 3:45pm. These points should consist of 3-5 action oriented suggestions that have been identified during the discussion to take the agenda forward, either in clarifying pending issues or in helping to scale up existing good practice or to remove bottlenecks.

Guiding Questions for Discussion
- What progress have you achieved at country-level since Mexico in promoting more inclusive partnerships and multi-stakeholder approaches?
- What existing mechanisms best serve an inclusive approach to development co-operation? What are good examples of institutionalised mechanisms for regular consultation and dialogue with non-state stakeholders?
- What can the Global Partnership community do to push for collective action and reform in order to move forward? What recommendations would you make, at implementation and policy levels, as well as local and global levels?
- What roles and responsibilities can different stakeholders play in making inclusive partnerships a reality?
- What concrete examples of development co-operation among multi stake-holder groups producing sustainable impact at national level could be replicated?
Draft Discussion Note

Working Group Session 2

"Strengthening Monitoring Tools and Processes"

Breakout Group Discussions November 6, 17:30-19:00

Background

The monitoring framework of the Global Partnership was agreed to by consensus through the Working Party of Aid Effectiveness in 2012, in conjunction with agreeing to the mandate of, and establishing, the Partnership. It is composed of ten indicators and targets set for 2015, which are a result of political negotiations led by the Post-Busan Interim Group. The Global Partnership of Effective Development Cooperation mandated the Joint Support Team to develop, refine and implement a global methodology for monitoring.

The set of 10 indicators includes some indicators which are based on the previous indicators from the Paris Declaration that developing countries have identified as particularly important. Other indicators (referred to as “global pilot indicators”) capture some of the broader dimensions of the Busan Partnership agreement:

- Indicator 1. Development co-operation is focused on results that meet developing countries’ priorities;
- Indicator 2. Civil society operates within an environment which maximizes its engagement in and contribution to development;
- Indicator 3. Engagement and contribution of the private sector to development;
- Indicator 4. Transparency: information on development co-operation is publicly available;

The first monitoring round highlighted the need for these indicators to be further strengthened and sharpened and made suggestions to guide this process. Refinements are particularly needed where further political discussions are necessary to pin down concrete actions required to deliver on commitments (Indicators 2 and 3), where strong political leadership is needed to guide further improvement in the measurement approach or where the data gaps and methodological constraints are encountered (Indicator 2, 3 and 4). In addition, there is also a need to refine a methodology to simplify the monitoring process at country level (Indicator 1).

The Joint Support Team, in collaboration with a range of partners, is currently working on improving the methodology developed for each of these 4 indicators. Progress on the finalisation of these global pilot indicators will be presented during the GPEDC’s Steering Committee meeting in January, 2015.
Objective of the Session

Four parallel sessions will offer an opportunity to update participants on the progress made since the first High Level Meeting on refining the four global pilot indicators and to collect participants’ feedback and a set of concrete recommendations on the way to move forward. Through these indicator clinics, participants will suggest ways for the refinement to better capture lessons learned in piloting the indicators from country-level perspectives and processes on the ground. The discussions will contribute to the JST’s efforts to improve the indicators and methodologies to be more robust and relevant for developing countries.

Outline of the Session

Each indicator will be discussed in parallel sessions taking place in the form of indicator clinics. The sessions will last 90 minutes. The presenter will begin with a presentation on the indicators: definition, methodology and stocktake on the progress made on refining the indicator. In some indicator clinics, this presentation will be followed by a panel discussion which will enable different stakeholders to share their perspectives. The facilitators will then set out key guiding questions and invite participants to share their experience with the indicators and to make recommendations to finalise them. The facilitator will conclude by synthesising key recommendations for the next steps.

Guiding Questions for Discussion

- Do you have concrete examples at the country level of behaviour change reflected by this indicator? (a) improved provision of timely, comprehensive and forward-looking information of development co-operation; (b) increased use of country results frameworks; (c) multi-stakeholder dialogue on an enabling environment for civil society engagement and contribution to development; (d) concrete examples of private sector engagement in public sector policy dialogue at the country level?
- What lessons/problems have you experiences from the monitoring process on this specific indicator? What concrete recommendations can you make for the process of finalising the indicator? How can the refinement of the indicators capture lessons learned from the monitoring experience at country level?

(1) Indicator 1
(Development Cooperation is focused on results that meet developing countries’ priorities)

Facilitator: Ms. Suzanne Müller, Senior Policy Advisor, Quality Assurance and Aid Effectiveness, Swiss Agency for Development Cooperation, Switzerland
Presentation:
- Ms. Elaine Venter, Cluster Lead, UNDP Regional Service Center Africa

(2) Indicator 2
(Civil society operates within an environment which maximizes its engagement in and contribution to development)

*Facilitator: Ms. Jacqueline Wood, Senior Policy Advisor, Secretariat, Task Team on CSO Development Effectiveness and Enabling Environment*

Presentation:
- Mr. Niloy Banerjee, Director, UN System Affairs, Bureau for External Relations and Advocacy, UNDP

(3) Indicator 3
(Engagement and contribution of the private sector to development)

*Facilitator: Ms. Patti O’Neill, Acting Head of Division, Global Partnerships and Policies, Development Co-operation Directorate, OECD*

Presentation:
- Mr. Benjamin Herzberg, Program Lead, Open Private Sector, WB

(4) Indicator 4
(Transparency: information on development co-operation is publicly available)

*Facilitator: Ms. Betty Ngoma, Assistant Director, Debt and Aid Division, Ministry of Finance, Malawi*

Presentation:
- Ms. Yuko Suzuki, Policy Adviser and Team Leader, UNDP

Background Documents

- Guide to the Monitoring Framework
- Update on Monitoring framework and timeframe
**Background**

The Outcome Document of the Busan High Level Forum on Aid Effectiveness (HLF-4) recognized that “the nature, modalities and responsibilities that apply to South-South co-operation differ from those that apply to North-South co-operation”, at the same time encouraging the rapprochement between traditional donors and providers of South-South cooperation. The participants of the HLM also committed themselves to “broaden support to South-South and triangular cooperation, helping to tailor these horizontal partnerships to a greater diversity of country context and needs”. Unclear definition of the role of the South-South and triangular cooperation left by the differential commitments created a sense of “constructive ambiguity”. From one side, differential commitments and responsibilities by providers of South-South cooperation were not clearly defined. From the other side, they encouraged further exploration of this issue. During the HLM in Mexico City several sessions were dedicated to this issue: from locating South-South cooperation in the emerging aid architecture to regional perspectives to modalities of knowledge sharing. The HLM also focused attention on the Middle Income Countries in their dual role as providers and recipients.

Will exploratory efforts initiated within GPEDC promote greater coherence, collaboration towards the same goals at the country level?

**Objective of the Session**

The session will address the South-South and triangular cooperation from the point of view of the partner countries. The session shall complement the ongoing discussion on actors of South-South cooperation by providing perspectives of the countries at the receiving end. The session will also address the specific challenges of development cooperation in the context of middle-income countries. Participants will be encouraged to elaborate on the following questions:

- How the Southern providers change the context of development cooperation at the country level?
- What are the challenges in terms of integration of this cooperation with traditional ODA flows?
• How different Southern partners approach specific sectors (e.g. strategies, modalities, instruments, etc.) and how their approach compares to that of traditional players? How do they agree on the areas for collaboration? How are the objectives and targets set? How is their cooperation adapted to the local context, monitored and implemented? What is the role of the private sector (if any)? What are the lessons?
• How countries manage Triangular Cooperation? What synergies can we expect from collaboration between a traditional donor and a provider of SSC? Can scale up of Triangular Cooperation be observed?
• What are the policy measures that countries put in place (e.g. aid policies, special units) to manage South-South and Triangular Cooperation?
• What are the experiences of middle-income countries as recipients? What are the challenges of graduation to the middle income country status?

Draft Session Outline

Speakers will be requested to elaborate on one or more of the above questions. The session will be an interactive and informal moderated discussion. A few speakers will be asked to kick off with brief presentations showcasing country-level realities, successes, and challenges. This will be followed by interactive discussion focused on recommendations for GPEDC.

The session is structured as follows:

Facilitator: Taekyoon Kim, GSIS, Seoul National University, ROK

Case Presentation:
- Mr. Noel Gonzalez, Deputy Director General for Policy Making, AMEXCID, Mexico
- Mr. Akihiko Sunami, Director, Development Assistance Policy Planning Division, Ministry of Foreign Affairs, Japan
- Ms. Karin Vazquez, Researcher, CLACSO Working Group on South-South Cooperation, Brazil
- Mr. Nelson Felipe Valdez, Director General, Bilateral Cooperation, Ministry of Economy, Planning and Development, Dominican Republic

09:45-11:15 Discussion will be moderated by the Chair. All experts share the views on role of GPEDC with regards to SSC/TC and development cooperation in the context of the MICs. The panelists will provide recommendations to the GPEDC.

11:15-11:50 Moderated Q&A

11:50-12:00 Wrap Up by the Chair. At the end of the session the Chair will draw out five to six key messages.
The Busan outcome document recognized the central role of the private sector in advancing innovation, creating wealth, income and jobs, mobilizing domestic resources and in turn contributing to poverty reduction. Participants at the Busan High Level Forum (HLF-4) committed to engage with the private sector stakeholders to improve the enabling environment for public-private partnership on development; to enable the participation of the private sector in the design and implementation of development policies; to develop innovative financial mechanisms; to promote “aid for trade”; and to further explore how to advance mutually reinforcing development and business outcomes.

At the Mexico City High Level Meeting, UK Secretary State for International Development Justine Greening hosted a session on “The Private Sector and the Next Global Development Agenda”. Focus sessions also covered partnering with private investors, unleashing the power of business, delivering effective development through public-private cooperation, proving prosperity in public-private sector cooperation, and investment, job creation, integration into global supply chains.

Key themes emerging from the plenary included:

- Multi-stakeholder public-private dialogue is crucial for building a policy environment for sustainable development and is the starting point for broader development co-operation between public and private actors.

- Catalytic partnerships to create shared value involve aligning business and development objectives to maximize development impact and support inclusive growth. Many companies are changing their business models to emphasize financial inclusion, supply chain management, training and vocational education. Scaling up such innovations will make co-operation more effective and enable new partnerships delivering both development and investment returns.

- Smarter public-private financial partnerships are creating innovative development finance opportunities. Understanding what private investors need to scale up, learning from successes, and leveraging scarce public resources can help unleash significant financing. Using public sector funds as investment guarantees and repayment mechanisms for upfront private finance, developing...
local capital markets, supporting risk-reducing financial mechanisms, or establishing development impact bonds are can all contribute to delivering the post-2015 agenda.

The Mexico meeting introduced a roadmap for systematically engaging the private sector. The communiqué also includes voluntary initiatives launching a series of business hubs and an Inclusive Business Action Network. More recently, during the UN General Assembly, the Global Partnership co-organized a side event with the Netherlands, Unilever, and others on how the private sector can help deliver the SDGs, launching a business manifesto.

Objective of the Session

This session will discuss innovations and opportunities for enhanced partnership with the private sector, and identify challenges and incentives, including policy, enabling environment and conditions for enhanced synergy with other development cooperation providers. Participants are encouraged to consider the following questions:

• What are major barriers to trust between business and other sectors in cooperating on development? How can these be addressed?
• Given the need for strong country ownership in development cooperation, how can business engaging in defining development priorities and map its resources and interests with agreed priorities?
• What type of platforms can facilitate partnership between business, national government and other sectors towards national development objectives? How can business accountability for development impact be advanced? What has worked?
• How can the GPEDC strengthen standards for good partnership with business at the country level? How can the monitoring process help?
• How can ODA be leveraged to support private sector flows and investments in favor of higher development impact?
• What are capacity gaps for public private partnering – both on the side of business and other actors? How can this be supported?

Draft Session Outline

The session will be an interactive and informal moderated discussion. A few speakers will be asked to kick off with brief presentations showcasing country-level realities, successes, and challenges. This will be followed by interactive discussion. Participants will be invited to share their own viewpoints on how progress could be made on improving partnerships for development with the private sector, drawing on experiences from their own country or background.
Suggested participants include:

**Facilitator: Dr. Daniel Coppard, Director of Research, Analysis and Evidence, Development Initiatives**

**Case Presentation:**
- Mr. Jeroen Verheul, Ambassador at Large for Foreign Trade and International Development & Special Envoy of the Co-Chair of the GPEDC, Ministry of Foreign Affairs, the Netherlands
- Mr. Rolando Tungpalan, Deputy Director General, National Economic and Development Authority, the Philippines
- Ms. Sylvia Mutale, Extractive Sector Partnership Broker, Zambia Business in Development Facility, Zambia
- Ms. Khine Khine Nwe, Deputy Managing Director, Best Industrial Company Ltd., Joint Secretary General of UMFCCI and member of Myanmar Investment Commission, Myanmar
- Mr. Benjamin Herzberg, Program Lead, Open Private Sector, WB

▷ **For Further Background**

- Post-2015 Partnerships: Working with the private sector for development impact, by Peter Davis (commissioned by DFID/P4P on behalf of the Private Sector Group for Mexico)
- Unleashing the power of business: A practical Roadmap to systematically engage business as a partner in development
Background

This workshop reports on progress towards the Busan commitments in managing diversity and reducing fragmentation and links up with a broader overview of country-led arrangements to manage diversity (Busan Outcome Document, para 25).

The post-Busan Building Block “Managing Diversity and Reducing Fragmentation” has been examining how the plurality of aid can be better managed at partner country level, taking stock of the situation and lessons learnt in selected countries, and coming up with key messages and recommendations.

A well-managed plurality of aid sources is crucial for partner countries and increased aid effectiveness. Elements of good aid management such as aid management information systems, sector and donor mapping, sector rationalisation, clear agreements on division of labour, joint analysis, and the harmonisation of programming and implementation steps help partner countries to lower transaction costs and to better integrate aid in their national development strategies and plans.

Multilateral assistance is currently delivered by more than 200 individual organizations, sometimes with overlapping mandates, various governance arrangements and very diverse standards. Against this backdrop, the international community entered into far-reaching commitments on how to enhance the effectiveness of the multilateral system at the High Level Forum on Aid Effectiveness in Busan (2011). The coherence of donor policies on multilateral institutions, global funds and programmes was to be improved. More effective use should be made of existing multilateral channels and include a focus on good performers. Proliferation of multilateral channels needs to be curbed, inter alia by agreeing on principles for guiding joint efforts in this area. Multilateral organizations committed to strengthen their participation in coordination and mutual accountability mechanism at all levels.

In Busan, donors also reconfirmed their commitments to accelerate efforts to address the issue of countries that receive insufficient assistance, the so-called ‘aid orphans’. However, there is still no consensus on what is meant by ‘insufficient aid’, how it should be measured and what the term ‘aid orphan’ actually
refers to. The causes for insufficient aid receipts for some countries are manifold. A plethora of different approaches, goals and interests produces a complex pattern of aid allocation, which benefits well-run countries but also low-performing ones that have particular strategic importance for donors. The lower attractiveness of some recipients in terms of performance and of strategic importance combined with a general lack of coordination among donors explains why some countries do not receive sufficient aid. Donor coordination in cross-country aid allocations is hampered by the fact that aid allocation is a matter of sovereign political decision making. While the phenomenon of under-aided countries is mostly associated with neglect by bilateral donors, aid received from multilateral and non-DAC donors is not enough to compensate for disproportionately low receipts of bilateral aid. Both donors and partner countries need to explore ways to leverage other sources of financing (including beyond aid) for directing additional resources to under-aided countries.

What are the sources of evidence used?

- Key messages from the Building Block “Managing diversity and reducing fragmentation”

Workshop Agenda

- Opening remarks by the co-chairs - Re-echoing the major thrust of the building block – Update on the BB work (BB co-chair Uganda) (10 minutes)
- Short presentation on the report chapters on under-aided countries / fragility and multilateral proliferation; recent developments; challenges (BB co-chairs) (20 min)
- Intervention by participants (30 min)
- Open discussion (45 min):
  - Fostering learning, collection and communication of experiences on diversity management tools and approaches
  - How to effectively engage with the Global Partnership for Effective Development Cooperation and other Building Blocks of platforms
- Wrap-up (15 minutes)

Questions for Discussion

- Do the key messages and recommendations of the Building Block “Managing Diversity and Reducing Fragmentation” adequately reflect success factors and barriers for an effective aid diversity management?
- How can a country make best use of multiple aid sources while avoiding the negative effects of
uncoordinated aid? How can we significantly reduce transaction costs and other negative effects of fragmentation?

- How to foster learning, collection and communication of experiences on diversity management tools and approaches
- How to effectively engage with the Global Partnership for Effective Development Co-operation and other Building Blocks or platforms;

Building Block “Managing Diversity and Reducing Fragmentation”, Co-Chairs Germany and Uganda (BB). Other members: Austria, Bangladesh, CPDE, Cameroon, Czech Republic Estonia, EC, Finland, France, Germany, Global Programs Learning Group, Honduras, Madagascar, Malawi, Moldova, Netherlands, Poland, Peru, Rwanda, Sudan, Sweden, Tuvalu, Zambia, Uganda, and the United Nations Development Group.

Facilitator: Mr. Jirka Vierhaus, Senior Policy Advisor, Head of Sector Programme, Federal Ministry, GIZ, Germany

Case Presentation:

- Mr. Twesiime Fredrick Tabura, Senior Economist, Aid Liaison Department, Ministry of Finance, Planning and Economic Development, Uganda
- Mr. Mohammad Mejahuddin, Secretary, Economic Relations Division, Ministry of Finance, Bangladesh
- Mr. Elson Martinho da Cost, Ministry of Finance, Timor-Leste
- Ms. Chantal Marijnissen, Deputy Head of Unit, Aid Effectiveness, Financing for Development, European Commission
Equitable and efficient mobilisation of domestic revenue is essential for sustainable economic growth and development. The challenge is for countries to look towards institutionalizing sustainable internal financing solutions to meet national development needs. This entails drawing on national and regional institutional, human and policy capacities for an integrative broad range of innovative financing mechanisms, including special infrastructure funds, sovereign wealth and stabilization funds, strengthening capacities of regional stock markets and better capacitated tax administration systems.

In addition to the above mechanisms, domestic resources can be further mobilized through the strengthening and development of an inclusive domestic financial sector; affordable access of SMEs, individuals and households to financial services and reduction of transfer costs of migrant workers’ remittances. Further to the improvement in tax revenue collection and utilization, the sustainable management and governance of natural resources and extractive industries are also key avenues to support inclusive economic growth.

The private sector has a significant role to play in domestic resource mobilization for development. Efforts are required towards new models of public-private partnerships that can be effective in financing national and regional development. Further, domestic savings should be stimulated; the large informal sector encouraged to function more within formal banking system and a regional approach to capital markets development comprehensively promoted.

Strengthening domestic tax collection, in particular, will be essential to provide governments with sustainable revenue sources to finance the post-2015 Sustainable Development Goals and invest in development, relieve poverty and deliver public services. Effective taxation provides a reliable and sustainable source of revenues that is needed to promote growth and offers an antidote to aid dependence in developing countries.

The benefits of taxation extend beyond revenue generation as it can increase state capacity, account-
ability and responsiveness by providing a platform to governments to engage with their citizens. Thus, it strengthens the ‘fiscal contract’ between the state and its citizens.

Tax revenues already make up a significant proportion of developing countries’ GDP (13% on average in LICs and 22% in MICs, compared to 13% and 0.3% respectively for ODA), but have potential to contribute much more if they are mobilised effectively. In order to do so, countries must focus on improving their tax policy and administration and management of natural resources, broadening the tax base, improving compliance and tackling tax evasion and avoidance. In parallel, efforts should be made to tackle illicit flows of finance out of developing countries, including the laundering of the proceeds of corruption, and to recover stolen assets. Reform and action is needed both at national and international level in order to achieve these aims. A paradigm shift is needed in development co-operation to address illicit financial flows and to bring coherence to a fragmented set of actions.

The 2011 Busan Partnership Agreement notes that effective development co-operation needs to help strengthen developing countries’ revenue collection and administration institutions, support accountability mechanisms and reforms in those institutions, and also support strategies to combat illicit financial flows. There is potential for development co-operation to support the harmonization of taxation policies across countries and regions thereby strengthening overall systems to curb illicit flows, as well as, enable the repatriation of stolen funds and assets.

More recently the Global Partnership for Effective Development Co-operation’s first High-Level Meeting in Mexico City in April 2014 offered the opportunity for all stakeholders of this inclusive development partnership - providers of development co-operation, recipients, civil society, parliamentarians, and private businesses – to reflect on existing tools, frameworks and strategies to enhance domestic revenue mobilisation (DRM). Current issues around DRM were debated during the plenary on Partnering for Effective Taxation and Domestic Resource Mobilisation for Development, reflecting the importance of DRM for reaching the development goals and the post-2015 agenda, as well as in several in-depth, focus sessions: Linking DRM to public expenditure; Tax evasion and Illicit Financial Flows; and More and better development co-operation for DRM.

The ensuing Mexico High-Level Meeting Communiqué includes seven Voluntary Initiatives specifically targeted to improve development co-operation efforts in support of tax matters:
<table>
<thead>
<tr>
<th>VOLUNTARY INITIATIVE</th>
<th>DESCRIPTION</th>
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<tbody>
<tr>
<td>1. Active support to “Tax Inspectors Without Borders”</td>
<td>Country coalitions agree to identify and provide expert tax auditors to respond to concrete demands by developing countries for building audit capacity.</td>
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<tr>
<td>8. Commitment to increase aid to tax matters, and to refine ways to measure aid going to tax system development</td>
<td>Donor countries commit to increase their aid targeted at tax matters towards the next HLM and support the objective of a better measurement of aid targeted at tax matters.</td>
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<tr>
<td>9. Commitment to perform risk analyses against exposure to illicit financial flows</td>
<td>Perform risk assessments in developing countries, in collaboration with donors, to assess the prevalence of one or another type of economic crimes, and determine appropriate responses, targeted on priority areas.</td>
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<td>13. Development Impact Bonds</td>
<td>Development Impact Bonds pay investors on the basis of results delivered and have the potential to drive much-needed investment into developing countries. This work will bring together investors, governments and aid agencies to design new investments and set up a new online ‘open source’ knowledge platform to share the findings to inform further investment.</td>
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<tr>
<td>16. Endorsement of the “Principles for International Engagement in Supporting Developing Countries in Revenue Matters”</td>
<td>Donor countries commit to apply the “Aid Principles” to guide their support to tax matters. Partnerships of donor countries and developing countries can agree to perform a self-assessment of their support in revenue matters against the good practice of the “Principles”.</td>
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<tr>
<td>26. Launch of Coalition for Sustainably Resourced Public Service Delivery</td>
<td>Interested countries agree to perform a self-assessment of both needs in terms of expenditure as well as tax revenue to reach global development goals post 2015. Donors support this self-assessment and the subsequent identification of priorities for reform in tax administration and policy for sustainably resourced public service delivery.</td>
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<tr>
<td>36. Welcome the development of the “Tax Administration Diagnostic Assessment Tool” (TADAT)</td>
<td>Provide a framework for assessing the strengths and weaknesses of a country’s tax administration. Partnerships of donor countries and developing countries perform a self-assessment of their tax administration in order to identify priorities for reform.</td>
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<tr>
<td>38. Strengthening comparable tax statistical indicators (added on 12 May 2014)</td>
<td>Support the construction of comparable revenue statistics in interested developing countries the availability of comparable tax indicators across countries allows for better informed decision making on fiscal policy to support sustainable and inclusive economic growth.</td>
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Objective of this Session

The session provides the opportunity to present specific country experiences on progress made by members of the Global Partnership against the DRM related Voluntary Initiatives. On the background of significant developments in the international tax agenda and regional efforts – the OECD/G20 BEPS Project to combat tax avoidance, the adoption of a new global standard on Automatic Exchange of Information to combat tax evasion and the recommendations from the High Level Panel on Illicit Financial Flows from Africa - and building on evidence presented during the session, Members from the Global Partnership will identify avenues for supporting the implementation of the Voluntary Initiatives related to the mobilisation of domestic resources in developing countries.

The expected outcome of the session is to take stock of best practices and lessons learnt in the implementation of the Voluntary Initiatives towards enhancing national, regional and international efforts on sustainable development finance solutions.

Facilitator: Mr. Daniel Runde, Director, CSIS

Keynote Speaker:

- Dr. Mothae Anthony Maruping, African Union Commissioner for Economic Affairs, AUC

Case Presentation:

- Ms. Brenda Killen, Deputy Director, Development Co-operation Directorate, OECD
- Mr. Richard Ssewakiryanga, Executive Director, Uganda National NGO Forum, CSO Partnership for Development Effectiveness (CPDE)
- Mr. Cao Manh Cuong, Deputy Director General, Foreign Economic Relations Dept, Ministry of Planning and Investment, Vietnam
- Mr. Modibo Makalou, Special Advisor to the President of Mali on Development and Co-operation Initiatives, Mali.

The session will last a total of 2 hours and 15 minutes: The keynote addresses will set out the domestic and international challenges faced by developing countries in strengthening the mobilisation of their domestic resources, with a specific focus on tax revenue. These will be followed by a series of interactive presentations showcasing different country realities and priorities. Following the presentations there will be 30 minutes for an interactive discussion between the audience and panellists. The audience will be invited to share their own viewpoints on how progress could be made against the implementation of the voluntary initiatives, drawing on experiences from their own country or background.
Background Documents

- Abidjan Africa Action Plan on Development Effectiveness.
- Domestic Revenue Mobilisation in Fragile States – OECD Fragile States Report 2014
- Illicit Financial Flows from Developing Countries – Measuring OECD Responses.
- Issue Paper of the first High-Level Meeting of the Global Partnership for Effective Development Co-operation in Mexico.
- NEPAD/UNECA Study on Domestic Resource Mobilisation in Africa.
- Summary of the first High-Level Meeting of the Global Partnership for Effective Development Co-operation in Mexico.