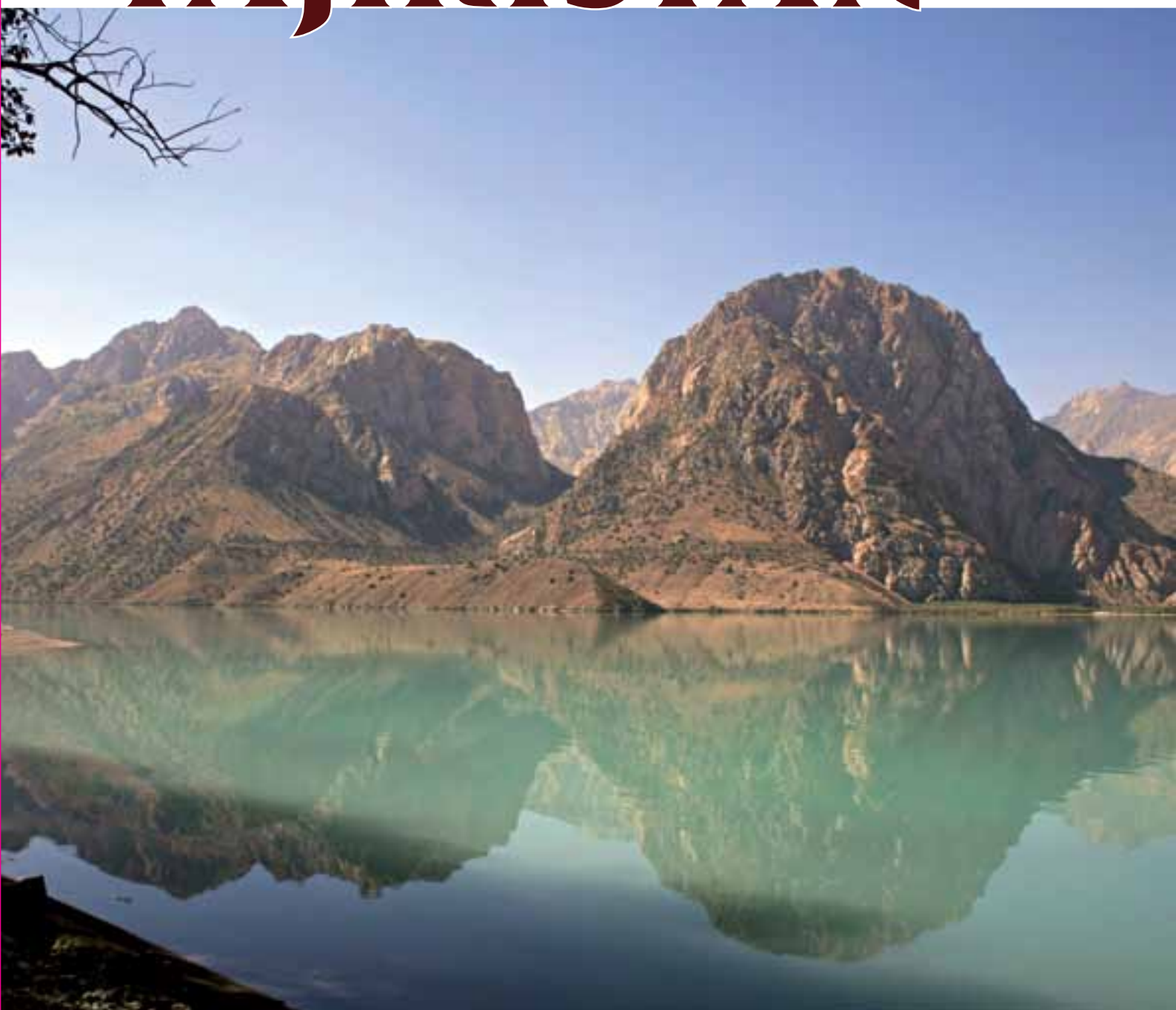


REVIEW OF COORDINATION MECHANISMS
FOR DEVELOPMENT COOPERATION IN



TAJIKISTAN



SUMMARY REPORT

Design, layout & production

Phoenix Design Aid, Denmark

REVIEW OF COORDINATION MECHANISMS
FOR DEVELOPMENT COOPERATION IN



TAJIKISTAN

SUMMARY REPORT

Address requests about publications of the WHO Regional Office for Europe to:
Publications
WHO Regional Office for Europe
Scherfigsvej 8
DK-2100 Copenhagen Ø, Denmark
Alternatively, complete an online request form for documentation, health information, or for permission to quote or translate, on the Regional Office web site (<http://www.euro.who.int/pubrequest>).

© World Health Organization 2009

All rights reserved. The Regional Office for Europe of the World Health Organization welcomes requests for permission to reproduce or translate its publications, in part or in full.

The designations employed and the presentation of the material in this publication do not imply the expression of any opinion whatsoever on the part of the World Health Organization concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries. Dotted lines on maps represent approximate border lines for which there may not yet be full agreement.

The mention of specific companies or of certain manufacturers' products does not imply that they are endorsed or recommended by the World Health Organization in preference to others of a similar nature that are not mentioned. Errors and omissions excepted, the names of proprietary products are distinguished by initial capital letters.

All reasonable precautions have been taken by the World Health Organization to verify the information contained in this publication. However, the published material is being distributed without warranty of any kind, either express or implied. The responsibility for the interpretation and use of the material lies with the reader. In no event shall the World Health Organization be liable for damages arising from its use. The views expressed by authors, editors, or expert groups do not necessarily represent the decisions or the stated policy of the World Health Organization.

TABLE OF CONTENTS

Figures and tables	4
Acronyms	5
Foreword	6
1.0 Introduction	8
2.0 International Practice in Development Coordination	10
2.1. Coordination from a Historic Perspective	10
2.2. Frameworks and Plans	11
2.3. Achieving Alignment with Government Policy	14
2.4. Reviews and Mechanisms to Complement Plans	15
2.5. Mechanisms for Policy Dialogue	18
3.0 Current Practise in Development Coordination in Tajikistan.	24
3.1. National Level	25
1) Plans and Strategies	25
2) Monitoring and Reviews	26
3) Resource Alignment	26
4) Coordination and Dialogue	27
5) Lessons and Considerations.	28
3.2. Sector examples	30
3.2.1. Education Sector	30
3.2.2. Health Sector	33
3.2.3. Private Sector	37
3.2.4. Agriculture Sector	39
3.3. Background and Context of Project Implementation Units (PIUs)	41
3.4. Non Traditional Donors	46
3.5. Monitoring the Paris Declaration	46
4.0 Recommendations	52
5.0 Annexes	55

FIGURES AND TABLES

Fig. 1:	Dimensions and stages of coordination	7
Fig. 2:	Working Framework for Analysis Coordination	22
Table 1:	Examples of government frameworks on three levels	10
Table 2:	Examples of policy dialogue mechanisms	18
Table 3:	Sectoral distribution of PIUs and number of projects	39
Table 4:	Simplified PIU taxonomy (by sectors).	40
Table 5:	Breakdown of PIUs by type of project	41
Table 6:	Suggested links between Paris Indicators and JCPS principles and benchmarks	43

ACRONYMS

ADB	Asian Development Bank
CIDA	Canadian International Development Agency
CCS	Sector Coordination Council, Mozambique
DCC	Donor Coordination Council
DFID	United Kingdom's Department for International Development
EBRD	European Bank for Reconstruction and Development
EC	European Commission
EU	European Union
FTI	Fast Track Initiative
FSP	European Commission's Food Security Programme
GTZ	German Technical Cooperation Agency
H&A	Harmonization and alignment
HVIs	High-volume instruments
IDB	Islamic Development Bank
IFC	International Finance Corporation
JAS	Joint assistance strategy
JCPS	Joint Country Partnership Strategy
MTEF	Medium-term expenditure framework
NDS	National Development Strategy
ODA	Official development assistance
OECD	Organisation for Economic Co-operation and Development
PIU	Project implementation unit
PMU	Project management unit
PRS	Poverty Reduction Strategy
SCI	State Committee on Investments
SCSP	Sustainable Cotton Subsector Project
SDC	Swiss Agency for Development and Cooperation
SECO	Swiss Secretariat for Economic Affairs
SIDA	Swedish International Development Cooperation Agency
SWAp	Sector-wide approach
TACIS	European Commission's Technical Aid to the Commonwealth of Independent States programme
UCGS	Universal cotton grading system
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
WB	World Bank

FOREWORD

The “international aid effectiveness movement” began in the 1990s. Donors and aid agencies began to realize the costs they imposed on aid recipients with their many different approaches and requirements. They began working with each other, and with partner countries, to harmonize these approaches and requirements and improve their alignment to partner country priorities.

In 2002, at the International Conference on Financing for Development in Monterrey, Mexico, the international community agreed that it would be important to provide more financing for development, while donors and partner countries wanted to know that aid would be used as effectively as possible.

In 2003, donors and partner countries met in Rome for the First High-Level Forum on Harmonization, with major multilateral, international and bilateral donor organizations and recipient countries committed to take action to improve the management and effectiveness of aid with a set of ambitious programmes of activities: to ensure that harmonization efforts would be adapted to the country context, and donor assistance aligned with the development recipient’s priorities; to expand country-led efforts to streamline donor procedures and practices; to review and identify ways of adapting institutions’ and countries’ policies, procedures and practices to facilitate harmonization; and to implement the good practices, principles and standards formulated by the development community as the foundation for harmonization.

In 2005, the international community met again at the Paris High-Level Forum, where over 100 signatories – from partner governments, bilateral and multilateral donor agencies, regional development banks and international agencies – endorsed the Paris Declaration on Aid Effectiveness, committing themselves to specific actions that would promote the effective use of aid funds.

In 2008, the Third High-Level Forum on Aid Effectiveness took place in Accra, with about 1700 participants, including more than 100 ministers and heads of agencies from developing and donor countries, emerging economies, United Nations and multilateral institutions, global funds and foundations, and 80 civil society organizations. The high-level engagement at Accra helped bring about agreement on the Accra Agenda for Action, which expresses the international community’s commitment to further increase aid effectiveness.

This series of international conferences has inspired donors to change their behaviour in Tajikistan, improving the coordination of their efforts. Donor coordination in Tajikistan, although not without difficulties, is currently going through a transition phase from a donor-led approach to country-owned coordination, favouring enabling conditions for budget support and the introduction of sector-wide approaches, and supporting the government to establish sound monitoring and evaluation of evidence-based policy formulation.

Bilateral and multilateral donors in Tajikistan began to discuss the problems of donor fragmentation, duplication of effort and lack of absorption of donor assistance in early 2003. In terms of aid coordination, the picture emerging in Tajikistan at that time was of a country still experiencing the effects of the transition from ad-hoc emergency aid to strategically placed development assistance. Important improvements have been made in recent years: in 2006, the government launched the National Development Strategy, the Poverty Reduction Strategy and work is ongoing for a Joint Country Partnership Strategy, enhancing the commitment of both government and development partners to better and more strategic aid coordination and aid effectiveness.

Dr Santino Severoni

*WHO representative and Head of Country Office
Tajikistan*

1 INTRODUCTION

This paper is a summary of various works focusing on development coordination in Tajikistan in the context of the Joint Country Partnership Strategy (JCPS) that were undertaken at the end of 2008 and during the first half of 2009.¹ They include mapping of coordination mechanisms and the collection and reviewing of international experiences of development coordination. This paper brings together the key findings from the different pieces of work and offers observations and recommendations for the consideration of government and development partners in Tajikistan.

What do we mean by coordination?

The term coordination is used loosely and means different things to different people, so the first step in assessing coordination in this study was to adopt an operational definition of the term to use as a framework. There are at least three closely interlinked yet slightly different dimensions of coordination that have to be considered.

- **Aid coordination:** this refers to the established mechanisms and arrangements – explicit or implicit, written or not – that country governments and their external partners (development partners) have agreed on in order to maximize the effectiveness of external aid for development at national or sector levels.
- **Donor coordination** is a subset of aid coordination, and refers to the specific mechanisms and arrangements agreed within and among the community of development partners to improve their effectiveness as partners in the development process.
- Lastly, **development coordination** (at national or sector levels) refers to the combination of and relationships between aid coordination and the national government systems (policy-making and implementation, governance, accountability, etc.) that ultimately deliver development results.

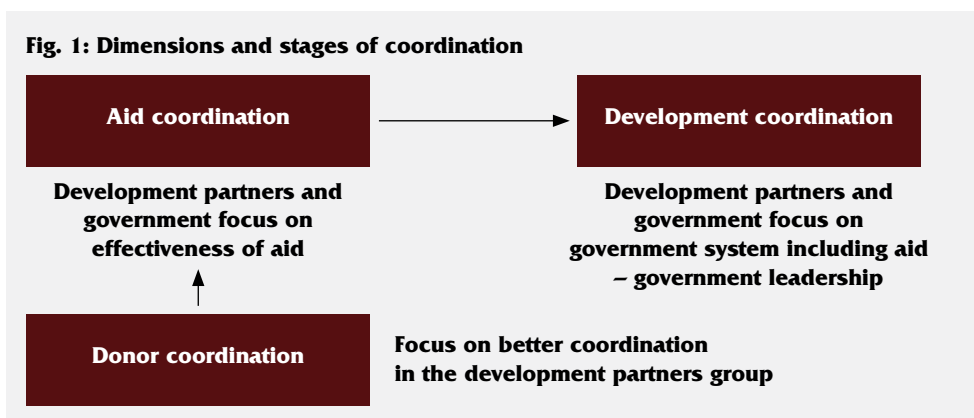
The importance of development coordination and sector coordination – both of which go beyond mere aid or donor coordination – has been highlighted in recent years² and heavily influenced the preparation and concluding analysis during the recent Third High-Level Forum on Aid Effectiveness in Accra (2-4 September 2008). The most important concept is that donor or aid coordination efforts alone will not achieve significant improvements in terms of development results until and unless they are effectively integrated within national development planning and governance structures and systems. In other words, the aim of coordination is not just “aid effectiveness” but “development effectiveness”.

These definitions are useful because the three dimensions of coordination have an evolutionary, sequential element to them, to the extent that we could speak of three “stages”, as shown below.

1 Martinez J Options and opportunities for improved development coordination in Tajikistan. (Unpublished) 2009, Improving Aid and Development Coordination in Tajikistan (unpublished) 2009; Skarphedinsdottir M Aminjanov R, Kholmatov M, Kataev F, Severoni S . Mapping development coordination In Tajikistan (Unpublished) 2009.

2 Boesen N, Dietvorst D. SWAps in motion: Sector wide approaches: from an aid delivery to a sector development perspective. TRAIN DEV.NET, 2007.

- **Stage one.** Donor coordination is usually the first stage of improved development assistance. At this stage, the main drive usually comes from the development partners, for they, after all, are the ones who provide aid and whose main business is aid delivery. The government usually plays a passive role at this stage, in part because it has a large remit of which aid is only a part, and in part because it does not yet have the systems in place to deal with aid or to engage with the donors in policy dialogue.
- **Stage two.** Aid coordination can be considered a second stage, where donor coordination efforts are increasingly matched by a more proactive engagement of government counterparts and by the setting up of the foundations of improved aid forecasting, accounting and aid management systems on the government side.
- **Stage three** is development coordination, characterized by a government increasingly taking the driver's seat in policy and implementation, combined with effective mechanisms for management of government resources – aid and revenue – and engagement between the government and the community of development partners.



2 INTERNATIONAL PRACTICE IN DEVELOPMENT COORDINATION

This section reviews various approaches used by countries to improve coordination around government policy. The term “approaches” is more appropriate than “models” because the model for effective development coordination is the one agreed on at the Rome, Paris and Accra international meetings on harmonization and alignment. It is how each country adopts the generic model that is of interest, with the understanding that these approaches are very country- and context-specific, and hence not always transferable. This also means that the effectiveness of the coordination mechanisms adopted changes over time and is subject to “ups and downs”, depending on changes affecting key actors or the external or internal policy environment. Actors, in the form of champions on both the government and the development partner sides, are always reported as being behind successful coordination mechanisms, even if this is often not mentioned in most published and grey literature.

Readers may wonder why the report places so much emphasis on harmonization and alignment (H&A) at sector level when the JCPS is a process meant to deliver improved coordination at national level. The following points are provided by way of an explanation:

- Sectors are the natural locations for H&A and development coordination efforts because they are the natural divisions used by the government to define and implement policy. Experience shows that, in most countries, successful coordination of national strategies (like national development strategies or poverty reduction strategies (PRS)) has followed on successful or promising sector coordination initiatives pioneered by individual sectors. Development coordination is helped by the specificity and homogeneity of issues, needs, gaps and interventions that exist at sector level.
- This is not to say that initiatives such as the JCPS should not be attempted until sector coordination improves. In fact the two processes should take place simultaneously, and sector and above-sector coordination efforts can be mutually reinforcing. On the other hand, given the issues of government ownership and leadership that have been reported, greater focus on development coordination at sector level is likely to achieve better and more lasting results.

2.1. Coordination in a historic perspective

During the 1980s and 1990s, development partners often claimed to be coordinating aid inputs. However, considered from the perspective of the Paris Declaration, what development partners were really doing was agreeing with other donors where to place their (mainly) project aid so as to avoid “duplication” of efforts and to avert potential turf conflicts (geographical, sector, etc.) among themselves. In most of these discussions, the government was virtually absent, or it was simply “consulted” as a means of rubber stamping what had already been decided.

This situation began to change in the 1990s when some donors started applying some of the principles of sector investment programmes to a new form of development assistance that became known as a sector-wide approach – SWAp. It was under SWAps that concepts like the need for “government leadership” and for “donors to support a government-defined sector plan” became commonplace.³ Even if the terms “harmonization” and “alignment” were not yet in use at the time, SWAps were actually the first ever attempts to harmonize and align donor aid with government priorities at a sector level.

All the above happened in a relatively short period of time (in development terms) and helps explain why many development partners are still struggling to shift from a donor-centred aid management approach to one where the government defines development policy and indicates a preference for one or another aid strategy or aid instrument.⁴ On the other hand, governments are not always ready (in the eyes of donors) to assume their leadership in national and sector development, so there is a risk in some countries that donors will proclaim the virtues of the Paris Declaration principles while continuing to use the same donor-driven approaches to delivering aid as in the past.

2.2. Frameworks and plans

The behaviour described above is only natural, as the traditional forms of project aid provide a sense of security to many development partners when compared to the modern forms of aid management that have taken development efforts “out of the relatively safe environments that projects offered, and [brought] all the messy conditions of the real world to the table”.⁵ This also helps to highlight a key principle of modern day aid management: proper aid coordination requires, first of all, that donors coordinate around an existing, government-defined framework or plan. Such a framework should comprise: an outline of the priorities to be maintained in harmonization, alignment and donor coordination; a set of mechanisms for progress review and problem or conflict resolution; and, finally, an indication of preferred aid modalities.

3 The terminology and implicit philosophy of SWAps were later adopted and adapted to the principles behind poverty reduction strategies and, more recently, to those of the harmonization and alignment literature.

4 Cassels A. Aid instruments and health systems development: a review of current practice. *Health Policy and Planning*, 1996, 11 (4): 354-368. (<http://heapol.oxfordjournals.org/cgi/reprint/11/4/354.pdf>, accessed 26 November 2009).

5 Boesen N, Dietvorst D. SWAps in motion: Sector wide approaches: from an aid delivery to a sector development perspective. TRAIN DEV.NET, 2007

These elements are already present in many countries, as shown in Table 1.

Table 1: Examples of “government frameworks” on three levels			
	Improving the sector	Fighting poverty	Fighting HIV/AIDS
Overall aim	A sector plan	A poverty reduction strategy paper	A national HIV/AIDS plan
Mechanisms for policy dialogue and conflict resolution	A SWAp forum A sector table ‘Lead donor’ arrangement Formal sector coordination committee	Meetings of the programme aid partners Diplomacy by ambassadors or heads of mission	National AIDS council or similar Various forms of country coordination mechanisms Technical committees Purpose-made measures
Mechanisms for monitoring performance and progress	Joint annual sector reviews, at times followed by a policy dialogue event	Annual reviews of performance assessment framework triggered by external multisector assessments	Depends largely on aid modality selected – can be linked to sector reviews or independently conducted: often both.
Mechanism for recording amounts and timeframes	Medium-term expenditure framework (MTEF) or medium-term budget framework	MTEF	Specific financing framework or MTEF
Preferred aid modalities	Pool, sector budget support or general budget support	General budget support/ programme aid	Project aid, technical assistance fund, AIDS pool, health sector pool, sector budget support

It is an implicit assumption of this paper that, when donors fail to coordinate their development assistance, it is either because the framework for H&A is not in place or because the government does not exercise sufficient leadership for its operational application, thus failing to hold donors to account. Leadership and ownership are so important that countries like Ethiopia have achieved significant improvements in terms of H&A through a fairly simple code of conduct that is visibly and effectively enforced by the sector minister. In Mozambique, Uganda and Zambia, the same framework has performed very differently (experiencing ups and downs in progress towards H&A), depending on the drive of specific ministers or senior officials. The other common element in successful cases has been a critical mass of development partners supporting the government.

When donors fail to coordinate their development assistance, it is either because the framework for harmonization and alignment is not in place or because the government does not exercise sufficient leadership at either national or sector level, thus failing to hold donors to account. Usually, both happen at the same time.

Government leadership is a key ingredient for improved aid and development coordination, but leadership should neither be taken for granted nor considered a prerequisite. In fact, the most important lesson emerging in the context of H&A in recent years is that

there is never enough leadership, and that this is precisely why development partners need to become effective partners of the government. In sum, when leadership is not sufficient, it needs to be built. At the same time, the government is more likely to exercise or strengthen its leadership when development partners make the effort to define effective H&A and coordination mechanisms that keep capacity building as a key focus of development assistance.

A key lesson emerging from the practice of H&A is that there is never enough leadership. When this is the case, leadership needs to be built by both the government and its development partners by focusing on capacity building within the broader H&A and development agenda.

Although harmonization may seem a simple and desirable principle, it can be extremely difficult to implement in practice. After all, aid management principles are easier to define than the complex aid management practices needed to apply them. Some of the bottlenecks that could hinder improved harmonization are:⁶

- the administrative, political or legal delays involved in large donor agencies adapting their aid policies and mechanics to the principles of H&A;
- internal resistance within aid agencies to changing aid administration when this involves changes in internal power structures or the authority of some individuals;
- different perceptions of or unclear authority limits on the application of H&A principles within donor agencies and, specifically, between headquarters and country offices;
- staff shortages or high turnover among development partner or government staff, resulting in loss of “historical memory” on the changes to be implemented, together with increased workloads for development partner staff in the initial phases of applying H&A principles.

Do not become obsessed with the “quality” of plans

The adoption of a development perspective should change the way that donors and government go about their business, particularly in terms of how PRS, sector plans or similar are designed and put together. In the traditional aid management perspective, donors consider the main obstacle to achieving the effective alignment of development assistance to be a weak (meaning unconvincing, poorly developed, too broad, too vague) government policy or plan, one that exists only on paper or that the government seems to be either unwilling or unable to implement. In the more modern development perspective, plans are seen as just a means to an end, so the main focus in the development partner-government relationship is not just the “quality” of the plan (the document) but

⁶ Points taken from: Martínez J et al. Review of Experiences for Harmonization in Honduras. Report to the Government of the Republic of Honduras commissioned by the Inter-American Development Bank in preparation of the Regional Conference on Harmonization and Alignment to be held in Tegucigalpa on the way to the Paris 2005 High-Level Forum on Harmonization and Alignment. Washington, DC, Inter-American Development Bank, 2004 (Report in Spanish).

the form in which it has been drawn up and put together. In this context, every effort should be made to ensure that plans are, first of all, realistic (which often means modest), feasible and government-led, even if this takes time and results in a document that is less perfect than one that experienced consultants might have delivered.

While plans – PRS, joint assistance strategies, sector plans or similar – should meet minimum standards in terms of being able to produce feasible, realistic results over time (as any planning instrument should), the true measure of the quality of these documents from a development perspective is whether they engage the government and its development partners in a fruitful discussion about the day-to-day realities of development work. It may not always be feasible for the government to “drive” the development of these planning documents, but it is absolutely essential that the government be involved in their preparation from the outset. Attempts to short-circuit government involvement will turn invariably against the development process, and result in good-looking documents of little substance.

Experience from many countries suggests that donors may put undue pressure on governments to produce unrealistic plans.⁷ This is what authors like Boesen have referred to when highlighting that one of the main dangers to effective alignment and harmonization is when plans become a “planner’s dream, marked by a quest for coherent and consistent policies ...and donors aligning happily behind the wagon...which sets the signpost so far as to never reach actual implementation”.⁸ The opposite risk is also there with plans that are too simplistic to deal with the complexities of development. Between these two extremes is the promising middle ground for effective development, which recognizes the complexities and accepts the mess by making development partners and government true partners in development, sharing both successes and failures rather than pointing the finger at one another.

2.3. Achieving alignment with government policy

From aid coordination to a development perspective

In many countries, donors have tried to better align their aid with government policy by improving aid coordination. However, an excessive focus on aid coordination may distract attention from the fact that the real objective is not so much aid coordination but, rather, development coordination. When the focus is on aid coordination, there is a danger of development partners working in parallel with the government, which results in a bipolar aid management culture based on the “them and us” principle. In this scenario, development partners expect the government to produce plans and deliver them effectively, and the government has to put in huge efforts to meet those expectations.

⁷ For a more complete review of the limitations of sector plans please refer to: Martínez J, Pearson M, Wilde D. Health sector monitoring: approaches, issues and lessons from a review of eleven countries. London, HLSP Institute, 2007 (http://www.hlspinstitute.org/files/project/186566/Health_sector_monitoring.pdf, accessed 26 November 2009).

⁸ Boesen N, Dietvorst D. SWAps in motion: Sector wide approaches: from an aid delivery to a sector development perspective. TRAIN DEV.NET, 2007.

In a development coordination culture, development partners help the government to develop realistic plans through targeted capacity building, and the emphasis of the government is on implementing the plans while keeping track of progress.

Improving harmonization and alignment in practice means shifting from an aid coordination culture based on the “them and us” principle to a development coordination focus based on a true partnership where capacity development takes centre stage.

Modern aid management literature tends to emphasize the importance of moving away from an exclusively aid management focus to a development focus. In the development focus model, government and donors maintain their different roles but become real partners in development by placing the emphasis on development results for which both parties become responsible. This puts the relationship in a completely different light.

- Plans (at either sector or national level, such as PRS) remain the basis for setting priorities and monitoring results, but care is taken to ensure that such plans are government-led and realistic, even if this means reducing the expectations of some development partners. This is explained later.
- The focus is on results as depicted in the plan, and monitoring focuses on results, but when the results are not as expected, the responsibility is shared by the government and its partners. This means that the monitoring of plans does not become an annual examination of government performance but a joint review of what the parties could have done better to improve development outcomes.

In the development perspective, plans are as important as other contextual variables that are often underplayed, such as the profoundly political nature of development processes, with their drivers of and constraints on change. In this way, essential actor/stakeholder perspectives are added to plans, asking not only what is involved but also who, and what they do. Such an approach also emphasizes the need to build managerial inputs in the development process and extend the remit of development beyond donors and governments, themselves just one part of a complex whole.

2.4 Reviews and mechanisms that complement sector plans

Plans (including PRS, joint assistance strategies (JAS) or sector strategies) play a role in enabling alignment but they have limitations. So what other means are used by countries to facilitate alignment around government policy? Mozambique, Uganda and Zambia offer (each in a different way) good examples of how alignment should go far beyond a notional endorsement of the government plan.

- a) **Alignment above the sector level.** In Mozambique, Tanzania and Zambia (and to a lesser extent Uganda), the group of donors supporting the PRS through the JAS, programme aid partnership or equivalent processes provides a first level of donor

alignment with government policy that tends to reinforce alignment efforts at sector level.⁹ For example, these processes make it less likely that donors who support the PRS will behave differently at sector level. Besides, support for the PRS often involves support for specific sector policies (i.e. in education and health) included in the PRS, and this again plays a positive role in terms of alignment.¹⁰ In sum, partnership arrangements above the sector level can facilitate harmonization and alignment at sector level.

- b) **Joint assistance strategy.** Tanzania, Uganda and Zambia each have a JAS that they began developing even before the Paris Declaration was endorsed. The JAS are reviewed once or twice every year, providing an excellent opportunity to test real alignment with government policy and to make renewed commitments towards that end. Regular reviews increase the effectiveness of this mechanism in terms of mutual accountability. Box 1 below describes the lessons learned from the development of joint assistance strategies.
- c) **Codes of conduct.** Mozambique has chosen to define a code of conduct (the Kaya Kwanga Commitment) to regulate the relationships between government and its partners. Last reviewed in 2003, the code's main disadvantage is precisely that there are no set times in the year for it to be reviewed, which considerably reduces its effectiveness as an H&A framework. Ethiopia, on the other hand, has reported significant improvements following the introduction of the health code of conduct, which suggests that codes of conduct can be valid instruments for improved H&A as long as they are adhered to; this, in turn, requires effective sector leadership of the kind that Ethiopia has seen in recent years.
- d) **Annual sector reviews.** All our informants noted that the customary annual sector reviews provide an excellent opportunity for reviewing the adoption of H&A principles by key donors. However, it was also observed that the dynamics of the review processes – with many issues reviewed within a very short time – do not always allow sufficient attention to be paid to H&A issues. For instance, while much focus tends to be put on to the performance of the government, much less attention is generally paid to the performance of donors in terms of predictability of aid and timely disbursement of pledged funds.
- e) **Special policy review events.** Mozambique has a mechanism known as the Conselho Coordenador do Sector (Sector Coordination Council) that meets twice in a year (May and November) to discuss important policy decisions and sector developments. Views vary about the effectiveness of this mechanism, given the large numbers of participants (which precludes in-depth discussion) and the presence of the health minister and the heads of mission of the main sector donors (which means that political correctness and formality predominate over openness and real dialogue).

9 This situation whereby certain donors align and harmonize their support at PRS level but not at sector level has been observed in a few countries and illustrates the fact that donors are not homogeneous entities and that their policies can often be adapted whenever there is sufficient government and peer pressure.

10 In 2006, the mid-term review of the health sector strategic plan in Mozambique concluded that the Programme Aid Partners – the group of donors providing general budget support to the PRS – had exercised significant influence on the health sector in terms of ensuring that bilateral donors maintained and increased the volumes of non-earmarked sector funding by setting up targets for non-earmarked funding for most bilateral agencies operating in Mozambique.

Nevertheless, the Sector Coordination Council is seen as a good opportunity to highlight some major issues that then may or may not be properly followed up.

All the above approaches have advantages and disadvantages, and none of them can work in isolation from other processes that take place at sector level, or above sector level. In any case, the usefulness of these mechanisms in terms of advancing on the H&A agenda depends largely on the existence of clear targets and commitments to that end. In that sense, the JAS approach used in Zambia and the programme aid partnership group in Mozambique appear to be the most effective, as both processes involve a periodic, biannual review of commitments against an existing framework

Box 1: Developing joint assistance strategies – lessons from Tanzania, Uganda and Zambia¹¹

Tanzania, Uganda and Zambia engaged in the development of joint assistance strategies (JAS) in the early 2000s, before the Paris Declaration was endorsed. A study commissioned by the Danish international development agency, DANIDA, and the European Commission (EC) reviewed the three processes in 2005. The following lessons have been drawn that might be of relevance to the process of developing the JCPS in Tajikistan.

Ownership. The JAS is essentially a negotiation process among partners, so the chances of success increase in parallel to partners increasing their own involvement and willingness to overcome the obstacles. In Tanzania, the close involvement of the Ministry of Finance, the existence of a good nationally owned strategy framework, and issues relating to personalities and opportunity (the right people in the right place at the right time) were determining for swift progress to be made in the development of the JAS. In Uganda and Zambia, ownership was less apparent so the JAS processes were much more donor-driven, but with full transparency and consultation. Experience from the three countries illustrates that governments may not necessarily drive the JAS process from the outset, but that close interaction between development partners and government is a prerequisite for increasing ownership by the government, without which the JAS has no chance whatever to succeed.

Division of labour. In retrospect, resolving the division of labour among development partners became less crucial in Tanzania as it neared its goal of 70% of aid delivered through general budget support. In Zambia, lengthy discussions on the division of labour had preceded the development of the JAS and facilitated its development. In Uganda, weak government ownership of the JAS compromised discussions on division of labour among development partners, demonstrating

11 Source: Joint Assistance Strategies in Tanzania, Zambia and Uganda. Final Report. Copenhagen/Brussels, Ministry of Foreign Affairs (DANIDA)/European Commission, DG Development, 2005 (http://www.aidharmonization.org/download/255437/Joint_AssistanceStrategy.pdf, accessed 26 November 2009).

that, without the leadership of the government, there is a lack of legitimacy to deal effectively with these issues.

Duration and timing of the JAS. The JAS processes in Tanzania and Uganda took between two and three years, at times with little concrete output. However, several development partners and government staff considered that the slow progress was less important than the fact that the JAS forced the government and its partners to jointly face the complex issues linked to national development. It would have been a mistake to compromise discussion for the sake of a good-looking document and, in fact, the lengthy discussions prior to the first JAS greatly facilitated the preparation of the new JAS in both countries. In sum, discussion and interaction among partners in the JAS process were perceived as a more important outcome of the JAS than the JAS document itself.

Dynamics of the JAS process. As a negotiation process, it is important for each of the stakeholders of the JAS to understand the position of the other stakeholders. This was partly achieved through the undertaking and subsequent discussion of preparatory studies. It was the discussion of the studies that forced each donor to consider their own position on key issues such as the use of SWAps, direct budget support, silent partnerships and reduction of their presence in selected sectors.

Political buy-in from headquarters of development partners. The decisions that need to be made by development partners as part of the JAS require that sufficient authority be delegated to the country staff by headquarters. This implies that the headquarters need to be involved early on in the process of developing the JAS.

2.5. Mechanisms for policy dialogue

Policy dialogue: what do we mean by it?

Policy dialogue is at the core of partnerships like JAS, SWAps or similar, but it is seldom defined operationally or perceived in the same way by the all partners. For example, a government officer may look at the principle of policy dialogue with sympathy but less so at its application, as it is often synonymous with long, inconclusive meetings where donors take every opportunity to criticize the government and push for their previously agreed 'policy positions'. The term is also loosely used among donors, some of whom take policy dialogue as a negotiation to ensure that their views influence, or even prevail among those expressed by, other donors, or simply expect to see their views eventually reflected in government policy or practice. Finally, some partners (government or development partners) do not consider it the business of donors to engage in policy discussions with the government, while others may state a diametrically different view on the matter and perceive 'influencing policy' as a key donor prerogative, even an entitlement.

These (somewhat oversimplified) views reveal weaknesses in the very texture of the development partnership and have the unintended effect of turning policy dialogue, a term with mostly positive connotations, into something highly ideological and divisive.

Most countries regularly experience this situation (of policy dialogue becoming a sort of ideological debate) at one point or another. In some cases, such occurrence is attributed to the absence of a framework clearly defining and separating the roles of donors from those of government. In most cases, though, the said framework is in place, in the form of a memorandum of understanding or a code of conduct, but it is simply not systematically applied or followed.

It is often easier to define what policy dialogue should not be, rather than what it is. It should not be an opportunity for criticizing government, or for donors to push for their own favourite initiatives. It should also not be an opportunity for donors to agree on common positions and then push the government to accept them. Neither should policy dialogue result in government plans incorporating so many initiatives that the result is a loss of focus and priority setting. Yet this is exactly the form that policy dialogue takes at one point or another in most countries.

From an operational perspective, policy dialogue comprises three main dimensions, as shown below.

- **Information exchange.** Most joint assistance processes (particularly at sector level through the SWAp process) incorporate a periodic (once a month or every two or three months) informal exchange of information on policy or sector developments, upcoming events, interesting reports, etc. These meetings are known as the Development Forum, the SWAp Forum (Mozambique) or Sector Policy Meetings (Uganda or Zambia). While policy decisions do not necessarily take place at this level, these meetings are considered useful in strengthening the relationships among partners and important as a means to enable the flow of information both ways between government and donors.
- **Structured policy discussion.** This takes place through the periodic review of sector progress and through opportunities for more structured discussion of policy matters. These include the established annual (PRS, JAS or sector) reviews. Examples include the biannual review meetings of the Programme Aid Partners (who support the PRS) in Mozambique, the Sector Advisory Group meetings in Zambia (twice yearly) or the Sector Coordination Council meetings in Mozambique (also twice yearly). It is important to note that, for these events aimed at more structured policy discussions to function effectively, there must be working groups and task groups making preliminary analyses of policy implementation and programmatic issues.
- **Top engagement and conflict resolution.** Dialogue, whether or not on policy, involves the risk of disagreement at times on what the parties perceive as fundamental issues. This is why all effective JAS and SWAps involve mechanisms for top policy engagement or conflict resolution. This is discussed below in the section on lead donors.

In sum, policy dialogue takes place at different levels and for different purposes, and it takes different forms from country to country. It is the combination of mechanisms (rather than any mechanism per se) that determines the effectiveness of existing arrangements.

Table 2 below gives an example of how policy dialogue takes place at health sector level in Mozambique and Zambia.

Table 2: Examples of policy dialogue mechanisms		
	Mozambique	Zambia
Information exchange	SWAp Forum. Takes place once in a month. Attended by selected officers from the health ministry and by health advisers (or equivalent) from development partners.	Sector Policy Meetings. Take place once in a month. Similar attendance as in Mozambique
Structured policy discussion	<p>a) Joint annual evaluation of the health sector strategic plan. Joint review by consultants and health ministry followed by discussion at SWAp Forum and endorsement at Sector Coordination Council.</p> <p>b) Sector Coordination Council. Meets in May and November</p>	<p>a) Annual external reviews of the sector. Undertaken by external consultants, then discussed at sector policy meetings and within Sector Advisory Group.</p> <p>b) Sector Advisory Group. Meets twice a year, in May (backward-looking) and September (forward-looking). Includes representatives from provinces and from civil society.</p>
Top engagements and conflict resolution	Lead partner. Elected annually. Invited to meetings of Financial Management Committee and coordinates agenda of SWAp meetings with health ministry.	Lead partner. Three lead partners (Sweden, United Kingdom and the World Health Organization (WHO)) serve one-year terms and cover each other if lead partner absent for any reason.

There are important differences between the Mozambique and Zambia models, the main being that Zambia has fewer donors around the table. This is because Zambia has defined three types of engagement for the main development partners.

- a) **Lead donor** – these are the representatives from the three agencies designated to act as lead donors, each of whom serves a one-year period (see more details below). Lead donors participate in all major health sector-related events during their year of service and act as spokespersons.
- b) **Active partners** – these are development partners with an active involvement in and/or providing significant funding for the health sector. They are regular participants in most sector policy and Sector Advisory Group events. Some also act as focal points responsible for overseeing a specific policy area or programme.
- c) **Background partners** – these development partners do not have a significant involvement in the health sector but do have an interest in being informed about significant developments. Background partners do not usually participate in sector policy discussions.

The roles and functions of lead donors within sectors

The figure of a “lead” donor, i.e. a designated person or agency representing the sector development partners in one particular sector, is a common feature in many countries implementing a SWAp or programme-based approach. However, there are important differences in terms of the responsibilities and attributions of lead donors in different countries, as can be seen from the examples below.

- In **Zambia**, only three agencies (the United Kingdom’s Department for International Development (DFID), Sweden and WHO) act as lead donor, each holding the post for a one-year period.¹² The lead donor is not only the authorized representative

¹² These three agencies were identified as lead donors as the result of a consultative exercise carried out by the government and partners to determine leads for each sector.

of the development partners but also its only interlocutor with government, in the sense that approaches to the health ministry by other agencies are discouraged. In addition to providing a single point of contact for government and donors alike, this model enables the two remaining lead donors to step in whenever the serving lead donor representative is unable to attend a particular meeting. In the opinion of our informants, the lead donor is allowed considerable freedom (by development partners) to speak on behalf of development partners and to make certain decisions on their behalf if need be.¹³

- In **Mozambique**, the lead donor serves a one-year period but (unlike in Zambia) any development partner can be elected as lead donor. The lead donor is the main interlocutor of the government on behalf of the development partners, and the responsibilities of the lead donor are recorded in the Kaya Kwanga Code of Conduct. The lead donor acts as a representative but does not enjoy the same delegated powers to negotiate with government on behalf of the partners as in the case of Zambia.
- In **Bangladesh**, where partners support the national Health, Nutrition and Population Sector Programme, both the lead donor (selected on an annual basis) and the World Bank sector representative meet together with the most senior ministry officers in the SWAp Coordination Committee meetings that take place every one or two months.
- The **Ghana** model lies somewhere between the Mozambique and Zambia models.

The main differences that can be observed between the various models are driven more by practice and tradition than by any written documents. Lead donor representatives with good leadership skills who are trusted by their peers are allowed to decide on more issues and do more than would otherwise be the case.

Division of labour among different agencies

Attempts to apply a principle of division of labour among development partners have always been present in discussions on aid coordination. A recent example of this has been the European Union (EU) Code of Conduct on Complementarity and Division of Labour in Development Policy, approved by the EC in 2007.¹⁴

There are very different views and degrees of endorsement of the said principle of division of labour among and within governments and development partners, with some individuals feeling strongly that roles and responsibilities should be clearly and explicitly split up among agencies, while others point to this approach being almost a return to the bad old days of donors “splitting the cake” among themselves and undermining the role of government in the process. External observers have also criticized this principle

13 The extent and remit of decision-making power are not usually regulated in any documents but, rather, are the result of years of practice and common sense.

14 European Union Code of Conduct on Complementarity and Division of Labour in Development Policy. Brussels, Council of the European Union, 2007 (<http://register.consilium.europa.eu/pdf/en/07/st09/st09558.en07.pdf>, accessed 26 November 2009).

on the grounds that it tends to oversimplify or completely ignore the political and power dimensions of aid delivery.¹⁵

With the exception of the “lead donor” approach discussed earlier, there is not much written evidence on whether division of labour actually improves aid effectiveness or sector coordination for a significant period of time. Most of the literature points to well-intended pilot initiatives that probably helped for limited periods of time and that were very contextual and person-dependent.

A key lesson though in relation to the division of labour is that it works better (or only) after government and development partners have achieved a minimum level of trust with one another, which, in turn, is the result of months or years of working together. In sum, division of labour should not be attempted in the early stages of alignment and harmonization until all stakeholders achieve a minimum level of consensus on issues and on the way forward.

To be practical, a number of issues are worth looking at in any attempt to bring in a division of labour among development agencies.

What labour is to be divided?

This is the first issue to clarify. In the past, division of labour (particularly within sectors) was understood as enabling donors to “choose” among either various technical areas or among geographical regions. While some countries still maintain this form of division, it has become a rare practice these days as it is seen to be against the principles of government ownership, leadership or even sovereignty. In any case, this approach would not fit with the principles of the Paris Declaration, where the only division of labour that is accepted is one whereby governments define and implement policy, and development partners support it.

In Zambia, a lengthy exercise was undertaken to define the division of labour for all sectors, starting with development of terms of reference for “lead”, “active” and “silent” partners. Partners were asked to “bid” for leads in sectors and support their bids by describing their capacity according to predefined criteria, including: in-country capacity; past, current and planned investment in the sector; delegated authority from headquarters; etc. The compiled information was then submitted to the government, who reviewed the bids and returned the adjusted matrix. Following final negotiations, the matrix was then further adjusted and a division of labour, with leads, active and silent partners for each of the sectors, was agreed on.

Division of responsibilities for technical assistance and analytical work.

One frequently cited aspect of the division of labour is technical assistance, with agencies agreeing on who will take the responsibility for financing, commissioning or delivering it. Even this apparently simple principle is absent from most national health systems, revealing that the situation is more complex than it looks. For example, keeping some

¹⁵ See for example Schultz NS. Division of labour among European donors: allotting the pie or committing to effectiveness? *Development in context*, 2007, 09:1-11 (<http://www.frde.org/publication/67/division-of-labour-among-european-donors-allotting-the-pie-or-committing-to-effectiveness>, accessed 26 November 2009).

control over technical assistance is a power strategy used by some agencies to influence the government, or to retain prestige among agencies, or to provide consultancy opportunities to firms from their own countries or, simply, to spend aid budgets.

The division of labour between United Nations agencies that mainly deliver technical assistance, and other agencies providing financial support appears to have had limited success – even if it seems a logical and desirable goal built into the United Nations Charter. This issue was partly discussed in an earlier paper by this consultant delivered to DFID Bangladesh in July 2006, and it will therefore not be revisited here.¹⁶ Most technical assistance remains uncoordinated, even in long established SWAp countries like Ghana, where more than half of total technical assistance is reported to be provided outside coordinated programmes.¹⁷

16 Martinez J. Improving Technical Assistance in the context of SWAps - A brief review of options and lessons from the available literature. Report commissioned from DFID Bangladesh by the DFID Health Resource Centre. London, DFID, 2007.

17 See for example issues reported in the PowerPoint presentation by World Bank consultants in Ghana: Prempeh E, Lempa K. Learning network on capacity development. In: LenCD (Learning Network for Capacity Development) LenCD Forum: Addressing the Paris Declaration – collective responsibility for capacity development: what works and what doesn't, Nairobi, 3-5 October 2006 (http://siteresources.worldbank.org/INTCDRC/Resources/Ernest_Prempeh_Kristian_Lempa.ppt, accessed 26 November 2009).

3 CURRENT PRACTICE IN DEVELOPMENT COORDINATION IN TAJIKISTAN

In terms of development coordination, Tajikistan is undergoing a transition from emergency to development aid. The recent history of civil conflict means that Tajikistan shares common features with fragile states, all of which affect the effectiveness of aid. For example, weak governance, incipient and vertical planning and centralized decision-making all hinder the ability of the government to actively engage with development partners in the development process. In fact, development planning is a relatively new discipline in Tajikistan, following on from post-Soviet central planning and then the disruption caused by a serious civil conflict.

Tajikistan is hence in the first and second stage of development coordination (i.e. the donor/aid coordination stage), which means that the main efforts to date to improve aid effectiveness have come from the community of development partners in the form of incipient yet determined efforts to improve donor coordination.

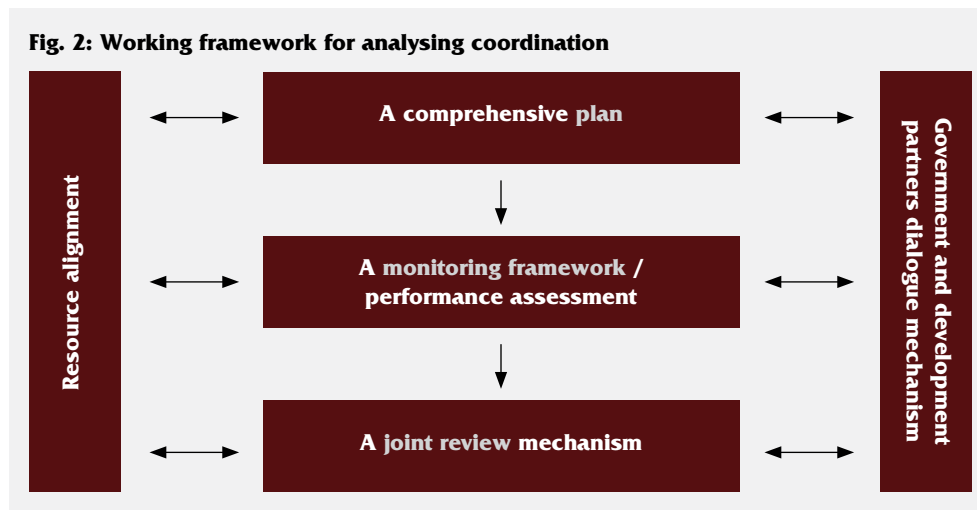
Since the government began to focus on reforms towards a market economy, foreign aid has grown substantially, from around US\$ 100 million a year (around 80 projects) in 1997 to over US\$ 270 million (and over 400 projects) in 2006. The development agenda encompasses actions in difficult reform areas that require substantial resources. Consistent and efficient financial and technical assistance from development partners will therefore be vital to support and sustain the development effort. There is cautious expectation that aid will continue to grow.

Increasing foreign assistance in recent years has brought with it additional challenges for the government in predicting and absorbing additional aid efficiently in the context of an increasingly complex aid architecture. There are more resources but they come at an aid management price in the form of more projects (over 400 projects and 35 project implementation units (PIUs)), more players and more transactions costs for both the government and the development partners. Although the predictability of aid is low and aid fragmentation is obvious, this is not always perceived as a problem in some sectors, perhaps because no alternative better models are known to sector stakeholders.

When examining the practice of coordination in a development setting, it is important to have clarity as to the concepts and framework being applied.

Coordination does not exist in a vacuum: we coordinate around something and coordination needs to support principles that have been jointly agreed. This paper therefore assumes that coordination should take place around a planning framework, including a performance and accountability framework with associated review and reporting mechanisms, as well as alignment of resources. The principles involved are those agreed on in the Paris Declaration on harmonization and alignment of development assistance.

The following “rapid appraisal” of coordination issues nationally and within selected sectors is a summary based on recent analytical work and studies¹⁸ and is not meant to be either comprehensive or exhaustive, although it does show that the seeds of improved development effectiveness are already being planted.



3.1 National level

(1) Plans and strategies

In August 2006, Tajikistan published its National Development Strategy (NDS) covering the period up until 2015. The Strategy outlines the country’s long-term development goals and tasks, and includes ambitious targets. Under the NDS, more detailed PRS have been developed. The second PRS is ending in 2009, and PRS 3 is currently under development.

The NDS can be said to be a “first generation” planning instrument, in that it has been heavily driven by development partners, and is both broad and ambitious, the monitoring framework is somewhat unclear and the strategy is yet to be effectively reviewed. This is not unexpected given the context, and there are positive signs that the government is beginning to adopt better, if, at this stage, still preliminary, planning and monitoring systems to respond to the challenge and eventually to take on a more proactive role in terms of planning for poverty reduction and development assistance.

PRS 3 is now under development and will be launched by the end of 2009. The United Nations Development Programme (UNDP) is the lead partner supporting the government in the preparation of PRS 3, but the Donor Coordination Council also plans to set up a subgroup to coordinate support to this process. This is the third and last PRS to be developed under this NDS.

Since the first PRS was developed, the processes have gradually strengthened and extensive consultations are taking place in preparation for PRS 3. However, respondents

¹⁸ Martinez J Options and opportunities for improved development coordination in Tajikistan. (Unpublished) 2009, Improving Aid and Development Coordination in Tajikistan (unpublished) 2009; Skarphedinsdottir M Aminjanov R, Kholmatov M, Kataev F, Severoni S . Mapping development coordination In Tajikistan (Unpublished) 2009.

felt that improved harmonization of input would be beneficial to reduce fragmentation, with each partner raising agendas related to specific areas of support or projects.

(2) Monitoring and reviews

A special government body, the National Development Council, was set up to monitor the PRS, but it has never become fully functional. PRS 2 was already written and approved by parliament when technical assistance for monitoring and evaluation was agreed on, and this understandably presented some challenges for addressing issues related to indicators in PRS 2.

The Asian Development Bank (ADB) has provided support for monitoring the PRS at national level, while the EC supports two sector pilot projects for PRS monitoring in health and education. A number of capacity building workshops have been held and work has focused on defining a limited number of indicators as a representative subset drawn from the national pool and linked to the budget to monitor PRS 3. Sequencing national and sector planning in terms of both monitoring and review is critical but will be achieved only gradually while building and linking with sector initiatives and using the PRS as a stimulus to encourage stronger sector monitoring.

The government is gradually taking a more proactive role and, in 2008, it produced the first annual progress report for PRS 2, a significant step forward, and a sign that ownership of the PRS processes is increasing. However, no joint reviews of the PRS have yet taken place.

On the development partner side, there are examples of harmonized reviews, including the ADB/World Bank joint annual portfolio performance reviews with the participation of the government and all ministers. The objective of this joint review is to assess the implementation of the investment projects across sectors, to identify any problems hampering implementation, and to agree on solutions. The outcome of the meeting is a joint ADB/World Bank/government action plan with indicators, timeframe and responsible agencies. The implementation of the action plan is reviewed at each annual portfolio performance review.

Development partners have worked together to develop a JCPS to provide a framework around which they can work together with government, and to improve the effectiveness of aid, including alignment with government strategies for poverty reduction, achievement of the Millennium Development Goals and economic growth.

(3) Resource alignment

Of the different steps towards improved harmonization and alignment, resource alignment is the single most challenging and usually among the last to be achieved. A starting point would be to agree on the NDS/PRS processes as a convening point for resource alignment. Given the relatively recent introduction of the H&A process in Tajikistan, it is not surprising that substantial progress has not yet been recorded on this. The EC and the World Bank are supporting work on the development of a medium-term expenditure framework as a vital part of the overall efforts.

(4) Coordination and dialogue

Measures to implement the NDS over the medium term need eventually to be reflected and integrated in various programmes and plans, such as the government's medium-term programme, the three poverty reduction strategies, the Medium-term expenditure framework, the Public investment programme, and planning and implementation of the external resources contributed by development partners. This will take some years to develop, with careful sequencing of the steps to ensure improved coordination.

Part of the process will be to enhance clarity on the institutional channels and platforms used by both government and development partners for communicating and agreeing on issues of concern and interest related to the NDS/PRS – development, endorsement, monitoring and reviewing. The government is more likely to exercise or strengthen its leadership if development partners define and agree on effective H&A and coordination mechanisms that keep capacity building as a key focus of the development assistance.

The current set-up at national level already includes some coordination mechanisms.

- The **Development Forum** (formally a consultative group) is a high-level forum convened every two to three years. The key objective of the Forum is to review and assess the ongoing reform in the country as well as agree on the amount of funding for the reforms. It is chaired by the President and has highest level representation from both government and development partners, including all embassies, traditional and nontraditional donors, financial institutions and headquarters representation. The Development Forum last met in 2006, for the launch of PRS 2; the NDS had been presented at a previous meeting. The Forum is not a stipulated coordination mechanism, as its meetings are infrequent and irregular, although it is the only common forum with representation of all key government officials and development partners supporting all the different sectors.
- The **Principals' Group** is the coordination body of ambassadors and representatives of donors and international financial institutions; it holds regular coordination meetings (currently every six months), chaired by the different members on a rotational basis. The Principals Group has evolved over several years. Originally it comprised a number of ambassadors and certain heads of agencies. However, not all embassies were involved: the embassies of central Asian countries were not members and countries with no embassy in Tajikistan (Sweden and Switzerland for example) did not participate. Furthermore, some countries (e.g. the United Kingdom) had dual representation, with the Foreign Office/embassy working on political issues, while a different department (DFID) handled development support.

The Group's terms of reference have recently been reviewed and the membership revised to include all embassies, all United Nations agencies and financial institutions with a representative in the country.

UNDP provides secretariat services for the Principals Group. Meetings were originally held once a month but are now held on a need basis. Originally, the minutes of the meetings were available on the UNDP web site but, for reasons of confidentiality, this practice has since been discontinued.

The Principals Group communicates with the government by written letters, press statements, or meetings with specific government officials to follow up on particular issues. However, no specific institutional channel or forum exists where upcoming issues are discussed with the government.

- The **Donor Coordination Council (DCC)** was created in early 2006 to coordinate work on development issues in the context of the NDS/PRS and the commitments made in the Paris Declaration. Membership of the DCC is open and currently comprises the heads of around 20 key donor organizations¹⁹ working in Tajikistan, including multilateral agencies, bilateral development partners, various United Nations agencies and some key international nongovernmental organizations. The chairmanship is by consensus or election for one year on a rotational basis. Meetings are held bimonthly, and annual activity plans are developed, agreed and reviewed. A core group with a more active membership has been established. (ADB, DFID, EC, Swedish International Development Cooperation Agency (SIDA), Swiss Agency for Development and Cooperation (SDC), United Nations, World Bank).
- The **DCC has further established sector-specific subgroups**. There are currently six, on agriculture, health, education, business environment, governance, and JCPS. Each subgroup is chaired by one development partner and has its own meeting schedule. New subgroups are proposed, including one to work with the government on the development of PRS 3. Closer collaboration with the Principals Group is being established, and there are also plans to provide a secretariat for the DCC within the United Nations Coordination Unit.

(5) Lessons and considerations

As has been touched upon in a previous study,²⁰ foreign aid coordination is closely related to national development objectives, the state budget and the public investment programme, as well as debt sustainability, all forming an integral part of national development planning.

The effectiveness of the national development process depends on the clear division and coordination of labour between the government agencies involved in planning, as well as external partners. The government has a clearly established institutional set-up for each of the cycles, i.e. state budget preparation; formulation of the three-year public investment programme; and strategic papers. However, the true challenge is to link these cycles together and ensure effective and efficient mobilization and use of foreign aid.

There are many examples of poor linkages and synergies between national development priorities, and priorities as reflected in the budget of incoming foreign aid. To a significant degree, this situation is caused by the lack of a clear framework (mechanisms) for coordination between these cycles and/or elements.

19 Swiss Cooperation Office, European Union, World Bank, Asian Development Bank, United States Agency for International Development, United Kingdom's Department for International Development, International Monetary Fund, World Health Organization, United Nations, United Nations Children's Fund, International Fund for Agricultural Development, World Food Programme, Swedish International Development Cooperation Agency, German Technical Cooperation Agency, Japan International Cooperation Agency, Aga Khan Development Network, JCPS Secretariat.

20 Aminjanov R, Kholmatov M, Kataev F. Case study on aid effectiveness in Tajikistan. Dushanbe, Wolfensohn Center for Development at Brookings, 2008 (http://www.brookings.edu/~media/Files/rc/papers/2009/10_aid_tajikistan_aminjanov/10_aid_tajikistan_aminjanov.pdf , accessed 26 November 2009).

This situation, inevitably, leads to an inefficient use of scarce foreign aid. Therefore, in order to improve the efficiency of coordination and to streamline planning processes on the national level, it is imperative to develop and adopt a national planning system – an official framework – that defines coordination mechanisms between these three distinct parts: national development priorities, state budget preparation and foreign aid. Strengthening national coordination, building on and streamlining existing structures, is a logical way to proceed.

A key lesson on coordination from other countries is the importance of establishing coordination around a sector or national government plan (building on the priorities), including a corresponding framework for monitoring and reviewing. Countries have hence moved away from maintaining separate government “aid coordination units” and tend now to focus on sector or national coordination around a sector plan/PRS, thus aligning both aid and government resources to an overall agreed plan. This has meant replacing aid coordination units with sector coordination groups, PRS coordination groups or similar with integrated links to key planning processes.

The NDS/PRS presents an entry point to integrated national planning although currently not all elements are yet fully integrated into the process.

It is not fully clear from the institutional set-up for coordination and development monitoring in relation to NDS/PRS how key forums such as the Development Forum, the Principals Group and the DCC relate to NDS/PRS development and monitoring.

While the Development Forum is the only joint mechanism where government and development partners meet and, as such, is very valuable, the meetings are not held regularly, are infrequent and are very high level. This reduces its effectiveness as a forum where government and development partners can address issues of common interest. The Development Forum cannot therefore be considered a coordination mechanism as such, and there is a need for a platform for continuous dialogue.

There seems to be a certain degree of overlap between the focus of the Principals Group and that of the DCC. While the DCC engages on issues related to the NDS/PRS and the Paris commitments, the Principals Group focuses primarily on political matters but also has a role in development matters. Discussions on progress on the PRS seem to fit more into the remit of the DCC, with some overlap. Neither group seems to have very clear counterparts in the government with clear institutional channels or mandate to take forward matters across sectors needing attention from the government.

National planning builds on sector planning. Work on improving coordination is taking place in the sectors, and efforts to strengthen national coordination need to build on and link with this. Sectors are a “natural” focus for coordination, while national-level coordination has added layers of complexity, often involving less clear institutional mechanisms.

The sectors are different and require different approaches. A SWAp approach (particularly the pooling of funds) is, for example, better suited to a setting where the government plays a significant role in service delivery (health and education, for example) than in sectors where government has mainly a regulatory role.

Respondents indicated that the channels linking sectors to national level were perceived to be weak. It was felt that a clear institutional channel for matters arising from the sectors but needing attention at national level would be beneficial. An example is given from the agriculture sector, where recent survey data indicate potential issues of child labour: this was a matter clearly reaching outside the sector but for which there did not seem to be any clear institutional channel to take it up with the government. On the government side, respondents emphasized the strong central authority of the President's office.

Through the subgroups of the DCC, links have begun to form between the sectors and the national level. Institutionalizing this further, as well as defining links with the Development Forum or equivalent are areas for consideration. Models from other countries can be reviewed.

Closer collaboration is under way between the DCC and the Principals Group. This may, for example, involve common meetings possibly linked/matched in with Development Forum or similar meetings.

Tajikistan is at a relatively early stage of development coordination; it is important to recognize this and manage expectations of improved harmonization and alignment. Significant progress has already been made in the space of a very short time and, to maintain the motivation of both the government and development partners, this should be emphasized while carefully considering the next steps.

3.2. Sector examples

Below are selected sector examples, each including some good practices and lessons that may feed into ongoing efforts in Tajikistan to strengthen coordination in order to improve aid effectiveness. They are chosen to give a flavour of the many ongoing efforts to strengthen coordination across the sectors in Tajikistan.

3.2.1. Education sector

The education sector has been held up as one of the examples of good practice in coordination in Tajikistan. In the past, however, coordination in the sector was limited to information exchange only. The Fast Track Initiative (FTI) has helped catalyse better practices in donor coordination.

(1) Plans and strategies

A requirement for the FTI was the existence of a government strategy around which to align support. The National Strategy for Education Development already existed but the arrival of the FTI helped give it impetus and further develop it. Although the Strategy covers the whole sector, it does not focus sufficiently on the levels of education outside of general education (grades 1-11). Thus, the government's vision for other parts of the sector such as early childhood development and tertiary levels of education is not clear or detailed enough to encourage donor investment in these subsectors. The planned World Bank project will focus, among others, on supporting the government in expanding the strategy to make it truly sector-wide.

The FTI is a global multidonor trust fund administered by the World Bank. The multidonor nature of the funds and the Tajik approach, preferring country systems and institutions, have acted as an incentive for donors to coordinate their work around this initiative. FTI funds have catalysed improved coordination of donor activities in the sector and brought them to a higher level: from information exchange and ad hoc coordination to improved planning and coordination around the national strategy.

Teacher training, education management system development, and the introduction of the new education financing mechanism are the thematic areas where donor collaboration, both with other donors and with the government, can serve as examples of good practice. At the beginning of the teacher training programme, many of the modules used by the government agency mandated to conduct retraining courses for school teachers and directors were outdated. The curriculum needed reviewing and financial resources were limited. Several donors were supporting small-scale projects that had limited geographical coverage and were costly but were of high quality. Catalysed by the FTI, and following intense negotiations, the partners agreed to use the opportunity of the FTI to learn from the lessons of the project-supported models, adjusting their costs to application at national level and using FTI funds; this allowed for massive scaling-up of teacher training nationally through the harmonization of resources. Development partners such as the United States Agency for International Development (USAID) were unable to pool financing but nevertheless aligned their technical support to the same model in areas where they gave support.

(2) Monitoring and review

Establishing a monitoring framework for the strategy supported by the FTI has been one of the challenges. The framework used has focused on the FTI-funded part, rather than the whole government strategy on general education. However, this weakness has been recognized and there are plans under way to strengthen the general education part of the education management information system with the help of a consultant.

The ADB previously gave support to strengthening the education management information system on general education in five rayons but, following the arrival of the FTI and discussions in the partner group, it was agreed that support at national level was needed before focusing on the rayons. The ADB therefore adjusted its approach to focus on the FTI and national-level strategy support.

Two joint reviews have been carried out. The focus has been mainly, but not exclusively, on the FTI-supported part of strategy implementation. The partners have coordinated the work, allocating roles and responsibilities so that each covers certain parts of the eight components of the FTI, in line with areas they work on. The reviews have all included government participation although they have not been fully government-led.

(3) Resource alignment

Building on the experience of harmonization and alignment in general education, plans are now under way to provide support for a national testing centre using government systems and building on a government master plan. The World Bank and the United Nations Children's Fund (UNICEF) are likely to pool funding in support of this. The Open Society Initiative, UNDP, the Indian Embassy and the Russian trust fund administered

by the World Bank will cofinance the government master plan. The involvement of India and the Russian Federation was facilitated by a government-led financing effort.

The education sector is one of two sectors chosen as a pilot for PRS monitoring at sector level. The EC supports technical assistance in this area and has worked on costing the strategy as well as agreeing on sector-specific PRS indicators.

(4) Coordination and dialogue

A system of dialogue/coordination among the partners has been established. Partner meetings are arranged approximately every six weeks, although this is not a rule, as the meetings are arranged around the need to discuss or coordinate a certain activity, following suggestions from members of the group. Generally, UNICEF convenes the meetings but this can also be done by others, depending on the topic. UNICEF and the World Bank have however been agreed to as the official leads in the group. At first, a rotational lead was attempted but it was felt that not all partners had either the interest or the capacity to lead on coordination and so it was agreed that UNICEF and the World Bank would play that role.

There are two levels of membership, with a core group of UNICEF, the World Bank, ADB, USAID, the German Technical Cooperation agency (GTZ) and the EC, and an extended group including additionally the Aga Khan Development Network, the Open Society Initiative, UNDP, the World Food Programme and civil society partners.

The government does not attend the meetings. UNICEF and the World Bank dialogue with the government on behalf of the partners on the issues relevant to the FTI and generic to the Strategy; however, all the partners have bilateral discussions directly with the government. The government also co-leads joint reviews of implementation of the FTI and the National strategy. While partner-only coordination mechanisms often continue to exist, a defined platform is also needed for engagement with government counterparts. The absence of a government-partner dialogue platform is recognized by the partners as a weakness, although no specific steps are currently planned to address this.

Box 2

The education sector offers an example of a strategy for phasing out project implementation units

The first phase of the FTI was financially administered by a World Bank PIU. In 2006, the World Bank carried out a fiduciary capacity assessment in the sector and a subsequent action plan for strengthened capacity was agreed on. The plan aims, among others, to build capacity in the Ministry of Education to manage external funds. In June 2007, a mission concluded that the Ministry had the capacity to manage external funds but a phased approach was recommended. For the second phase of the FTI, the Ministry and the PIU therefore have shared responsibility for different parts of the financial management of the funds, allowing for a smooth transition and “learning by doing”. The Deputy Minister responsible for planning, budget implementation and accounting is the grant coordinator

(others in the Ministry are also involved), and is supported by local consultants hired by the Ministry.

It is anticipated that, in FTI phase 3, full responsibility for financial management (including procurement, which the Ministry is already handling in line with international requirements) will be handed over to the Ministry, and the PIU will hence cease to exist by mid-2010.

(5) Lessons and considerations

Incentives for improved coordination in the education sector have included, on the donor side, the multidonor nature of the funds, while, for the government, the ability to address financial constraints at national level has been an incentive in addition to support for staff. The existence of “champions” has also been important. UNICEF and the World Bank have both been active in leading the partner coordination. On the government side, champions inside the Ministry have helped advocate and promote the potential benefits of improved coordination leading to better harmonization and alignment.

Respondents felt that linking sector issues to the decisions taken at national or higher levels continued to be a challenge. There are still not any clear channels for this, and it is facilitated through personal networks rather than an integrated system linking national and sector levels.

On the whole, the education sector offers an example of improved harmonization and alignment, catalysed by a multidonor fund with broad applicability. Remaining areas for improvement include expanding the focus of the strategy to cover the whole sector and the need for the government to become the lead in all efforts.

Monitoring is an area that needs to be expanded to demonstrate the full implementation of the strategy, rather than focusing primarily on the part supported by the development partners, and reviews need to be truly led by the government, rather than just with government participation. Partnership with the government in the dialogue on progress should be developed and, over time, the use of government financial systems should be gradually initiated.

Partners in the sector recognize these priorities, and it will be important to sequence the steps to improve H&A correctly while ensuring a steady pace of strengthened H&A in line with the Paris Declaration.

3.2.2. Health sector

The WHO inventory of externally financed projects in Tajikistan in 2006 showed 53 partners supporting the health sector in Tajikistan, the largest including DFID, EU, SDC, SIDA, UNICEF, the World Bank and WHO.

Coordination in the health sector was initiated several years ago with emergency coordination, and has steadily improved over the past three years. This has happened in the context of the genuine challenge of the Ministry of Health having to deal with 53 partners funding and implementing 97 projects (2006), as well as a recognition in the international community of the need for more effective delivery of aid in the health sector.²¹ In 2007, partners initiated discussions and work on developing a sector-wide mechanism for cooperation in the health sector (SWAp). During the coordination meetings, several discussions took place on alignment and partner support for the SWAp. A study on the feasibility of the SWAp was carried out in late 2007 and a workshop on the SWAp and its key concepts was held in early 2008. Following these efforts, a letter of intent was agreed on, clarifying the vision of the way forward to stronger cooperation.

(1) Plans and strategies

The first step agreed by both the Ministry of Health and the development partners towards development of a SWAp was the need to develop a new comprehensive health sector strategy. Tajikistan already has a strategy in the health sector that will be ending in 2010 but no costed action plan has ever been developed for it.

As a first step, a roadmap for the process of strategy development was agreed in November 2008, carefully including opportunities for capacity building. All the main partners in the sector have agreed to work together and have contributed resources towards the roadmap. Development of the strategy is overseen by a steering committee led by the government (with development partners as members). Day-to-day technical support is provided by a small task team of technical advisers (national and international), supported by a secretariat. Thematically, the content is organized according to the four health system functions (service delivery, financing, resource generation and stewardship), each supported by a core team led by a senior government official supported by local and international technical assistance. Work is ongoing, and it is envisaged that the first draft of the strategy will be ready by the end of 2009.

(2) Monitoring and review

The development of a small subset of indicators (30-40) drawn from the national pool and reflecting progress towards the objectives of the strategy is envisaged as part and outcome of the strategy process.

Joint reviews have not been carried out yet, but the intention is that these will be led by the government. Implementation of the previous health sector strategy was not formally reviewed and, according to respondents, has not been actively used as a priority or policy guiding document. Currently, discussions by development partners within coordination meetings have included reviewing the strategy development methodology, pooling financial and technical resources and discussing the whole strategy development process.

The health sector is one of two sectors chosen as a pilot for PRS monitoring at sector level. EC-supported technical assistance was provided for this but the work came to an end in March 2009. A technical working group has focused on developing a subset of indicators to reflect progress in the sector. Since the strategy is still being drafted, this

21 Severoni, S, Amato S, Garcia Abril, F, Carlei F, Xinxo A, Artykova N; *Externally Financed Projects in the Tajik Health Sector in 2006*. Dushanbe, World Health Organization Country Office Tajikistan, 2007 (http://www.euro.who.int/Document/CF_TJK/Tajikistan_Inventory_2006.pdf, accessed 26 November 2009).

has involved some challenges but it is hoped that the two processes can be merged in 2009 and that the strategy monitoring framework will feed into the PRS 3 monitoring for the health sector.

(3) Resource alignment

The Letter of Intent agreed by partners outlines a commitment to align resources to the national plan, once it is developed, use national budget classification and, over time, move towards use of government systems. The development partners recognize that the alignment of resources and the gradual move towards greater use of government systems will take time and will need to be supported by capacity building and based on concrete findings (institutional, financial and fiduciary assessments, audits, etc.). The assessment of local capacity and the degree of donor flexibility offered by the different donor systems and procedures will determine whether contributions are made through the sector budget or, as a second-best approach, through project funding, at least temporarily. The World Bank has supported fiduciary capacity assessment in this area, as well as the development of national health accounts. Current division of roles between the Ministry of Health and Ministry of Finance in budget management is likely to present added complexity for resource alignment in the sector.

Development partners (DFID, SIDA, EC, SDC, UNICEF, the World Bank, WHO, Zdrav+) and the government have collaborated well in resourcing the development of the strategy, each contributing to different parts of the roadmap, according to interest and comparative advantage. SDC channels its resources through the government systems, while DFID provides flexible funding for the roadmap through WHO. Partners are also aligning their ongoing project support to feed into the strategy; for example, EC support for strengthening the health management information system will feed into the national strategy, and WHO support for developing a public health service strategy will feed into the service delivery part of the national strategy.

(4) Coordination and dialogue

Coordination in the sector has been improving. The DCC has a subgroup on health led by WHO. Partners in the sector have also been meeting with the Ministry of Health every one to two months over the past three years to discuss any upcoming issues. In 2008, these meetings (health coordination meetings) became more regular (last week of every month) and are now chaired by the Ministry of Health and take place on Ministry premises. For example, input into the Letter of Intent was coordinated through this forum, as was information sharing on strategy development, although, as mentioned earlier, there is a separate steering committee for the strategy development process. There are no designated development partner leads for this meeting but WHO liaises with the Ministry of Health on preparation of topics for discussion. WHO funds the administrative cost of the monthly coordination meetings and the necessary technical assistance. All the preparatory work and secretarial support is also currently covered by WHO. Since this year, the monthly coordination meetings have been chaired by Ministry of Health. WHO usually calls “pre-coordination” meetings of the development partners, where the preparation of topics for discussion at the monthly coordination meeting can be delegated on a rotational basis to development partners with specific interest in the topic. An example is in the case of the benefit guarantee package, for which Zdrav+ prepared a presentation for discussion.

Box 3: Key points in the agreed Letter of Intent for the health sector on the development of a sector-wide approach (SWAp)

1. The government and development partners work together on the development of a new comprehensive health sector strategic plan supported by all significant partner/funding agencies.
2. The government and development partners work together on the development of a medium-term expenditure framework or budget which supports this strategy/policy.
3. Government leadership in a sustained partnership in the sector.
4. The government and development partners work together to develop a set of mechanisms and working arrangements that enable structured dialogue and consensus building around managing the sector strategy and work programme.
5. The government and development partners work together to develop a set of common review mechanisms to evaluate health sector progress and commitment to the strategic plan.
6. Commitment to move, over time, towards greater reliance on government financial management and accountability systems.

(5) Lessons and considerations

The health sector offers an example of improved coordination built around a realization that, with many partners active in the sector, better harmonization and alignment is critical to the achievement of outcomes, leading to a joint commitment to move towards a sector-wide approach. Lessons so far include the need for dedicated resources to work on coordination, as this represents a “new workload” for both the government and the development partners. This is important as, if not addressed, it may affect motivation. It is important to recognize good efforts, and to use and look for “low-hanging fruit” to maintain the motivation of both development partners and Ministry of health. The presence of champions on both sides has been important.

Agreement on the Letter of Intent proved useful in helping to clarify the vision, and common agreement on the starting point for strategy development. While the strategy development process has already become an important point of harmonization and alignment for the partners, it needs to be recognized that this will be a “first generation” strategy, in that this is the first time Ministry of Health and development partners have worked together in this manner at sector level on strategy development and hence a “perfect” strategy should therefore not be expected. Realistic expectations and sequencing the next steps of improved coordination will be important. Harmonizing efforts around strategy development has been a good learning process for all sector partners.

While the DCC subgroup on health has links to the DCC forum, it was felt that there was no clear channel to government for addressing health issues requiring input from the national level or other sectors including critical issues such as social determinants of health. This was being done more through personal networks than through an integrated system linking sector coordination with national coordination. The partners hope that

this will be addressed over time, with further development of the National Coordination Mechanism providing a more regular dialogue with the government linked to feedback from sector coordination.

3.2.3. Private sector

The private sector has some active development partners, including the ADB, the EC, the World Bank, DFID, SECC, USAID, GTZ, the European Bank for Reconstruction and Development (EBRD) and the International Finance Corporation (IFC).

At sector level, the State Committee on Investments (SCI) is the national counterpart.

(1) Plans and strategies

The World Bank has supported development of a strategy in the private sector. While recognized as technically strong and linked to the current PRS 2, the strategy has not, however, gained full ownership from the government, and is not yet endorsed or fully costed. The SCI, with support from the ADB, is now working on developing an action plan building on the strategy and it is hoped that this will strengthen government ownership and commitment.

(2) Monitoring and review

In the absence of a government-owned strategy, development of indicators has proved difficult and is recognized as an area needing improvement. The IFC has supported some work in this area by conducting surveys in the business community, gathering feedback on implementation of key reforms on a regular basis.

(3) Resource alignment

In the absence of a government-endorsed strategy or roadmap, resource alignment has been difficult to estimate.

(4) Coordination and dialogue

Coordination between government and development partners in the private sector takes place through different fora.

The DCC has recently (2009) established a subgroup on the private sector.

At a technical level, the technical working group on business-enabling environment is operational. The membership of this group overlaps substantially (by about 80%) with that of the DCC subgroup. Currently the working group is led by the IFC but it is envisaged that the SCI will take the lead for this group by the end of 2009. In the absence of a clear “roadmap” or strategy to coordinate around, the group meets to discuss upcoming challenges and ways of working together to improve synergy related to the business-enabling environment. The group further has subgroups who meet on a needs basis to consider specific technical matters.

A third coordination mechanism is the recently (late 2008) established State Investment Council. This is chaired by the President but also includes the Prime Minister, the Min-

Box 4

An example from the private sector of coordination supporting improved policy implementation is the recent work in the technical working group on business-enabling environment on simplifying government procedures for business registration.

New companies wishing to register in Tajikistan have had to go through a cumbersome process that was time-consuming, fragmented and could act as a disincentive. The government was committed to addressing this issue, as indicated by the President's statements.

In support, several donors (the World Bank, the EC, USAID, DFID and the IFC) joined forces to help develop a "one shop stop" system for registration. The World Bank contributed technical assistance to lay the foundations for the work; DFID funded a technical working group led by the Tax Committee to follow up on the recommendations. The EC funded equipment and infrastructure and the World Bank supported follow-up technical assistance (by the same consultant). A study tour to Baku, Azerbaijan was organized for the technical working group, the Tax Committee (lead for the technical working group) and a representative from the legal office in the President's administration. The participants were supported by USAID, the IFC and the EC. A "one-shop" system had already been successfully set up in Azerbaijan and the World Bank consultant was now based there.

A "one-shop" system is now well under development in Tajikistan and next steps include amendments to the legal framework (ongoing, supported by USAID); the EC is supporting the information technology work and further work is being planned on implementation.

ister of Economy and Trade, the chair of the SCI, a representative of foreign investors, a representative of local investors, and two development partners (EBRD and USAID).

(5) Lessons and considerations

The specific mandates of the above coordination mechanisms seem to overlap. This can also be seen partly as a consequence of the lack of any clear strategy or roadmap. Representation from the President's office was felt to be an important part in the coordination mechanisms. Unlike some other sectors, the private sector has an established forum of appeal to the higher level of government, although it is not fully clear how this relates to coordination at the "sector" level.

While the presence of nontraditional donors is strongly felt in the sector, there is little coordination with them. This is felt to be partly related to a difference in agendas – with traditional donors focusing on areas such as legal and regulatory reform and enabling environment, while the nontraditional donors have a stronger focus on investment projects – and the absence of a government lead to join all partners together.

3.2.4. Agriculture

Coordination has been growing steadily stronger in the agriculture sector over the past two to three years. This improvement has been partly catalysed by recognition by both development partners and the government that, to resolve and avoid a repetition of the situation that led to the events behind the December 2007 International Monetary Fund misreporting situation and the winter 2007/2008 food security crisis, improved dialogue and transparency was needed in their interactions.

(1) Plans and strategies

In March 2007, the Government passed Resolution 1.11, which focuses on debt resolution but also outlines some key reforms in the sector and is the platform or “strategy equivalent” around which coordination between the government and development partners in the sector has been developing, although it does not fully cover all areas of the sector.

The government set up a special independent commission to oversee implementation of Resolution 1.11, headed by the State Economic Adviser to the President, with the Chair of the National Bank of Tajikistan as Deputy Chair. There are many development partners in the sector, including: the ABD, the World Bank, USAID, the EC, the EBRD, the United Nations, the Islamic Development Bank, SDC, the German Agriculture Action, UNDP, UNICEF and the World Food Programme.

Box 5

The agriculture sector offers an example of improved harmonization through work in a government-led technical working group on land reform.

Legal aid centres are centres where farmers can access information on rules and regulations related to various technical matters. Many donors in the sector supported nongovernmental organizations to work with the centres. However, the efforts were not geographically even and the information provided in the centres was not harmonized.

Following a mapping of the 91 legal aid centres in Tajikistan, demonstrating the uneven geographical coverage, and discussion in the DCC agriculture subgroup and the Legal Aid Centre Coordination Group, development partners and the implementing agencies decided to harmonize their support and to standardize the information materials. A set of seven standardized information brochures was developed and is now available in each of the centres, and efforts have also been made to reduce geographical gaps and overlaps.

Some changes in the development partner presence in the sector are under way (SIDA and the Canadian International Development Agency (CIDA) are leaving the sector and the EC and DFID are reducing their presence). This is likely to affect the support for the legal aid centres. A second mapping is therefore under way and its findings will be presented in the technical working group.

(2) Monitoring and review

Resolution 1.11 does not give specific indicators. It does, however, outline clear commitment on certain reforms. In the absence of indicators, three farmer surveys (in March 2007, and March and December 2008) were conducted by the DCC subgroup to monitor implementation of key commitments in the resolution. This was felt to have been useful in strengthening the basis for and dialogue on evidence-based policy, such as the recent discussions on the importance of the freedom to farm, open competition and crop diversification.

(3) Resource alignment

Resolution 1.11 is not costed and, while development partners and the government have mapped out existing efforts by key points in the resolution, no overview is available of how resources are aligned.

(4) Coordination and dialogue

Improved coordination in the sector has been partly catalysed by recognition by both development partners and the government of the need to avoid a repetition of the events of 2007 and 2008, through improved dialogue and transparency.

Coordination around resolution 1.11 happens at different levels.

The DCC agriculture subgroup was established in 2007 to provide a forum for donors to speak with one voice to the government and also to better coordinate donor programmes in the sector. Members include USAID, the World Bank, the ADB, the EC, the SDC, DFID, the EBRD, and the United Nations represented by UNICEF. The group is chaired by the SDC and meetings are held every one to two months, usually on a needs basis. The main government counterparts for the DCC agriculture subgroup are the independent commission and the Deputy Prime Minister for Agricultural Reform.

Two technical working groups, led by the government and with participation of development partners have been formed to work on the implementation of key aspects of Resolution 1.11.

- **Technical working group on land issues:** this was set up in 2007 and has, for example, played a role in drafting amendments to the Land Code, which were passed in late 2007. A representative from the President's legal department chairs the group. USAID has supported this group partly through a project, including technical assistance funds. The group has met over 20 times and has organized 3 retreats on issues related to land reform.
- **Technical working group on agricultural reform:** this group was set up in December 2008 in order to address debt resolution and finance for agriculture, and to develop a general policy for the sector. It is chaired by the Minister of Agriculture.

In October 2008, the DCC agriculture subgroup formalized coordination and a secretariat was established with two full-time staff (one international, one local) working on coordination and oversight of the technical working groups. This was felt to have been important in helping to catalyse the full benefits of the coordination mechanisms. An example of the output from this is the development of an action plan/roadmap on implementation

of Resolution 1.11, including mapping of support by development partners by thematic area (see Annex 1). However, respondents also felt that an important lesson was that flexible technical assistance resources are also needed, as well as dedicated support for activities on monitoring and evaluation. This is especially true to ensure appropriate support and timing of assistance to the technical working groups.

(5) Lessons and considerations

Lessons learned include the benefit of making available dedicated resources, including human resources (two secretariat staff), to support coordination and, no less important, the need for flexible technical assistance funds and monitoring and evaluation resources, particularly to ensure appropriate support and timing of assistance to the technical working groups. The existence of champions on the side of both development partners and the government has played an active part. The participation of the “right” government counterparts in coordination efforts, facilitating effective follow-up on decisions, was also felt to be important. Active involvement of the staff from the President’s office responsible for agriculture and legal matters was hence felt to be a key ingredient to successful coordination and progress within the technical working groups.

Addressing matters requiring national/intersector action was felt to be a challenge, and was facilitated by personal networks rather than an integrated system, linking sector reporting to the national level. An example includes recent farmer survey findings where up to 19% of respondents reported schools closing in the harvest season – indicative of a potential child labour issue requiring attention by sector partners outside agriculture.

The sector has several PIUs and some efforts are being made to link them, as with the PIU on cotton debt relief in the Ministry of Agriculture supported by the World Bank/ADB, although full integration has not yet been reached.

3.3 Background and situation with project implementation units

This section summarizes key findings related to PIUs and project management units (PMUs) in Tajikistan. For clarity, the following working definition of a PIU is used for reference.

Box 6. Definition of a PIU

A project implementation unit is a separate entity created to implement a development project. The concept was developed over 40 years ago as a technical solution to deliver projects in developing countries fast and without additional bureaucratic red-tape and ensure strict adherence to the donor’s fiduciary standards. Over time, PIUs have become a vehicle for bypassing local systems and authorities to “get the project done”. In this sense, and given the wide variety of forms of PIU currently operating in Tajikistan, only those PIUs that have been formally created by government resolution have been considered in this report.

The Paris Declaration (see Box 7 below) contains a number of indicators relating directly and indirectly to the existence of PIUs and the use of country systems.

Box 7. Paris Declaration targets as related to PIUs

Indicator 5: Use of country systems, including use of public finance management systems and procurement systems.

Indicator 6: Strengthen capacity by avoiding parallel implementation structures, with quantitative targets like “Reduce by two thirds the stock of parallel implementation units by 2010”.

Indicator 9: Use of common arrangements and procedures.

Indicator 10: Joint missions and joint analytical work.

Some of the first PIUs in Tajikistan were established in 1997 as part of the World Bank post-conflict reconstruction engagement. Ten years later, in 2008, data suggests²² a total of 35 PIUs/implementing units established to implement 55 projects (of which 3 had been closed). Of these 35 PIUs, 29 were “pure”²³ PIUs and the rest some sort of implementing unit or project management/coordination unit.

Initially, the establishment of PIUs was dictated by many objective factors (e.g. post-conflict context, weak capacity, exodus of skill, etc.). With the first post-conflict and emergency reconstruction projects and initial investment projects in social sectors and infrastructure, the number of PIUs increased from 1 to 17 between 1997 and 2001 and then nearly doubled from 2002 to 2008 to reach 35. This was a direct result of Tajikistan embarking on a development path, with numerous reforms being implemented with an increasing amount of foreign aid to support the reform agenda. However, project implementation arrangements have changed relatively little, with only a few notable exceptions in the last few years.

Over 80% of all PIUs are either supported by either the World Bank or the Asian Development Bank, the remainder supported by the Arab development world (the Kuwait and the Saudi development funds, etc.) or bilateral and multilateral development agencies.

In addition, some projects – mostly technical assistance projects – are being implemented through international consulting companies or consortia of companies. While the conventional PIU approach is being avoided, respective agencies/companies de facto perform most of the functions and are in the driver’s seat for issues related to accountability, staff selection, etc.

The sector distribution of PIUs, as well as the number of projects they cover and the number of donors involved, varies greatly. The majority of sectors have more than one

²² Donors and Aid Coordination Unit of the State Investment Committee and Management of Public Property.

²³ Formally set up by government resolution.

PIU, as shown in Table 3 below. In fact, on average, each sector has almost four PIUs.²⁴ That said, the three top sectors – public administration, agriculture, and water and irrigation – account for almost half of all PIUs but less than 40% of all projects.

Sector	# of PIUs	# of projects	# of donors
Public administration	7	7	2
Agriculture	5	8 (+1)	2
Water and irrigation	5	5	3
Education	4	6 (+1)	3
Health	4	5 (+1)	4
Energy	3	10	8
Transport	3	7	6
Infrastructure	2	2	1
Environment	1	1	1
Finance and banking	1	1	
Total	35	52 (+3)	

Note: Projects completed in parentheses.

²⁴ Outliers not counted as the results would be very skewed.

Sector	Parallel and super PIUs	Integrated (partially)	Total
Public administration	1	6	7
Agriculture	5	0	5
Water and irrigation	3	2	5
Education	2	2	4
Health	2	2	4
Energy	1	2	3
Transport	3	0	3
Infrastructure	1	1	2
Environment	1	0	1
Finance and Banking	1	0	1
Subtotal	20	15	
Total	35		

Many investment projects continue to be implemented via parallel PIUs that are poorly integrated with the Tajik system, despite being located within and subordinate to the government. Most, around 60%, of the PIUs continue to operate as autonomous (albeit government) bodies, parallel to government structures (see Table 4 above).

A positive exception to this can be seen in the area of public administration, including procurement reform and external audit.

It is notable that some of the sectors where substantial efforts are being made towards improving coordination and moving towards greater reliance on country implementation arrangements and capacity building also have some of the best examples of PIUs being phased out or that are well integrated.

Data suggests that, increasingly, PIUs continue from one project to the next, while there are also examples of combined PIUs (ADB/World Bank PIU on cotton debt relief, for example) as well as different projects being combined under one PIU.

Feedback also offers important examples of PIUs being phased out following dedicated and successful capacity building efforts (the World Bank education sector PIU, for example).

However, despite the above trends and generalizations, PIUs in Tajikistan are extremely heterogeneous,²⁵ reflecting the number of donors operating within the institutional context.

²⁵ See Annex I for methodology of classification.

The choice of the form of the PIU varies substantially, depending on the type of project. Table 5 shows the results of the PIU survey, confirming that the implementation set-up/level of integration for a particular project depends on the type of the project, i.e. technical assistance, investment projects, budget support, etc.

Examples of technical assistance projects include the World Bank's Public Sector Reform Project, led by the Executive Office of the President, which offers a good example of how a small project coordination group is created under a responsible agency internal to the agency systems (accounting, decision-making, etc.), while additional support is provided through external consultants to ensure that proper fiduciary safeguards are followed.

Sector	Parallel PIUs (and semi-autonomous)	Integrated and semi-integrated	Total
Investment projects	23	5	28
Technical assistance	0	7	7
Total	23	12	35

The national government and development partners in Tajikistan recognize the need to reduce the number of PIUs in line with the Paris Declaration commitments.

Careful analysis must be made of the incentives involved. The results of the PIU survey show that some sector ministries and PIUs/implementing agencies favour separate project implementation arrangements (a separate PIU for each project), with over half stating that they actually prefer one PIU per sector, while national authorities and many donors have increasingly expressed concern over the multiplication of PIUs.

Based on an initial analysis of the existing PIUs, partners may wish to consider three ways (or a combination thereof) for moving forward:

- (i) use existing structures for project implementation;
- (ii) integrate multiple PIUs into unified ("super") PIUs;
- (iii) move from PIU to government structures.

Given the number of PIUs and the commitment to reducing them, an obvious first step would be to avoid the creation of new PIUs. There are already PIUs in every key sector, which, in principle, makes it possible to use existing PIUs when the establishment of new projects requiring PIUs is deemed unavoidable.

When introducing new projects to be managed by existing PIUs, efforts can also be made to ensure that a clear capacity analysis and capacity building plan is introduced, with the aim of eventually making the PIU redundant. Examples of such plans already exist in the education sector. Efforts should be made at the outset to align monitoring and reporting as much as possible to national and sector indicators and systems of reporting, and to encourage closer integration of PIU and ministry staff.

Where feasible, capacity building and retention strategies for phasing out PIUs should further be linked to wider efforts on public service management reform.

As outlined above, there are examples of good practice in phasing out/merging PIUs; these can be documented through case studies elaborating the lessons learned and how challenges were overcome.

Finally, targets for reducing numbers of PIUs can be included in the JCPS, monitored as part of regular JCPS monitoring and linked to wider efforts to monitor adherence to the Paris Declaration. Some respondents indicated that donor-specific plans for the reduction of PIUs already existed, and therefore integration of these into the JCPS could be a first step.

3.4. Nontraditional donors

An important aid coordination development in Tajikistan is the increasing presence of the “nontraditional” donors (China, the Russian Federation, Iran, Kazakhstan, Kuwait, Saudi Arabia, etc.) in sectors like transport, energy and roads. These new sources of funding are estimated to represent two thirds of total official development assistance (ODA) to Tajikistan.

Efforts are already under way (including at the level of the Principals Group – ambassadors and/or heads of mission) to increasingly bring on board all development partners and encourage them to work according to similar principles and through institutional channels. Some sectors, including education, offer examples of engagement of non-traditional donors in harmonization efforts. Overall, however, feedback suggests that nontraditional donors participate only to a limited extent in the ongoing efforts to achieve harmonization and alignment.

The new donors need to become active members of the development and sector coordination structures referred to earlier. International experience suggests that sector coordination structures are the natural entry points for these donors to become integrated in the sectors and drop their “nontraditional” tag. Without stronger coordination structures and without a government requirement that all donors use the designated sector coordination structures, the current division between traditional and nontraditional donors is likely to continue and to affect aid effectiveness and development outcomes. Government drive is critical in this regard.

3.5. Monitoring the Paris Declaration

Aid coordination has improved markedly in Tajikistan since the days when it was mainly a recipient of emergency aid. However, moving from provision of emergency aid to coordination of development assistance will take time and will require many actors, from government and development partners alike, to change their ways. The increase in aid volumes and in numbers of players (including “nontraditional” bilateral partners) requires more solid aid management structures and processes than are in place today.

Partners recognize that greater adherence to the Paris Declaration will accelerate development progress. The government has requested to be part of an Organisation for Economic Co-operation and Development (OECD) survey on harmonization. The JCPS draft includes a set of agreed shared principles and benchmarks. Table 6 gives an overview of the current JCPS principles and benchmarks and their relation with the Paris indicators.

Table 6. Suggested links between Paris Indicators and JCPS principles and benchmarks.				
Related Paris indicator area	Paris indicator	JCPS shared principle	Current JCPS benchmarks	Potential revisions based on findings of the coordination studies
Indicator 1: Partners have operational development strategies	Number of countries with national development strategies (including PRS) that have clear strategy priorities linked to a medium-term expenditure framework and reflected in annual budgets.	Principle 2. The Tajik authorities, with the support of donors, will link the annual national budget, public investment programme and aid-supported programmes in an integrated programming process for greater realism and consistency.	<ul style="list-style-type: none"> • % of budget linked to PRS and sector strategies. • % ODA recorded in national budget. • % ODA detailed in sector strategic plans. • Country policy and institutional assessment dimensions covering quality of budget and financial management • [sector weeks established – sector planning processes organized every year to link sector plans with budget processes and donor support]. 	<ul style="list-style-type: none"> • Agree on mandating the NDS/PRS processes as an entry point for building an integrated planning system over time.
Indicator 2: Reliable country systems	Number of partner countries that have procurement and public financial management systems that either: a) adhere to broadly accepted good practices; or b) have a reform programme in place to achieve this.			<ul style="list-style-type: none"> • Refers to government responsibility <p>Compare to indicator 5 that refers to development partner responsibility.</p>

Table 6. Suggested links between Paris Indicators and JCPS principles and benchmarks.

Related Paris indicator area	Paris indicator	JCPS shared principle	Current JCPS benchmarks	Potential revisions based on findings of the coordination studies
Indicator 3: Aid flows are aligned to national priorities	% of aid flows to government sector reported on partners' national budgets.	Principle 1. The Tajik authorities will take the lead in coordinating donor assistance in support of and aligned with the priorities of NDS and PRS. Donors will provide support to enhance government's capacity for coordination.	<ul style="list-style-type: none"> • Progress towards a government-managed aid platform linked to parts of administration involved in economic planning and budget. • [As part of government request to be part of OECD survey on harmonization; country-specific benchmarks will be established.] 	<ul style="list-style-type: none"> • Development and agreement on a concept note describing the steps and core elements for improved development coordination built around the NDS/PRS process. • Government and development partners institutionalize a forum for high-level dialogue building on the experience with the Development Forum. • Development partners and government finalize and endorse the JCPS. • Specific resources (human and financial) are made available for coordination at both national and sector levels.
Indicator 4: Strengthen capacity by coordinated support	% of donor capacity development support provided through coordinated programmes consistent with partners national development strategies.	Principle 1. The Tajik authorities will take the lead in coordinating donor assistance in support of and aligned with the priorities of NDS and PRS. Donors will provide support to enhance government's capacity for coordination.	<ul style="list-style-type: none"> • Progress towards a government-managed aid platform linked to parts of administration involved in economic planning and budget. • [As part of government request to be part of OECD survey on Harmonization; country-specific benchmarks will be established] 	<ul style="list-style-type: none"> • Number of sectors with dedicated capacity building plan linked to the sector plan. • % of funding for capacity building as proportion of overall external funds linked to NDS/PRS.
Indicator 5: Use of country systems	% of donors and aid flows that use partners' country procurement and/or public financial management systems in partner countries, which either: a) adhere to broadly accepted good practices; or b) have a reform programme in place to achieve these.	Principle 8. Development partners will support government's efforts to improve fiduciary systems and public financial management to increase the flow of funds directly into the budget.	<ul style="list-style-type: none"> • Use of at least national financial management procedure (i.e. financial reporting, auditing, or budget execution). • Have conditions in place for an increase in budget support. • Implement at least one SWAp or funds to implement a sector strategy flow directly into the budget. 	<ul style="list-style-type: none"> • Number of sectors with examples of government taking over financial management previously managed by PIUs.

Table 6. Suggested links between Paris Indicators and JCPS principles and benchmarks.

Related Paris indicator area	Paris indicator	JCPS shared principle	Current JCPS benchmarks	Potential revisions based on findings of the coordination studies
Indicator 6: Strengthen capacity by avoiding parallel implementation structures	Number of PIUs per country.	Principle 7. The Tajik authorities and donors will work together to integrate project preparation and implementation management fully into the ministerial structures and reduce the number of PIUs by creating joint units responsible for multiple projects.	<ul style="list-style-type: none"> Decrease in number of parallel PIUs from current baseline. 	<ul style="list-style-type: none"> Decrease the number of new PIUs. Number of PIUs that have been successfully phased out. Targets for reducing the number of PIUs set in the JCPS.
Indicator 7: Aid is more predictable	% of aid disbursements released according to agreed schedules in annual or multiyear frameworks.	Principle 3. Development partners will provide timely information on their activities to allow effective government planning and reporting on aid projects, programmes and flows. Donors will seek to provide predictable, multiyear programmatic financial support.	<ul style="list-style-type: none"> Donors regularly share disbursement forecasts with the Ministry of Finance during preparation of the annual budget for the subsequent year. % of ODA disbursed in year for which it was scheduled. Number of donors with multiyear programme cycles agreed with government. An increase in coordinated budget support.²⁶ 	<ul style="list-style-type: none"> No new suggestions.
Indicator 8: Aid is untied	% of bilateral aid that is untied.	None direct.	<ul style="list-style-type: none"> n/a 	<ul style="list-style-type: none"> % of bilateral aid that is untied.

26 This benchmark applies only to JCPS partners involved in budget support.

Table 6. Suggested links between Paris Indicators and JCPS principles and benchmarks.

Related Paris indicator area	Paris indicator	JCPS shared principle	Current JCPS benchmarks	Potential revisions based on findings of the coordination studies
Indicator 9: Use of common arrangements and procedures	% of aid provided as programme-based approaches.	Principle 4. In specific sectors donors will work with government towards a sector approach of: one strategy, one coordination point and one monitoring and evaluation framework, including: (i) agreeing on sector strategies endorsed by government; (ii) moving towards clearer division of labour, and (iii) joint monitoring and evaluation of sector programmes.	<ul style="list-style-type: none"> An increase in the number of programme-based approaches, including progress in the some or all of the four criteria for programme-based approaches. 	<ul style="list-style-type: none"> Progress on the development of a programme-based approach in at least x sectors over the lifetime of the JCPS. Development of a clear monitoring and evaluation framework for sector strategies in at least 4 sectors. Development of a clear monitoring framework for PRS 3.
Indicator 10: Encourage shared analysis.	% of: a) field missions; and b) analytical work, including diagnostic work that are joint.	Principle 6. Donors will reduce transaction costs and strengthen partnerships through joint missions, diagnostic reviews and training activities.	<ul style="list-style-type: none"> Number of multi-donor missions, diagnostic reviews and training activities 	<ul style="list-style-type: none"> No revision suggested.
Indicator 11: Results oriented frameworks	Number of countries with transparent and monitorable performance assessment frameworks to assess progress against: a) the national development strategies; and b) sector programmes.	Principle 4. In specific sectors, donors will work with government towards a sector approach of: one strategy, one coordination point and one monitoring and evaluation framework, including: (i) agreeing on sector strategies endorsed by government; (ii) moving towards clearer division of labour; and (iii) joint monitoring and evaluation of sector programmes.	<ul style="list-style-type: none"> An increase in the number of programme-based approaches, including progress in the some or all of the four criteria for programme-based approaches. 	<ul style="list-style-type: none"> Development of a clear monitoring and evaluation framework for sector strategies in at least x sectors. Development of a clear monitoring framework for PRS 3.

Table 6. Suggested links between Paris Indicators and JCPS principles and benchmarks.

Related Paris indicator area	Paris indicator	JCPS shared principle	Current JCPS benchmarks	Potential revisions based on findings of the coordination studies
Indicator 12: Mutual accountability	Number of partner countries that undertake mutual assessment of progress in implementing agreed commitments on aid effectiveness including those in this Declaration.	Principle 10. Donors agree to hold themselves to greater self-accountability to monitor if aid coordination is working.	<ul style="list-style-type: none"> • Commit to these shared principles, and broader Paris Declaration as measured in the OECD survey. • Coordinated country level monitoring and evaluation based on the PRS medium-term strategy. 	<ul style="list-style-type: none"> • Review of adherence to Paris principles and shared principles conducted as part of NDS/JCPS review.
Not directly linked to a Paris indicator		Principle 5. Donors will focus on scaling-up successful project interventions for countrywide impact where appropriate and feasible.	<ul style="list-style-type: none"> • Number of successful project interventions that are scaled-up 	
Partly related to Paris indicator 9 on programme-based approaches		Principle 9. The Tajik authorities and donors will jointly consult with a wide range of stakeholders (including parliament, local government and communities, civil society, the diplomatic and aid community) in planning and implementing donor supported programmes.	<ul style="list-style-type: none"> • Develop a multi-stakeholder process. • Improve information on civil society activities and improve coordination of civil society efforts with government programmes. 	

4 RECOMMENDATIONS

STRATEGY

Tajikistan is at a relatively early stage of development coordination. Using the classification introduced at the beginning of this report, Tajikistan can be said to be at the stages of donor and aid coordination – although practice, of course, varies depending on the level and the sector concerned. It is important to recognize this and to manage expectations of improved harmonization and alignment. Significant progress has already been made in a very short time and, in order to avoid fatigue and maintain the motivation of both government and development partners, this should be emphasized while carefully considering the next steps.

Ultimately, measures to implement the NDS over the medium/long term should be reflected and integrated in various programmes and plans, such as the government's medium-term programme, the three poverty reduction strategies (PRS 1-3), the MTEF, the public investment programme, and planning and implementation of the external resources contributed by development partners, including the nontraditional donors.

It will take some time to achieve this but ***a first step could be to agree on mandating the NDS/PRS processes as an entry point for building an integrated planning system***, and then gradually over time to bring the different parts of the planning together into a comprehensive planning framework, carefully considering integration of long-, medium- and short-term planning, national and sector levels.

COORDINATION

Enhanced clarity is needed on the institutional channels and platforms that government and development partners use for communicating and agreeing on issues of concern and interest related to the NDS/PRS. Government is more likely to exercise or strengthen its leadership when development partners define and agree of effective H&A and coordination mechanisms that keep capacity building as the key focus of development assistance.

This could initially be supported through the ***development of and agreement on a concept note outlining a revised national coordination model and principles for development partners and government clearly defining roles and responsibilities.*** Given the diversity and different stages of current coordination practice in the country, initial steps towards implementation of the model can be defined but the speed of subsequent steps will be determined by the context in each of the sectors.

A key lesson on coordination from other countries is ***the importance of establishing coordination around a sector or national plan, in this case the NDS/PRS***, including a corresponding framework for monitoring and reviewing. Countries have moved away from maintaining separate government “aid coordination units” towards focusing on sector or national coordination around a sector plan/PRS and thus aligning both

aid and government resources to an overall agreed plan. This has meant replacing aid coordination units with sector coordination groups, PRS coordination groups or similar with integrated links to key planning processes.

Another lesson from experiences both in Tajikistan and internationally is that it is important **from the outset to allocate sufficient resources to work on improving coordination**. Improving coordination represents a “new workload” for both development partners and government and, if not sufficiently catered for, this will effect motivation.

The Development Forum is the only joint forum where partners and the government meet to discuss development priorities but meetings are infrequent and very high-level. A forum for joint discussion is a vital part of coordination mechanisms. **Building on the experience with the Development Forum and other existing structures, the government and partners should consider setting up an institutionalized forum for high-level dialogue, with clearly defined mandates, roles and representation.**

This forum should meet regularly. The current very high-level representation on the Development Forum is not needed for every meeting. **At predetermined intervals, and depending on requirements, representation can be scaled up.**

The national coordination forum should further be clearly mandated with the processes of monitoring and reviewing the NDS/PRS. The government chair of the Development Forum may be complemented with a rotating co-chair from the development partners, building on current practice.

The government and the development partners should consider ways of defining and institutionalizing links between national coordination and sector coordination. Feedback from sectors indicates weak linking of sector and national coordination. Through the subgroups of the DCC, links have already started forming between the sectors and the national level. Models from other countries can be reviewed/visits organized and a system tailored to the Tajik context developed.

Many coordination models include separate development partner meetings, where partners work to ensure that they speak with “one voice” to the government. Two such models exist in Tajikistan. There seems to be a certain degree of overlap between the DCC and the Principals Group, and efforts are under way to bring about closer collaboration. **The development partners should consider closer integration between or possible combination of DCC and Principals Group meetings as well as linked/matched timing of Development Forum meetings.**

MONITORING AND EVALUATION AND JOINT REVIEWS

As part of the JCPS develop a monitoring framework linked to the Paris indicators and review this regularly. Potential links between the JCPS shared principles and benchmarks and the Paris indicators are outlined in table 6.

In some countries, national performance assessment frameworks with a limited set of indicators (both government and partner action) drawn from the sector frameworks/

strategies have been developed and linked to budget support. This is not yet the case in Tajikistan but may be considered at a later stage. **Initial steps for consideration may include harmonization of indicators for general budget support and linkage to the PRS indicator set.**

PROJECT IMPLEMENTATION UNITS

Given the number of PIUs and the commitment to reducing their numbers, an obvious **first step will be to avoid the creation of new PIUs²⁶**. There are already PIUs in every key sector, which, in principle, makes it possible to use existing PIUs when the establishment of new projects requiring PIUs is deemed unavoidable.

Based on an initial analysis of the existing PIUs, **partners may wish to consider three ways (or a combination thereof) for moving forward:**

- (i) use existing structures for project implementation;**
- (ii) integrate multiple PIUs into unified (“super”) PIUs;**
- (iii) move from PIU to government structures.**

When introducing new projects to be managed by existing PIUs, efforts can also be made to ensure that a clear capacity analysis and capacity building plan is introduced, with the aim of eventually making the PIU redundant. Examples of such plans already exist, for example in the education sector. Efforts should be made at the outset to align monitoring and reporting as much as possible to national and sector indicators and systems of reporting, and to encourage closer integration of PIU and ministry staff.

Where feasible, capacity building and retention strategies for phasing out PIUs should further be **linked to wider efforts towards public service management reform.**

As outlined above, there are **examples of good practice in phasing out/merging PIUs; these can be documented through case studies** elaborating the lessons learned and how challenges were overcome.

Finally, **targets for reducing numbers of PIUs can be included in the JCPS,** monitored as part of regular JCPS monitoring and **linked to wider efforts to monitor adherence to the Paris Declaration.** Some respondents indicated that donor-specific plans for the reduction of PIUs already existed, and therefore integration of these into the JCPS could be a first step.

²⁶ EU has agreed to an additional target of “avoiding establishment of new PIUs altogether”

ANNEX 1.0

OVERVIEW OF PROJECT IMPLEMENTING UNITS

PIU/PMU	Number of projects managed	Donors	Number of donor missions per year	Average duration of the missions	Average number of missions
Centre for the coordination of energy sector projects	8	ADB, China, Kuwait, Swiss Secretariat for Economic Affairs (SECO), Islamic Development Bank (IDB)			
Project implementation group (Energy Loss)	1	World Bank (WB)	4-5	5-7 days	4-5
Republican centre for farm privatization support	3 (+1 closed)	WB	4-6	10-15 days	5-7
Agriculture rehabilitation project	1	ADB	2	1 week	
State agency and project management unit for cotton debt restructuring	2	ADB/WB	3	5 days	3
Agriculture rehabilitation PIU	1	ADB	2	1 week	
Fergana Valley water PIU	1	WB	2-4	7-10 days	3-5
Irrigation rehabilitation PIU	1	ADB	2	1 week	
Education modernization and FTI	2 (+1 closed)	WB	3	2-3 weeks	2-5
Education sector reform project	2	ADB	2	1 week	
Health sector reform project	2	ADB	2	1 week	
Shogun-Zigar road project	1	IDB/KUW/ARAB	N/A	7-10 days	2-3
Microfinance development sector	1	ADB	2	1 week	
Customs modernization project implementation	1	ADB	2	1 week	
Public sector reform	1	WB	3-4	2 weeks	2-5
Community and basic health	1 (+1 closed)	WB	4, 5	1-2 weeks	8-10
Public sector accountability project	1	WB	3-4	2 weeks	2-6
PHRD for development lending	1	WB	6-7	7 days	3
PHRD for public finance management	1	WB	4-5	7-10 days	2-5
Dangara hospital	1	IDB/Organization of Petroleum-Exporting Countries	2	4-5 days/year	3-4

ANNEX 2.0

Approved by the Decree No 111 of the Government of Tajikistan of 5 March 2007

ACTION PLAN (ROAD MAP) FOR THE IMPLEMENTATION OF THE FARM DEBT RESOLUTION STRATEGY IN THE REPUBLIC OF TAJIKISTAN FOR 2007–2009 INCLUDING DONOR SUPPORT ACTIVITIES

Action (output)	Measures	Completion date	Responsible government entities	Average duration of the mission
1. Termination of governmental interference into activities of farms concerning planning, production, processing and sale of cotton and cotton products	<p>To ensure timely dissemination of information to public through wide awareness campaigns in mass media on the following:</p> <ul style="list-style-type: none"> (i) The right of farmers to use their land as they choose and to sell their products to whoever they choose; (ii) Termination of practices of the central and local state executive bodies on: <ul style="list-style-type: none"> (a) setting of production targets for cotton and relevant daily control and reporting on cotton cultivation and harvesting; (b) requirement on using any irrigated arable land for cotton production; (c) establishing control over where producers sell and gin their cotton, including movement of seed cotton within or between districts. 	on going	Government of RT, local state executive bodies	<p>USAID: Land reform project (through October, 2009). UNDP (CIDA): Communications strategy for the independent commission (through December 2008). EC: (1.7 million euros: Jan 2008 – Dec 2009) Three projects under the Food security programme (FSP) have legal centres that provide information on land reform. Several other projects under the Technical aid to the Commonwealth of Independent States (TACIS) and FSP programmes have matters related to freedom to farm as cross-cutting issues. WB: Land registration and cadastre system for sustainable agriculture project (LRCSSAP), expand farmland restructuring, provide secure land use rights certificates distributed in a transparent and fair manner and providing essential complementary support services. WB: Cotton sector recovery project (up to 2013) focused on improving the livelihood of cotton farmers and creation of conditions for sustainable growth of cotton production in selected, low-income areas of Tajikistan, through debt resolution, improved policy environment, and increased cotton output and profitability. One of the components of the Project is Cotton Supply Chain – Attract FDI to seasonal finance, seed sector, and farmer support programme (legal, agricultural extension, and awareness). SDC: Legal aid in rural areas: establishment of a network of legal aid centres engaged in land reform to improve the quality of services (2009-2011). ADB: Tajikistan sustainable cotton subsector project (SCSP) includes the item (c) as part of its loan covenants.</p>

Action (output)	Measures	Completion date	Responsible government entities	Average duration of the mission
2. Submission of cotton farm debt data	To provide Independent Commission (IC) with the farms level data on the debt related to cotton production as of January 1, 2007 with yearly breakdown.	April 2007	National Bank of Tajikistan (by agreement)	
3. Improvement of normative and legal base for ensuring land use rights protection	To amend normative and legal acts in respect of: (i) considering a land as an immovable property; (ii) restricting powers of local state executives bodies in land use issues; (iii) ensuring provision of compensation at market prices to the land user (holder) at withdrawal the land for state and public needs; (iv) collateral and alienation land use rights; (vi) definition of legal status of <i>dehkan</i> farms and other issues.	1st half, 2007 2nd half, 2008	Government agency on land, geodesy and mapping, Ministry of Finance, Ministry of Justice, State committee on investments and state property management. Ministries of economic development and trade, agriculture and nature protection, finance, National Bank of Tajikistan (by agreement) Government agency on land, geodesy and mapping, Ministry of Justice	USAID: Land Reform Project (through October, 2009). SIDA: "Capacity building for implementation of law on state registration of immovable property and rights thereto" (2008 – 2010). FAO: Technical assistance for land strategy (through August 2008). WB: LRCSSAP
4. Cotton pricing reforms	Revise calculation mechanism for transport and sale charges at cotton sale in order to remove price discrepancies at local marketing and at exportation. Changes to cotton pricing mechanism to introduce pricing based on the universal cotton grading system (UCGS).	March 2007 July 2007	Ministry of Economic Development and Trade, Ministry of Agriculture and Nature Protection. Ministry of Agriculture and Nature Protection.	WB: Programmatic development policy grants 2 and 3. ADB: Tajikistan SCSP through the market development component provides support in updating pricing of cotton methodical based on UCGS.

Action (output)	Measures	Completion date	Responsible government entities	Average duration of the mission
5. Design and implementation of cotton sector debt resolution mechanism	<p>To disseminate the results of debt analysis of pilot farms.</p> <p>To design an order and procedures on farm debt resolution.</p> <p>To conduct nationwide implementation of order and procedures on farm debt resolution.</p>	<p>March 2007</p> <p>April 2007</p> <p>Starting from 2nd half of 2007</p>	<p>PIU for debt resolution and sustainable cotton sector development project</p> <p>Ministry of Agriculture and Nature Protection, local hukumats, National Bank of Tajikistan (by agreement)</p>	<p>DFID through WB for donor coordination of agriculture sector (through May 2009).</p> <p>WB: Cotton sector recovery project (up to 2013).</p> <p>ADB: Tajikistan SCSP has a pilot testing of debt resolution mechanism between farm and investors. This component will be modified during mission in mid-April.</p>
6. Regulation (resolution) of disputes among cotton production and sale process participants	To improve third party arbitration legislation.	2nd half of 2007	Ministry of Justice of RT	WB: Cotton sector recovery project (up to 2013).
7. Public awareness campaigns on conducted cotton farm debt resolution measures	To conduct public awareness activities by use of mass media means, public discussions, briefings, etc.	2007-2009	Ministry of Agriculture and Environmental Protection, PIU, Committee on television and radio under the Government.	WB: Cotton sector recovery project (up to 2013).
8. Improvement of gin effectiveness and competitiveness	<p>To conduct analysis of usage effectiveness of state share in gins and make relevant decisions on the basis of the results.</p> <p>To establish transparency requirements for pricing, weighing, payment for cotton, and out-turn/by-product provision for ginning services.</p>	<p>2nd half, 2007</p> <p>2nd half, 2007</p>	<p>State committee on investments and state property management, Ministry of Economic Development and Trade</p> <p>Ministry of Energy and Industry</p>	<p>WB: Cotton sector recovery project (up to 2013).</p> <p>ADB: SCSP's market development component will partly address the implementation of this policy measure. The component has recently funded the refurbishment of 4 laboratories and will soon fund the purchase of high-volume instruments (HVs).</p>

Action (output)	Measures	Completion date	Responsible government entities	Average duration of the mission
9. Simplification of cotton export procedures	<p>To cancel existing order of registration of transaction passports for export of cotton products by servicing banks</p> <p>To carry out measures aimed at Tajikistan Universal Goods Exchange (TUGE) reformation, including removal of its cotton sale licensing function and create a true exchange with marketing and brokering functions, with conduction of auctions for cotton trading.</p>	<p>4th quarter of 2007 (upon farm debt resolution)</p> <p>1st quarter of 2008</p>	<p>National Bank of Tajikistan (by agreement)</p> <p>Ministry of Economic Development and Trade</p>	<p>WB: Cotton Sector Recovery Project (up to 2013).</p> <p>SECO: World Trade Organization accession facilitating improved access to the world market.</p>
10. Cotton sector taxation improvement	<p>To amend tax legislation in order to:</p> <ul style="list-style-type: none"> ensure fair system of tax collection for all dekhkan farms; remove opportunity of local state executive bodies to control movement and processing of cotton through use of taxation policies and other matters related to production and processing of agricultural products 	4th quarter of 2007	Ministry of Finance, Ministry of Economic Development and Trade, government Tax committee	USAID: Economic reform for enhancing competitiveness project (tax reform in general through 2011).
11. Introduction of UCGS (universal cotton grading system)	To create normative and legal basis for UCGS application including arrangement of appropriate structural and institutional reforms for Agency on standardization, metrology, certification and trade inspection under the government.	3rd quarter of 2007	Agency on standardization, metrology, certification and trade inspection under the government, Ministry of Agriculture and Nature Protection, PIU for debt resolution and sustainable cotton sector development	<p>WB: Programmatic Development Policy Grant 1 and 2</p> <p>ADB: SCSP's market development component will partly address the implementation of this policy measure. The component has recently funded the refurbishment of 4 laboratories and will soon fund the purchase of HV/ls.</p>

Action (output)	Measures	Completion date	Responsible government entities	Average duration of the mission
12. Improved access to new financial resources	Continue to strengthen commercial bank, and non-bank lending supervision by National Bank of Tajikistan.	4th quarter 2007	National Bank of Tajikistan (by agreement),	EBRD: Tajik agriculture finance framework. Revolving credit lines to financial intermediaries to on-lend to small individual and family farms.
	To design normative and legal acts (basis) for establishment of commodity warehouses and ensuring warehousing transactions with granting of warehouse certificates for use as collateral.	1st quarter 2008	Ministry of Economic Development and Trade, State Custom Committee	Extensive technical assistance to partner institutions to develop and implement new credit products tailored to the needs of seasonal primary farming. USAID: Economic reform for enhancing competitiveness project (tax reform in general through 2011).
	To improve financial tools for agriculture crediting.	4th quarter 2007	National Bank of Tajikistan (by agreement), Ministry of Finance, State committee on investments and state property management	WB: Cotton sector recovery project (up to 2013).
	To develop leasing transactions for purchasing of agricultural machinery.	2007-2009	State committee on investments and state property, Ministry of Agriculture and Nature Protection	ADB: Tajikistan SCSP has a credit component (about \$3 million). Will be implemented this year. Warehouses intervention to commence by next year.

Action (output)	Measures	Completion date	Responsible government entities	Average duration of the mission
13. Implementation of programmes and projects on rehabilitation and development of agricultural sector	To design and implement programmes and projects on:		Ministry of Land Reclamation and Water Resources, Ministry of Agriculture and Nature Protection, Government Agency on land, geodesy and mapping	USAID: Water Users' Association Support Program (through September 2009)
	<ul style="list-style-type: none"> land rehabilitation and its fertility restoration; 	2007-2009		USAID: Land Reform Project (through August 2008)
	<ul style="list-style-type: none"> repair (rehabilitation) of irrigation and drainage systems; 	2007-2009	Ministry of Land Reclamation and Water Resources	SDC: Integrated Water Resource Management (2002 – 2010)
	<ul style="list-style-type: none"> conduction of courses and seminars for farms on their legal rights and obligations, economics, planning, accounting and reporting issues, etc. 	2007-2009	Ministry of Agriculture and Nature Protection	SDC: Support to Water User Association (2007)
	<ul style="list-style-type: none"> regular monitoring of land condition analysis for making decisions on expediency of any culture (crop) sowing 	2007-2009	Government agency on land, geodesy and mapping	EC: In the framework of TACIS, several activities related to this are carried out through the following partners: Aga Khan Foundation, German Agriculture Action, Mission East, Oxfam, Cesvi, Agency for Technical Cooperation and Development, UNDP. An extension services project (1.5 million Euros: 2007-2009) is also ongoing. EBRD: As a part of the Tajik agriculture finance framework, training of trainers will be conducted to provide support to existing extension service providers. These extension service providers will provide information and training services to the farmers on legal rights and obligations, economics, planning, accounting and reporting issues. Partner banks will be trained to improve their efficiency and risk management in agriculture lending. WB: Cotton sector recovery project (up to 2013), LRCS-SAP, Community agriculture and watershed management.

Action (output)	Measures	Completion date	Responsible government entities	Average duration of the mission
14. Seed sector development and others	<p>Improve normative and legal base and technical capacity of the operations of the State Commission for Variety Testing, State Service of supervision of phytosanitary quarantine of plants and seeds.</p> <p>Amend the required seed legislation to allow for protection of varieties, collection of royalties and licensed seed production.</p> <p>Revise charges and fees for water and power use.</p>	<p>2nd quarter 2007</p> <p>3rd quarter 2007</p> <p>4th quarter 2007</p>	<p>Ministry of Agriculture and Nature Protection</p> <p>Ministry of Agriculture and Nature Protection</p> <p>Ministry of Water Resources and Land Reclamation, Ministry of Energy and Industry, Ministry of Agriculture and Nature Protection, Ministry of Economic Development and Trade</p>	<p>SIDA: Seed development project (2008-2010).</p> <p>WB: Cotton sector recovery project (up to 2013).</p>



WHO Regional Office for Europe
Scherfigsvej 8, DK-2100 Copenhagen Ø, Denmark
Tel.: +45 39 17 17 17. Fax: +45 39 17 18 18
E-mail: postmaster@euro.who.int

