

Margaret

RD-AA-X-849  
ISN 56135

DWR  
CLM  
WHT  
TR  
DEC 10 1984  
HW

MEMORANDUM

TO : SEE DISTRIBUTION  
FROM : AAA/AFR/DP, Hariadene Johnson *YC for*  
SUBJECT: Guidelines for Donor Coordination in Africa

Attached for your reference are the guidelines for donor coordination which AA/AFR has now approved. We will communicate these to the field shortly. We also plan to discuss implementation of the guidelines with PPC/DC.

DP/PPE has begun to prepare first draft donor coordination profiles on key countries, donors, and coordinating mechanisms. Attached are the profiles on Kenya, the French, and UNDP. Profiles on the Sudan, the Italians, and the EEC are in process and should be ready for distribution shortly.

Our plan is to ask the geographic office and the mission concerned to review and refine each country profile. In this way we can build a comprehensive data bank that will permit us all to anticipate and prepare better for important donor meetings with a minimum of effort.

I would welcome your comments, suggestions and/or corrections on this information.

Thanks.

Attachment a/s

*bc*  
AFR/DP/PPE:GCarner:lm:12/10/84

- DISTRIBUTION:
- DAA/AFR:ARLove
- DAA/AFR/ESA:PBirnbaum
- DAA/AFR/CWA:JJohnson
- ← AFR/TR:DReilly
- AFR/PD:NCohen
- AFR/EA:ESpriggs
- AFR/SA:RCarlson
- AFR/CWA:JLoles
- AFR/CA:RHynes
- AFR/SWA:DChandler
- AFR/RA:wNaylor

AGENCY FOR INTERNATIONAL DEVELOPMENT  
WASHINGTON D C 20523

NOV 15 1984

ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR, AA/AFR

FROM : AFR/DP, Larry Sainers *LS*

SUBJECT: Africa Bureau Guidelines for Donor Coordination

Problem: Donor coordination in Africa is becoming increasingly important and, consequently, is imposing growing demands on Africa Bureau staff in Washington.

Background: PPC/DC has played the lead role in organizing the Agency's donor coordination efforts to date. AFR has responded to PPC initiatives and opportunities for donor coordination in Africa generally in an ad hoc way.

For the past year Bureau staff have recognized the need for a more systematic approach to donor coordination. Papers have been drafted and meetings held.

Attached presents a framework for organizing Africa Bureau efforts around identified priorities and proposes that the Bureau take the lead in pursuing them, while continuing to respond ad hoc on the rest of the other demands for donor coordination. The framework has been endorsed by your office directors.

Recommendation: I recommend your approval of the general framework and authorization to proceed to discuss it with PPC and to move ahead with its implementation.

Attachment a/s

APPROVED *MLL*

DISAPPROVED \_\_\_\_\_

DATE 11/16/84

AFR/DP/PPE:GCarner:lm:9/5/84:11/15/84

# AFRICA BUREAU GUIDELINES FOR DONOR COORDINATION

## I. Introduction and Summary

The multiplicity of donors, countries, coordinating mechanisms, issues and players within AID on the African landscape argue for a road map to guide the Bureau's donor coordination efforts in Africa. With the increasing demands for participation and briefings, the Bureau in Washington has to carefully marshal its limited resources to maximize the return on its coordination efforts. Effective coordination involves being purposeful and strategic in our approach rather than merely responsive. This requires that we set clear objectives, emphasize a few priorities, and be selective as to what and how much we do, in which forum.

This paper proposes a framework for guiding the Bureau's donor coordination efforts. It is directed mainly at Washington. It accepts that the Agency as a whole will continue its current donor coordination efforts and that the Africa Bureau should continue to provide ad hoc support for them. But it advocates a more activist role in advancing selected objectives (i.e., increasing the effectiveness of our policy dialogue and of our assistance programs, increasing our understanding of development problems and donor activities, and increasing host country capacities to set investment and assistance priorities).

The framework suggests four operating principles which focus Bureau attention on: 1) a selective agenda (economic stabilization, food availability, moderated population growth, host country management assistance including recurrent costs); 2) a target group of countries (Category I plus a few countries of current interest); 3) the lead donors (mainly France, Germany, UK, Italy, Belgium, World Bank, IMF); and 4) the most effective coordinating mechanisms (CG's, bilateral discussions with lead donors, informal in-country arrangements, IMF annual meetings, UN round tables, CDA, Club du Sahel, SADCC).

The paper also defines the roles and responsibilities between the field and Washington and within Washington to implement this framework. It suggests an information system to enable the Bureau to anticipate and adequately prepare for high priority meetings and to routinize the information needed for less important meetings.

Finally it traces the management implications and steps needed to organize our donor coordination efforts following this framework.

## II. Definition of Coordination

There is considerable confusion over what donor coordination means. It is important, therefore, that we agree at the outset on a definition. For the purposes of this paper, donor coordination is defined as the process of consulting other donors to advance our agenda, which includes sharing of information. On a strategic level, we should be looking at donor coordination not as an end in itself but as a means for advancing our development strategy in Africa. On a tactical level, we should recognize that other donors have their own agenda and that actual cooperation will be a result of mutual interest and negotiation.

A purposeful definition of donor coordination is essential to dispel the notion that simply more coordination is better.

## III. Why Donor Coordination

The need for better donor coordination in Africa is well established:

- Donor assistance plays a disproportionately large role in Africa compared to other regions and is on the increase (ODA represents 4.1% of GNP in Africa compared to 1.7% in NE, 1.1% in Asia, 0.4% in LA and often finances over 75% of the development budget of African countries);
- The large number of donors with the proliferation of projects in most African countries increases the risk of duplication and stretches host country absorptive capacities;
- Host country inability to coordinate and set priorities for donor assistance undermines the effectiveness of such assistance;
- The U.S. is a relatively small, though influential donor, with insufficient impact alone to bring about major changes required for accelerated development in Africa.

## IV. AID Objectives

The development realities in Africa and Africa Bureau's strategy argue for organizing the Bureau's coordination efforts around the following four objectives:

1. To increase the effectiveness of our policy dialogue with host countries;

2. To increase the effectiveness of our assistance programs;
3. To increase our understanding of development problems, country situations, and what other donors are doing; and
4. To increase host country capacity to plan development investments and set priorities for donor assistance.

#### V. Operating Principles

To meet these objectives, we have to carefully focus and strategically manage our efforts, following a few clear principles:

1. We should advance a selective agenda, emphasizing a few priority development problems in our discussions with other donors. There are three areas that are central to our strategy and programs in Africa and should shape our agenda in support of the policy and program effectiveness objectives (Nos. 1 and 2). They are:

- Economic recovery and growth through measures that promote market efficiency, including appropriate macro and sectoral policies and correct prices.
- Assured food availability through emergency relief, appropriate food production and marketing strategies, and efficient management of natural resources (water, trees, soils, and rangelands);
- Moderated population growth by highlighting the development implications of rapid population growth and improving H/P/N service delivery.

Most donors agree these are the priority problems in Africa. Within these priorities it will be necessary to define a specific agenda for each target country.

This is not to suggest that other sectors should not be discussed or even that this agenda should not be enlarged. Rather, this should serve, at least initially, as a core agenda for organizing our efforts more systematically. The ad.hoc discussion of other issues should certainly continue, especially as part of the general information exchange needed to advance our understanding of what's going on (Objective No. 3).

Objective No. 4 calls for improving host country capacity to deal with recurrent costs, to set investment priorities, and to better manage donor assistance. Our agenda, therefore, has to include recurrent costs and donor procedures.

2. We should target Category I countries and a few others of current interest for priority attention and major donor coordination effort by AFR/Washington. The field missions should continue their donor coordination efforts as they judge most productive, keeping AFR/W informed.

Category I countries plus a few other countries where we have a special interest (e.g., EPI candidates or emerging programs) should be the primary targets for our donor coordination efforts in Washington (See Attachment A for a tentative list). Obviously this list will vary some from year to year as priorities change. These countries are the most important politically and economically and absorb the major share of ODA. To the extent appropriate, we should be prepared to advance our full donor coordination agenda with respect to these countries. Insofar as field level mechanisms already exist and are operating successfully under Mission direction (e.g. the Joint Monitoring Committee in Sudan, the Juba Valley Coordinating Committee and the Forestry Group in Somalia, etc.), AID/W can best play a supportive role by providing general guidance and help in technical level coordination as needed.

In Category II countries the field will continue to be the primary actor for donor coordination with AID/W support available when needed. In these countries coordination is especially important in order to limit and rationalize donor activities and improve the capacity of the host country to coordinate assistance in support of sensible investment plans (Objective No. 4). Our Mission coordination should be selective, generally at the sectoral and project level, in the areas where we are concentrating our own assistance, in support of Objective No. 2.

Category III countries should as a rule receive Washington attention only when a particular need or very special opportunity arises in connection with AID project activities in these countries.

3. We should purposefully cultivate the bilateral and multilateral donors who are most significant in Africa.

The lead donors in Africa, especially for the target countries are:

France (Cameroon, Niger, Senegal, Madagascar, Mali, Guinea)  
Germany (Somalia, Sudan, Zambia, Zimbabwe)  
UK (Kenya, Malawi, Sudan)  
Belgium (Zaire, Rwanda)  
Italy (Sahel, Somalia)

World Bank  
IMF

These donors should be our first priority.

There are other donors we should also cultivate, but less intensively, to wit:

Canada (because of its supportiveness)  
Portugal (because of trilateral cooperation possibilities)  
Saudi Arabia (important in Sudan and Somalia)  
UNDP (because of potential coordinating role where CG not in place)  
EEC  
UNFPA (given our interest in population)

4. We should be very discriminating regarding which donor coordination mechanisms we use to advance our objectives and the level of participation we invest.

The plethora of donor mechanisms presents both opportunities for matching particular capacities to our objectives and risks of dissipating our efforts. We need, therefore, to carefully assess the usefulness of these mechanisms in relation to our agenda. The following represents a critical ranking and a general guide to use of these mechanisms:

A. The Prime Mechanisms

Consultative Groups are probably the most important mechanisms we have for advancing our objectives, especially policy dialogue on the macroeconomic and sectoral issues we want to emphasize.<sup>1/</sup> Active CGs exist for nine African countries (Kenya, Somalia, Sudan, Zaire, Zambia, Uganda, Ghana, Madagascar, and Mauritius) and a CG for Senegal has recently been established. The U.S. is prepared to lead a kind of CG in Liberia, the Intergovernmental Group for Liberia (IGGL). Thus many of our target countries have CGs. We should, therefore, continue to accord major attention to this forum.

Bilateral Donor Discussions. This mechanism is proving to be increasingly effective and could serve to advance

<sup>1/</sup> The AID paper "Consultative Groups as Instruments for Donor Coordination" provides a reasonable assessment and suggests improvements for making CGs more effective especially in this area.

all four of our objectives in the countries of common interest. We have had bilaterals with the French, with the Italians, and with the Germans so far this year. We could effectively manage two meetings a year with the lead bilateral donors (France and Germany) and one a year with Italy, UK, Belgium, and possibly Canada. Careful preparations should be made for these meetings and high level representation planned. It would be good to space these throughout the year and to keep the number in check so they do not become perfunctory and unduly burdensome.

We might consider expanding this mechanism to include informal, but regular discussions with the IBRD and IMF that would permit a "tour d'horizon". We have more to discuss with both of these key players than existing fora permit (e.g., the annual IMF/IBRD meeting and the individual country CGs or through the U.S. Executive Director at WB board meetings).<sup>2/</sup> AID/W should also look into possibilities for facilitating informal working level contacts with these agencies. Such contacts have proved most useful in the past in coordinating both project and policy matters, to wit the pre-CG consultations for Somalia, Sudan, and Madagascar as well as project-specific discussions for Tanzania and Djibouti.

In-Country Coordinating Mechanisms: Local arrangements vary widely, but these mechanisms offer missions the best vehicle for frequent coordination and should be encouraged, especially for target countries.

#### Other Useful Mechanisms

Annual IMF/IBRD Meetings: This forum provides a unique opportunity to combine formal discussion with the IMF/IBRD and less formal discussions with key bilateral donors and the finance ministers of target countries on the macroeconomic policy issues we want to press. This meeting brings the finance ministers within relatively

<sup>2/</sup> At the last Africa Mission Directors Conference in Kigali, participants recommended a more active coordination effort vis-a-vis the IMF, particularly to moderate the IMF's narrow conditionality. The World Bank Early Project Notification system has become institutionalized as a coordination mechanism and could usefully be reviewed in such discussions.

easy access of Africa Bureau and AID's senior management - an opportunity which could be used to add weight to Mission Directors' in-country policy dialogue. This argues for careful planning in advance of this meeting.

UN Round Tables: The effectiveness of this mechanism varies widely from country to country depending in part on the capability of UN Resident Representatives. For our target countries where a CG does not exist, we should strive to bolster the effectiveness of Round Tables and use this mechanism for pressing our objectives. UNDP has completed an assessment of RT experience and is proposing a new RT format designed to facilitate donor coordination in support of realistic host country policies and investment priorities.

Cooperation for Development in Africa (CDA): To a larger degree than any other mechanism, CDA offers a forum for technical discussion with the principal bilateral donors on key development problems and related sectoral assistance in countries with CDA activities. It also offers possibilities for useful informal interchanges with Africans at the technical level. The U.S. is responsible for coordinating the agricultural research, forestry, and health initiatives and participates in irrigation, energy, and appropriate technology. At least three of these coincide fairly closely with our suggested priority on food. We should capitalize on these themes to advance our agenda while discouraging proliferation and minimizing our involvement in other areas of lesser priority.

Club du Sahel - This mechanism serves mainly our interest in a better understanding of and more effective assistance to the Sahel. As a regional forum it is worth continued attention but deserves only a moderate investment of our time and energy.

Southern Africa Development Coordination Conference (SADCC) - Similar to the Club mechanism but sponsored by the recipient countries themselves. SADCC offers a useful vehicle for coordination at the project level.

These represent the most important mechanisms for advancing our objectives. The many other mechanisms that exist should be used when a particularly good opportunity arises, but as a rule considered low priority for Africa Bureau attention and participation. There are other U.S. and AID representatives that can hold up the protocol end of showing the U.S. flag in the continual stream of gatherings of marginal interest to Africa Bureau. We should defer to them. Figure I provides a schematic outline of these operating principles and how they interrelate.

76

FIGURE 1  
OPERATING PRINCIPLES FOR  
DONOR COORDINATION IN AFRICA

<u>TARGET COUNTRIES</u>	<u>OBJECTIVES</u>	<u>AGENDA</u>	<u>LEAD DONORS</u>	<u>LEVEL OF EFFORT</u>	<u>COORDINATING MECHANISMS</u> (in order of importance)
Category I plus countries of current interest	All 4	All items as appropriate to host country	France Germany UK Belgium WB IMF Canada Italy UNDP EEC UNFPA	Major AID/W plus field)	CG Bilaterals w/Lead Donors In-Country arrangements IMF annual meeting UN Round Tables CDA Club du Sahel
Category II	Mainly 2 + 4	Selective	-	Main Field with AID/W support	In-Country arrangements UN Round Table CDA Club du Sahel
Category III	Ad hoc	Ad hoc	-	Field + AID/W Ad hoc	Ad hoc

1. Effective Policy Dialogue
2. Effective Assistance
3. Better Understanding
4. Improved Country capacity

- A. Econ Stabilization
- B. Assured Food
- C. Moderated Pop Growth
- D. Recurrent Cost
- E. Simplified Procedures

## VI. Roles and Responsibilities

This section outlines AID/W and the field responsibilities, and the roles of various offices within Washington in support of this framework.

It is often said that the main focus of donor coordination should be the field and the host country. The fact is that effective coordination requires efforts both in the field and at donor headquarters, since few donors have resident field offices or provide field offices with much authority.

In keeping with our focussed approach, AID/W will have to take an active role along with the field missions in donor coordination in the target countries, especially with respect to the first 3 objectives. The missions clearly retain the lead insofar as shaping the country and program specific agenda and in-country coordination. They also remain responsible for donor coordination in all countries outside the target group, with AID/W support as needed.

Defining roles within AID/W is more complicated but essential to effective donor coordination. Here are some basic organizing principles:

1. Africa Bureau should take the lead in donor coordination efforts involving Africa, using the framework provided here. On all other coordination activities, PPC/DC should take the lead.
2. Within the Africa Bureau, DP/PPE should be the focal point for steering all donor coordination efforts. Its main responsibilities would include:
  - Managing the calendar of meetings, and assessing priorities and level of effort.
  - Coordinating agendas and briefing materials with other offices.
  - Maintaining an up-to-date information system to support the process.
  - Representing the Bureau (along with other offices) at meetings, as appropriate.
3. Actual implementation of donor coordination efforts should be the responsibility of the office with a comparative

advantage in relation to a particular objective, agenda item, or relationship with a coordinating mechanism. The following division of responsibilities is derived with these considerations in mind:

AFR Office Responsibilities for Implementing  
Donor Coordination

<u>Activity</u>	<u>Lead Office</u>	<u>Support/Associated Office</u>
Overall Management of the System	DP	--
<u>Objectives</u>		
Policy Dialogue	DP/Geographic	Wheeler Group Coordinator
Effective Assistance Information	Geographic	TR
Host Country Capacity	DP/Geographic (Field)	-- (Field)
<u>Agenda Items</u>		
Stabilization and Development	Geographic/DP	Wheeler Group Coordinator
Food	TR	Geographic/DP
Population	TR	Geographic/DP
Recurrent Costs	DP	--
Simplified Procedures	PD	Geographic/TR/GC
<u>Mechanisms</u>		
CG	Geographic/DP	PPC/Wheeler Gp
IMF/IBRD	DP	Geo/PPC/Wheeler Group Coordinator
Bilaterals	DP	Geographic
UN Round Tables	Geographic/DP	PPC/DC
CDA	AA for Steering Gp	DP/RA
	DP for Policy Mtgs	TR/RA
	TR for Technical and Dialogue Mtgs	RA
Club	SWA	RA/DP
SADCC	SA	-- TR/DP

4. Bureau representation at meetings should be carefully tailored to advancing our objectives while minimizing staff and management time. To the extent possible we should draw on staff available at or near the site of the meeting.

VII. Information System

Effective donor coordination depends on the flow of relevant and current information that permits the Bureau to anticipate and prepare adequately for important meetings and to respond routinely with minimum effort for requests for information for use by others

in less important meetings. Currently, most information is generated within a short lead time in response to each requirement as it comes up. We need to move toward more strategic management of information and clearly distinguish what is important and what is not. This should improve the quality of the information provided.

As part of its role DP/PPE will establish and maintain an information system to serve these needs.

In support of this framework DP/PPE will develop in collaboration with other offices the following information series for Bureau use in tailoring information to support this framework:

1. Target Country Profiles (identifying donor assistance levels, donor interests, specific U.S. policy and program agenda, in country donor coordination mechanism, assessment of effectiveness, etc.)
2. Lead Donor Profiles (identifying donor strategy, organization, countries of interest and U.S. interests and objectives vis-a-vis that donor, key contacts, etc.)
3. Profiles of key coordinating mechanisms (structure, purpose, strengths and weaknesses).
4. A computerized list of projects for potential donor financing or collaboration (obviously not a comprehensive list, but some concrete proposals).
5. Compendium of comments/actions on the WB Early Project Notification System.
6. Examples of effective coordination.
7. Calendar of meetings and recommended level of support.

In support of other donor coordination needs outside this framework, DP/PPE will maintain a set of handy briefing materials (periodically updated) on major activities of interest (e.g., EPI, Emergency Relief, Refugee Assistance, Bureau Strategy, etc.). These will be supplied on request and left to the user to tailor to the specific needs at hand. Obviously, we will continue to have to respond to ad hoc requests on Agency donor coordination efforts. The point is to routinize this part of the process to the greatest extent possible so the bulk of Bureau energy can support our priorities.

The current information needed for this system will come from DP AFR/TR, AFR/PD, Geographic Offices, REDSOs, Missions, PPC/DC, U.S. Delegations to Int'l Organizations and other appropriate sources.

DP/PPE proposes to take the lead in preparing the first set of position papers for review and refinement by concerned offices, drawing on the information already available in its files. Attached are two prototype profiles.

### VIII. Management Implications and Next Steps

This framework presupposes that this Bureau is serious about donor coordination and that the demands for coordination will continue to grow. It recognizes that the main staff resources available in AFR/Washington for this effort are a full time coordinator plus an assistant in DP along with the staff in TR, the geographic offices, RA, and DP as well as U.S. Delegations and field missions which can be tapped for specific tasks. If used judiciously, the staff resources can implement this framework and ensure more effective donor coordination in Africa without a significant increase in the projected donor coordination workload. There would be some increase in the workload initially to develop the information system, but as it gradually takes shape the information system should save time and improve our effectiveness.

Assuming this framework is acceptable as a starting point, here is what we have to do to implement these guidelines:

1. We have to elaborate each agenda topic in more detail;
2. We have to develop specific country donor coordination policy and program agenda;
3. We have to define an explicit agenda vis-a-vis each lead donor and develop a strategy for dealing effectively with that donor;
4. We need to assess more carefully the various donor mechanisms and decide how best to use them;
5. We need to work out detailed procedures and assign responsibilities to individuals within the Bureau against this framework.
6. We need to develop the proposed information system.
7. Finally, we need to persevere and exercise discipline in getting this system institutionalized within the Bureau.

Clearances:

AFR/DP:HJohnson (draft)  
AFR/CA:RHynes (draft)  
AFR/SWA:DChandler (draft)  
AFR/SA:RCarlson (draft)  
AFR/CWA:JColes (draft)  
AFR/EA:BKline (draft)  
AFR/PD:NCohen (draft)  
AFR/RA:WNaylor (draft)  
AFR/TR:DReilly (draft)  
AFR/TR:CMartin (draft)  
DFinberg, Wheeler Group

*GC*  
AFR/DP/PPE:GCarner:lm

ATTACHMENT A

TENTATIVE LIST OF TARGET COUNTRIES  
FOR DONOR COORDINATION IN AFRICA

<u>COUNTRY</u>	<u>LEAD DONOR</u>	<u>CG</u>	<u>WHEELER GROUP</u>
<u>Category I</u>			
Cameroon	France	No	No
Kenya	UK/WB	Yes	Yes
Liberia	U.S.	IGGL instead	Yes
Niger	France	No	No
Senegal	France	Under consideration	Yes
Somalia	WB/Italy	Yes	Yes
Sudan	WB/U.S./S.Arabia	Yes	Yes
Zaire	WB/Belgium	Yes	Yes
Zambia	WB/Germany	Yes	Yes
Zimbabwe	U.S./Germany	No	No
<u>Other</u>			
Guinea	France/Germany	No	No
Malawi	UK	No	No
Mali	France/Germany	No	No
Madagascar	France/WB	Yes	No
Mozambique	France/Portugal	No	No
Rwanda	Belgium	No	No