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AID COORDINATION ON THE GROUND: ARE JOINT COUNTRY ASSISTANCE STRATEGIES THE ANSWER?

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Editor's Note:

This work was carried out in connection with the Center's research on aid effectiveness, under the leadership of Homi Kharas. A condensed version of this paper will appear as a chapter in a volume of country case studies and cross-cutting issues on aid effectiveness and coordination. The information on the Tajikistan Joint Country Partnership Strategy process, unless otherwise noted, is based on the author's engagement in this process as a facilitator at three donor-government retreats in 2008 and 2009 (under a no-fee contract with the World Bank). Nisha Agrawal, Jariya Hoffman, Reiner Forster and Andrea Kucey reviewed an early draft of this paper. Their comments and suggestions are gratefully acknowledged. The views expressed in this paper are exclusively those of the author and should not be attributed to the Brookings Institution or to the World Bank.

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INTRODUCTION

Fragmentation in aid architecture and aid delivery is a well-recognized challenge (Kharas, 2007). The question of what to do about fragmentation remains puzzling with no obvious answers. The Paris Declaration on Aid Effectiveness represents an effort by donor and recipient governments to harmonize their cooperation in a comprehensive manner, with guidelines and targets that aim to improve the effectiveness of aid.

One of the aspects not addressed in the Paris Declaration is how a comprehensive approach to aid coordination at the international level would be implemented on the ground at the country level. The Paris Declaration aims to improve specific modalities of cooperation (such as the use of country systems for procurement and financial management, joint donor missions, the elimination of project implementation units, and the increase in recipient government ownership of programs, etc.), but the Declaration provides little guidance on how donors and recipient governments would plan and implement improved cooperation at the country level to effectively deploy these modalities.

One way to respond systematically and comprehensively to the agreements of the Paris Declaration at the country level is for donors and recipient governments to prepare joint country assistance strategies. While this is not explicitly envisaged or mandated in the Paris Declaration, donor teams and recipient governments have come together in at least 12 countries to prepare joint strategies for a better coordinated and harmonized aid delivery and use. They have done this generally without much support from their headquarters or from OECD DAC experts and without the benefit of a systematic evaluation of the growing body of experience with the preparation and the implementation of joint country strategies.

The purpose of this paper is to report on and draw lessons from the experience with the preparation and implementation of joint country assistance strategies. The analysis draws on two sources of information: It reflects the lessons from the author's personal involvement as a facilitator in the preparation of a joint country assistance strategy in Tajikistan. While such direct association as a "participant observer" brings with it risks of possible biases in interpretation, it has the great advantage of close, first-hand observation. Since the Tajikistan process was not yet completed

at the time of writing this paper, the descriptions and conclusions from this case study can only be seen as preliminary. Second, the paper draws on a desk review of available documentation of country experiences elsewhere in the world, much of it informal and qualitative. No claim to completeness or statistical significance of conclusions can be made. Furthermore, the joint country assistance strategy process, as it is implemented on the ground, does not currently follow any standard format or approach, since there is no explicit agreement (and quite some variance) on (1) the main purpose and objectives of joint strategy process, (2) what are the necessary elements/components, or (3) even whose instrument it should be (donors or partner country government).

Therefore, this paper is only a first step in an effort to fill a substantial gap in our understanding of how the Paris Declaration commitments are being implemented on the ground and the role that joint coun-

try assistance strategies can or should play in this implementation process. One of the main conclusions of this paper is that a more systematic evaluation of completed and ongoing joint country assistance strategies is an urgent priority.

Following this introduction, the first section reviews the Paris Declaration and its links to joint country assistance strategies. The next section provides an overview of the available assessments of joint country strategy experience. This is followed by a section that assesses specific aspects of the joint country strategy process, drawing on worldwide experience as well as the Tajik experience. The concluding section presents overall conclusions and recommendations for the development partners involved in efforts to improve aid effectiveness at the country level. An Annex reports the details of the evolving process of preparing the Tajikistan joint country strategy.

THE PARIS DECLARATION AND JOINT COUNTRY ASSISTANCE STRATEGIES

The Paris Declaration on Aid Effectiveness was approved by over one hundred ministers and aid agency heads at the Paris High Level Forum on March 2, 2005. It aims to improve the effectiveness of aid through the application by donors and recipients of five principles: ownership, alignment, harmonization, managing for results, and mutual accountability. An elaborate system of monitoring was initiated to track the implementation of the Declaration.¹ Three-and-a-half years later an official DAC review for the subsequent Accra High Level Forum in September 2008 showed that progress had been slow. It recommended that governments “[s]ystematically step up efforts to use and strengthen country systems as a way of reinforcing country ownership of aid, [s]trengthen accountability for development resources, [c]urb the cost of delivering and managing aid; [while] at present, too many donor activities remain uncoordinated at the country level.”²

The last part of this assessment is perhaps the most important. High level declarations are helpful in establishing guiding principles and expectations for agencies and staff, but the reality of aid is that even when it is monitored proactively by officials in the DAC and at donor headquarters, implementation of commitments depends on several factors: what happens on the ground, how donor and partner countries cooperate, what are the incentives they have to harmonize their activities, and how the payoffs and the costs of coordination are identified, managed and shared.

There are, of course, many ways in which coordination of donor activities on the ground can be achieved. In most countries some form of an on-going coordination mechanism exists. Instruments such as joint

budget support, sector-wide approaches (SWAPs), joint sector working groups, joint project implementation efforts, etc., are all mechanisms that can help to improve coordination among donors and with government. However, one instrument of coordination at the country level stands out in its intuitive appeal: the joint country assistance strategy. This instrument brings the recipient country and its donors together under an agreed assistance framework. The joint country assistance strategy helps ensure that donors and the government form a common vision, operate on common principles and with common monitorable results/benchmarks, pursue common sectoral strategies aligned with the overarching national plans in an efficient manner, and employ effective coordination and monitoring mechanisms.

Many of the Paris Declaration actions, indicators and targets appear to presuppose the development, implementation and monitoring of a joint development strategy at the national level between each recipient country and its donor community. (See Box 1 and Table 1.) Without such a strategy, it is impossible, or at least extremely cumbersome, to ensure that the Paris agreements are effectively and jointly implemented by the development partners at the country level. In principle, the national planning and strategy documents prepared by countries with donor assistance, such as Poverty Reduction Strategies (PRSs), could and should serve as joint strategies between the country’s authorities and its donor community. However, in practice, that is generally not the case since these country strategies tend to focus principally, if not exclusively, on what the country is planning to do, not on what will be the specific contributions of each donor. Under these circumstances, it would seem natural that donors and governments embark on the preparation and implementation of joint country assistance strategies.

Despite the apparent need for joint country assistance strategies, the Paris Declaration does not specifically identify them as an instrument for coordination at the country level, let alone advise or mandate the preparation of such strategies. The Accra Agenda for Action, which was signed by representatives of recipient and donor countries at the conclusion of

the September 2008 Accra meeting to review progress of the Paris Declaration, does not refer to joint country strategies as an instrument for country-level coordination either.³ This leaves open the question of how the many agreements, indicators and targets enshrined in the Declaration can be effectively planned, implemented and monitored.

Box 1: Paris Declaration donor commitments related to joint country strategies

- Link funding to a single framework of conditions and/or a manageable set of indicators derived from the national development strategy.
- Work together to establish mutually agreed frameworks that provide reliable assessments of performance, transparency and accountability of country systems.
- Align their analytic and financial support with partners' capacity development objectives and strategies, make effective use of existing capacities and harmonise support for capacity development according.
- Implement, where feasible, common arrangements at country level for planning, funding (e.g. joint financial arrangements), disbursement, monitoring, evaluating and reporting to government on donor activities and aid flows.
- Make full use of their respective comparative advantage at sector or country level by delegating, where appropriate, authority to lead donors for the execution of programmes, activities and tasks.
- Harmonise their activities. Harmonisation is all the more crucial in the absence of strong government leadership. It should focus on upstream analysis, joint assessments, joint strategies, co-ordination of political engagement; and practical initiatives such as the establishment of joint donor offices.
- Align to the maximum extent possible behind central government-led strategies or, if that is not possible, donors should make maximum use of country, regional, sector or non-government systems.
- Harmonise their monitoring and reporting requirements, and, until they can rely more extensively on partner countries' statistical, monitoring and evaluation systems, with partner countries to the maximum extent possible on joint formats for periodic reporting.
- Jointly assess through existing and increasingly objective country level mechanisms mutual progress in implementing agreed commitments on aid effectiveness, including the Partnership Commitments.

Source: Quoted from OECD, DAC. Paris Declaration

Table 1: Selected Paris Declaration indicators and targets

Indicators	Targets
Indicator 1: Partners have operational development strategies – Number of countries with national development strategies (including PRSs) that have clear strategic priorities linked to a medium-term expenditure framework and reflected in annual budgets.	At least 75% of partner countries have operational development strategies.
Indicator 4: Strengthen capacity by co-ordinated support – Percent of donor capacity-development support provided through co-ordinated programmes consistent with partners' national development strategies.	50% of technical co-operation flows are implemented through co-ordinated programmes consistent with national development strategies.
Indicator 12: Mutual accountability – Number of partner countries that undertake mutual assessments of progress in implementing agreed commitments on aid effectiveness including those in this Declaration.	All partner countries have mutual assessment reviews in place.

Source: Quoted from Paris Declaration

AN OVERVIEW OF THE AVAILABLE EVIDENCE ON JOINT COUNTRY ASSISTANCE STRATEGIES

As noted in the introduction, despite the absence of any requirement or guidance in the Paris Declaration joint country assistance strategies were prepared in at least 12 countries. However, there are few systematic and in-depth evaluations of joint country assistance efforts available. Consultations with aid experts and a search on the Internet came up with five selective reviews of experience (see Table 2): a Danida-European Commission review of the experience with joint assistance strategies in Tanzania, Uganda and Zambia; an assessment by the African Development Bank of the experience in five African countries; a World Bank review of collaborative country assistance strategies in Bangladesh, Cambodia, Nigeria and Uganda; a conference paper on the Bangladesh Joint Country Strategy; and a review for Irish Aid of the treatment of cross-cutting policy priorities in six joint country strategies.⁴ In addition, a number of informal, unpublished assessments were available to the author: notes from a learning event organized in 2006 by German Development Cooperation (GDC)

for its staff engaged in joint country strategy exercises in Ghana, Tanzania, Uganda and Zambia; one set of PowerPoint slides drawing the lessons from the Joint Country Partnership Strategy process in Kyrgyz Republic prepared for the World Bank in 2007; four sets of slides by GDC staff reporting respectively on the experience in Tanzania, Uganda and Zambia, and another set of slides drawing lessons from joint assistance strategies around the world prepared for DFID in 2007.⁵

This collection of assessments reflects a variety of evaluation approaches applied to a heterogeneous set of country cases. They represent at best a partial, mostly preliminary and superficial basis for evaluating the experience worldwide. However, since this material is the only information available to date, this study draws from it to explore what lessons can be learned. Aside from the obvious conclusion that not enough attention has been paid to the evaluation of a potentially important coordination tool, the available information offers a useful first glimpse at a number of important issues confronting donors and recipient countries' authorities as they embark on a joint country strategy process.

Table 2: Inventory of Joint Country Strategy reviews

Author	Date	Countries covered	Comments
Danida	2005	Tanzania, Uganda, Zambia	
African Development Bank	2006	Ethiopia, Mozambique, Tanzania, Uganda, Zambia	Focus is on lessons for AfDB
World Bank	2006	Bangladesh, Cambodia, Nigeria, Uganda	
Thornton	2006	Bangladesh	
Irish Aid (Gaynor and Jennings)	2008	Ghana, Kenya, Tanzania, Uganda, Vietnam, Zambia	Focus is on treatment of gender, environment, human rights and HIV/AIDS
Various donor representatives (DFID, GDC, World Bank)	2006-2008	Ghana, Kyrgyz Republic, Tanzania, Uganda, Zambia, worldwide	Informal PowerPoint slide presentations and notes

Source: Compiled by the author; for details see reference section.

LESSONS FROM EXPERIENCE WITH JOINT COUNTRY ASSISTANCE STRATEGIES

Based on this evidence it is possible to draw some preliminary lessons from the cumulative experience with joint country assistance strategies around the world and compare them with the lessons from the Tajik experience.

Inclusiveness of the process

The number of donors included in the joint strategy process varies considerably across countries, from only two donors involved in Nigeria (DFID and the World Bank) to some 55 donors in Tanzania (Irish Aid, 2008). More typically there were 4-10 donors engaged in the process, usually from among the larger organizations. There are no reports of non-DAC officials or private donors having been involved in the joint strategy process, even though non-traditional official and private donors now make up a significant share of aid flows in many developing countries.

With 12 participating agencies the Tajikistan Joint Country Partnership Strategy (JCPS) is one of the more inclusive joint strategy exercises and covers a significant fraction of donor flows. Among the participants is a non-governmental entity, the Aga Khan Development Network. Among the non-participant donors, Japan and China are especially significant, but since the non-participating donors focus on specific sectors (especially in energy and transport), the absence of these donors probably does not affect many of the sectoral programs. Consultations with non-participating donors seem to have assured the government that there were no ill feelings about the JCPS process among them. Moreover, the existing regular donor coordination group, which includes a broader range of donors, was used as a vehicle to

keep other donors informed. With 12 donor agencies represented at the table the plenary discussions remained manageable. The formation of a steering committee and the appointment of a secretariat ensured effective management of the process. There were limited consultations with civil society organized by the donors.

There is a clear tradeoff between including a smaller group of donors versus a larger one. The smaller the group, the easier the process of preparation and agreement on strategic directions, and also the easier the implementation of agreed steps is likely to be.⁶ On the other hand, using a small group of donors reduces the benefits from coordination since a larger share of donor programs is not covered. Moreover, the joint strategy process may actually interfere with pre-existing cooperative arrangements among the broader group of donors if, as it has been reported, the excluded donors feel rebuffed. The experience of Kyrgyz Republic and of Cambodia indicates that one way to resolve the tradeoff is to start with a smaller number of donors, establish a process of collaborative strategy formulation and then open up to additional interested donors who may be interested to join as the process gains credibility and effectiveness.⁷

Recipient country engagement and ownership

A key objective of the Paris Declaration is to increase recipient country ownership of aid programs. It is therefore important to make the strategies not only a cooperative process among donors, but also to ensure that the government is fully engaged. However, this requires a requisite capacity and readiness on the government's side and trust among donors and the country's authorities. Donors often judge the conditions on the ground to be insufficient for full

government engagement—let alone for government leadership of the process.⁸ It is symptomatic that the 2006 World Bank's review talks about preparing collaborative country assistance strategies with other donors, not with the government, and that it does not list any issue, success factors or lessons that relate to government engagement and ownership of the process (World Bank, 2006). On the other hand an unpublished 2007 review by DFID stresses the importance of ensuring that there is agreement with the government on the goals of the exercise and that government engagement in it is taken as far as possible. The Danida (2005) evaluation also puts great stress on government leadership, but notes that in the case of Tanzania, where the government took on a strong leadership role, some donors were concerned about losing control of their own aid strategy. The African Development Bank (2006) reports that donors differed in the case of Uganda about whether the government should be given a lead on division of labor issues or not.

The JCPS process in Tajikistan was initiated by the donor community. Government became engaged during the first of three retreats in early June 2008, but no government officials were invited to the event. However, since the government was consulted in advance of the exercise and the country's president personally endorsed it, the foundation for effective collaboration was set. The government's interest in the Paris Declaration principles and hence the JCPS process were significantly increased by its participation in the Accra meeting in early September 2008. It joined and was intensively engaged in the September 2008 and January 2009 JCPS retreats. Nonetheless, donors felt the need to meet separately to discuss the JCPS and coordination issues among themselves. Moreover, there remained some uncertainty and different views among the donors about whether the

JCPS was to be a joint government-donor strategy, or whether it was a joint strategy of donors supportive of the government's strategy and prepared in consultation with government.

A further problem demonstrated by the Tajik experience is the fact that while the government may have identified a lead agency to work with donors on the joint strategy, other government agencies may be insufficiently aware of and engaged in the strategy process. While this may not appear to matter much during the preparation phase of the joint strategy, it is bound to create problems during implementation, since government ownership may not go much beyond the lead agency.

This experience points to some of the difficult trade-offs donors face when it comes to government engagement in joint strategies. On the one hand it is essential to bring in the government as a full partner as early and as fully as possible. On the other hand, donors also seek opportunities to build trust among themselves and to forge common positions vis-à-vis the government. In practice, the approach will have to be tailored to the specific local conditions with as much transparency as possible to ensure that the mutual trust between the government and donors is reinforced rather than harmed by the preparation of joint country strategies. In the long run, donors should seek to help the government build the capacity for full engagement and eventually leadership of the donor coordination process, including the preparation of a joint strategy.

Beyond the government, a broader definition of country ownership would open up the process by systematic consultations with other recipient country stakeholders, besides the main government agencies. This would include sub-national government au-

thorities, parliamentarian, private business and civil society. The assessments generally do not report on this aspect of inclusion, except that GDC's learning workshop notes refer to a general practice of donor and government consultations with civil society in Ghana, Tanzania, Uganda and Zambia. In the Tajik case, the donors initiated some consultations with national and international civil society organizations, but so far they have remained limited. While important, this more inclusive approach adds yet another layer of complexity to the process. On the other hand, since many donors are committed to consulting with civil society organizations in the preparation of their individual country assistance strategies, bundling the consultation process may actually reduce the costs of engagement for all concerned.

Linkage of the joint strategy with the country's development strategy

In countries heavily dependent on external assistance, donors are generally closely engaged in the preparation of the country's development strategy, such as Poverty Reduction Strategies (PRS). However, judging from the available assessments it has been rare for the joint country strategy preparation to be directly linked with the preparation of the PRS. This may be related to the different processing timetables of donors' own institutional strategies and of the government's strategy. Separation of the PRS process from the joint country strategy process may be preferable in cases where the government's capacity to manage both the preparation process and interaction with donors on their engagement is limited and combining the two processes could lead to serious overload. Folding the joint country assistance process into the PRS preparation process also risks undermining the government's ownership of the latter.⁹ In any case, all assessments agree that there should be no substantive disconnect

between the government's strategy and the donor strategy, with the former guiding the latter to the greatest extent possible.

In Tajikistan the preparation of the JCPS benefited from the existence of the National Development Strategy (NDS), the government's long-term development vision document through 2015, and the Second Poverty Reduction Strategy (PRS2), the government's short- to medium-term strategy for 2007-09. However, since the JCPS preparation fell in the middle of the PRS2 period there was some uncertainty to what extent some of the specific actions and results/benchmarks remained valid or needed to be redefined in the light of changing circumstances. As explained above, donors therefore decided to split the JCPS process into two stages. The first stage was to focus mainly on the assessment of the country's development challenges and strategies—in close alignment with the government's own perspective—and on identifying improved coordination mechanisms. In the second stage, aligned in timing and content with the government's review of PRS2 progress, the donors' engagement in sectoral programs was then to be harmonized with both the PRS goals and benchmarks and among donors.

Agreed and realistic scope of the exercise

Assessments stress the importance of defining and agreeing early and clearly the intended scope of the exercise. Is it merely an information exchange and a trust building effort, or at the other extreme is it a joint programming effort with shared goals and results benchmarks and joint accountability? The cases reviewed differ widely among each other, some with extremely limited goals, while others were much more ambitious. DFID suggests a phased process, starting

with less ambitious expectations, but over time developing a greater scope.

The Tajikistan JCPS started with an ambitious scope. It was expected to establish a common vision of the country's development challenge, goals and risks; to develop a common analytical and information base; to agree on common principles of cooperation; to set common sectoral and thematic targets and programmatic goals; to agree on a division of labor among donors; and to set specific results targets for donors as a group.¹⁰ However, during the preparation process donors agreed to split the JCPS into two stages: The more modest immediate goal for the first stage was to develop agreement on development challenges and strategy, and on coordination modalities, while leaving the more difficult goals (division of labor, program alignment and results benchmarks) for a subsequent second stage. This phased approach is particularly appropriate in cases where donor and government coordination and alignment are not well developed.¹¹

Strategy as product versus process

Many of the assessments stress that the strategy formulation process is of key importance, rather than the strategy document that results at the end of the process. An inclusive, thorough and effectively managed process has a greater chance to create the trust, cooperative spirit and follow-through during the implementation phase than one that stresses the production of a quality report without adequate venting of differing views and interests and without consensus built around a shared vision and mutual understanding. In any case, the process shouldn't stop with the completion of the strategy document—the limited experience available on implementation shows that the real challenge comes in continuing the strategy and the spirit of cooperation in implementation and in subsequent phases of strategy development.

The Tajikistan JCPS exercise focused quite heavily on process, rather than product.¹² The prospects for an effective process were much enhanced by the establishment of the JCPS Secretariat and of the JCPS Steering Group. This ensured that there was clear responsibility vested for process management and sufficient resources were devoted to the execution of the preparation process. Since donor agency heads are very busy with day-to-day program management, the creation of a dedicated secretariat for JCPS preparation was essential. There were times when the process slowed down, such as during the 2008 summer vacation months, before the appointment of the secretary and the establishment of her office. Another delay occurred because of the transition of the secretary's position in early 2009. The identification of a clear counterpart responsibility on the government's side was also very important. This too was established by the time of the second retreat in September 2008. The lead responsibility for the writing of the JCPS report was initially delegated to a staff member of the World Bank Tajikistan country team based in Washington, but when this staff member moved on to another job the secretariat took over much of the drafting responsibility. The production of the final report was delayed due to critical staff transitions on the donor side: change in leadership of the process, change in secretary and change in staff responsible for report writing.¹³

Results orientation, implementation, and monitoring and evaluation

Irish Aid (2008) stresses the importance of results orientation and monitoring and accountability. The World Bank's informal assessment of the Kyrgyz experience notes the importance of focusing early on the "results matrix," i.e., the tabular summary of goals, benchmarks and key measures that are expected to achieve the desired sectoral results. None of the joint strategy exercises had sufficient time for full imple-

mentation at the time of the assessment, inhibiting an analysis of how well they were implemented and whether their results orientation was sufficiently articulated to be useful. Nor is there any evidence about the experience of monitoring and evaluating the joint strategy implementation process. Informal feedback from selected cases (e.g., the Nigeria case) indicates that implementation can be very difficult. On the other hand, in the case of the Kyrgyz Republic participants informally reported that the Joint Country Partnership Strategy process was useful in fostering effective information sharing, cooperation and division of labor among donors and also improved collaboration with the government. In the case of Tajikistan, the decision to split the JCPS process into two stages promises a continued engagement by donors in the harmonization process beyond the completion of the first-state JCPS strategy.

Division of labor and sectoral lead responsibility

A clearer focus of each donor on their respective areas of interest and capacity, avoidance of unnecessary overlap and duplication, and identification of gaps are key outcomes of a good joint strategy process. However, the available assessments of country experience show that this is a particularly difficult part of the exercise. For example, Danida (2005) concluded that the Tanzania Joint Assistance Strategy did a good job in addressing the division of labor, but due to the sensitivity of the issue among donors, implementation was put on hold. In the cases of Uganda and Zambia, the issue was not effectively addressed in the first place. The African Development Bank (2006) reports that in Uganda's case, donors had difficulty making progress on the division of labor, since the question of which agency has a comparative advantage and which agency should withdraw from a particular sector is difficult to resolve.¹⁴

A related issue is whether or not to assign lead responsibility to specific donors for specific sectoral or thematic areas. This involves potentially complex debates among donors and with government about the role a lead agency has in coordinating programs. According to African Development Bank (2006) lead responsibilities were agreed in the countries under review, but the Bank expressed some dissatisfaction about the outcome, since it did not end up in the lead on any of the sectors. In the case of Tajikistan, there was not much focus on the issue of division of labor nor on lead responsibility. In effect, these matters were relegated to the second stage of the process.

Role of analytical work

Some assessments (e.g., Irish Aid, 2008) point to the importance of preparatory analytical work. However, not much detail is given in the reports on what were the specific background studies, their results and their impacts on the process.

The Tajikistan JCPS involved a significant amount of analytical work (see Annex). The particular combination of studies was very relevant for the strategic dialogue among donors and with the government:

- A "Drivers of Change" study provided the common underpinning for an agreement of the opportunities and challenges in Tajikistan and its donor community.
- Five sector studies on donor engagement provided valuable insights into sector strategic priorities and lessons from past donor engagement in each sector.
- An independent aid effectiveness study offered donors and government a useful mirror on how the aid effort is perceived from a country perspective and contributed to ensuring a strong client orientation by the donors.

- A study on aid coordination mechanisms helped to clarify how existing coordination could be improved.

To achieve maximum impact and usefulness of the background studies it is important to ensure that they are published in a manner that makes them widely available for future use in country and for the process of evaluation and learning about joint country assistance strategies more generally.¹⁵

Logistics and leadership of the preparation process

The assessment reports do not pay a lot of attention to the procedural, logistical and financial aspects of the joint strategy preparation process. Some point out that discontinuity of staffing among the donor agencies can be a problem and that timing and format requirements of different donors have to be ascertained and respected. Surprisingly, none of the assessments pay much attention to the question of leadership, i.e., who drives the process—either in the government or among the donor institutions. The African Development Bank (2006) notes the important role played by the World Bank and DFID in leading the process in Uganda, while all assessments of the Tanzania case report the strong leadership of the government in Tanzania. GDC notes the useful role which can be played by external coaches while the African Development Bank (2006) and Irish Aid (2008) stress the importance of providing adequate financing and staff resources for the joint strategy process.

In the case of Tajikistan, logistical aspects were explicitly considered and resolved at various stages:

- Creation of the JCPS Steering Group and Secretariat: these were essential elements that kept the process going; although more continuity in steer-

ing group leadership and secretariat staffing would have helped.

- Financing of secretariat and of background studies: while various donors contributed to fund individual background studies, much of the financing to keep the process going was provided by DFID in a flexible and un-bureaucratic manner; this was critical to the success of the process.
- Engagement by donor staff: the heads of the principal participating donor agencies in the country were fully engaged in the process; the fact that many of them had recently arrived and started with fresh energy and willingness to cooperate was key; the unexpected departure of the head of DFID midway created an important discontinuity in leadership. The fact that Tajikistan and its donors had to deal with a severe water, energy and economic crisis throughout much of the preparation process was both a boost to cooperation and a hindrance: the exigencies of the crisis brought donors and government together in facing a common threat, but also diverted attention from long-term development challenges to crisis response.
- Engagement by government: engagement by government was part of the goal of the JCPS exercise, but also brought with it obvious challenges, including the need for translation of all documents into Russian with added cost and time requirements; the need for consultations and government review of all documentation added to the cost and time requirements and the logistical difficulties of managing the process; here the role of the secretariat was key.
- Leadership and team work: As mentioned above, the leadership and teamwork by the local heads of the main donor agencies in getting the JCPS process started and in keeping the preparation process focused and on track for a good part of the preparation process. However, they were only partly able to address the fundamental collective action problem that arises in a case where no single agency or actor has a mandate and accountability to take a lead in managing a complex process. With the exception

of DFID there was no apparent strong guidance or support from the donor headquarters in initiating or pushing the process forward.

Potential disconnects within donor agencies

ADB (2006) notes the importance of decentralization of donor staff and responsibility to the country, since joint strategy formulation requires presence of the ground. However, as some of the assessments (e.g., the Bangladesh case presented by Thornton, 2006, in Africa as noted by Danida, 2005, and by the African Development Bank, 2006¹⁶) observe this can result in a disconnect between the donors' country offices and their headquarters. This may arise especially if the local donor staff needs to adjust programs to reflect agreements with the government and with donors on priorities and division of labor. Another disconnect can arise when the donor agencies' program staff members, who tend to be in the lead in the strategy formulation process, do not adequately consult with their sectoral or project colleagues at headquarters, who often are the ones to implement the strategy after it is approved. This matter is highlighted by the World Bank (2006). As DFID notes there is also a potential tension between using consultants to prepare strategy documentation versus agency staff with the latter option more burdensome for the agencies, but assuring greater agency ownership. Irish Aid (2008) notes the importance of aid agencies creating incentives for their staff to focus on the coordination challenge.

In Tajikistan, the JCPS process was primarily driven by the in-country agency staff. This created a risk of a disconnect between headquarters and country-based staff.¹⁷ Some donors sought to avoid this by linking the preparation of the joint strategy with the preparation of donor-specific strategies (e.g., ADB and World

Bank) and by involving project staff in consultations about sectoral strategies (the World Bank). In the case of the UN System, the parallel preparation of a United Nations Development Assistance Framework (UNDAF) report for Tajikistan was an opportunity to link the JCPS process with the UN system's efforts to coordinate its activities in Tajikistan. Whether these efforts were sufficient to ensure effective implementation remains to be seen. It is particularly important that what appears to have been largely an attitude of hands-off management of the JCPS process from donor headquarters be replaced by senior management's active encouragement, support and clear incentives in order to ensure the effective implementation of the agreed JCPS by the country teams of each donor in partnership with the government and other donors.¹⁸

Time requirement, and costs and benefits of strategy preparation

The elapsed time required for the preparation of the joint strategies has generally been protracted and perhaps excessive, although the assessments do not say so. In the case of Tanzania and Uganda it took two to three years and in the case of Cambodia it took three years. All assessments also note that the cost of preparation in terms of staff and consultant time is high, especially for donors. No firm cost estimates are available, but in the case of Cambodia the assessment reported that donors spent twice as much on the preparation of the joint strategy than if they had prepared a country strategy on their own. The African Development Bank (2006) reports that joint strategies typically require 25 percent more time and money to prepare than traditional country strategy reports. However, the assessments also report reductions in subsequent transaction costs by the government and donors.

The benefits of joint strategies are difficult to gauge in the absence of rigorous evaluations, including the baseline benchmarks of donor and recipient performance before the strategy started and at least some assessment of what would have happened without the joint strategy process. The fact that most assessments were made before or early in the implementation also means there was little to evaluate in terms of results from the strategy process. However, the reported qualitative benefits include increased trust among donors and the improved alignment with the government's goals, shared analyses and data, and greater selectivity and more effective cooperation in specific programs and projects. The African Development Bank (2006) finds that:

- Six of eight donor respondents to a questionnaire on the Uganda Joint Assistance Strategy indicated that the value added of the process as substantial or high.
- Government perceptions of the process were more positive than those of donors, since it reduced the disruption of and burden on the government from donor activities; In Tanzania, donors agreed that the process had reduced transaction costs for the government while it increased transaction costs for donors.¹⁹
- The joint strategy process had a positive impact on the African Development Bank's own strategy development.

For Tajikistan, the total elapsed time from initiation to the official launch of the JCPS report is expected to take about 18 months, somewhat longer than the initial plan to limit preparation to 12 months. This relatively fast pace was facilitated by an explicit up-front commitment by donors to a tight timetable, but also by the fact that a decision was made mid-way to divide the process into two stages and effectively leave some of the more difficult aspects (division of labor, pro-

gram alignment and results benchmarks) for later. The principal costs of the exercise are likely to be the time spent by agency managers and staff and the cost of the secretariat. A very rough estimate of the expected cost of preparing the Tajikistan JCPS is under \$1 million. While it is premature to assess the benefits of the JCPS process at this time, it appears that on balance it has increased communication among donors and with the government about the country's development challenges, heightened recognition on all sides of the importance of the Paris Declaration aid effectiveness principles, and has led to greater focus among donors and government on the coordination mechanisms.

Overall assessment of the experience to date

Few of the assessments allow an unequivocal judgment about the degree of overall success of the joint country strategies, but the overall impression from reviewing the various assessments is cautiously positive.

The African Development Bank has perhaps the most positive view. It concluded as follows: "The [harmonization and joint assistance strategies] appears to hold promise in harmonizing assistance strategies among core donors in the five [countries reviewed] and in establishing an integrated country assistance program. However, [they] should not be seen as a panacea, but as a (not 'the') major instrument for enhancing aid effectiveness" (p. 30). It notes further that "[donor harmonization including joint country assistance strategies have] triggered an intensive process of communication and alignment within the donor community. Separate negotiations between donors and government are increasingly being replaced by a round table approach" (p. 13). It also notes high levels of satisfaction among donors with the performance

Table 3: Summary evaluation of Joint Country Strategy by African Development Bank

	Relevance of process with Bank strategies & alignment	Usefulness of process to establish effective country assistance programs	Potential of the process to reduce transaction costs	Opportunities associated with harmonization	Risks associated with harmonization process
Zambia	Highly relevant	Substantial	Modest	Substantial	Substantial
Uganda	Highly relevant	Substantial	Modest	Highly Substantial	Modest
Tanzania	Highly relevant	Substantial	Modest	Substantial	Substantial
Ethiopia	Highly relevant	Substantial	Negligible	Modest	Substantial
Mozambique	Relevant	Modest	Modest	Substantial	Substantial

Source: African Development Bank, 2006, Annex 2

of donors and also with governments' performance (p. 17). Table 3 reproduces as summary of the Bank's findings.

GTZ (2008) reports that for Uganda, the results of a donor survey showed that a clear majority of respondents thought that the joint strategy in improving aid effectiveness had a low impact; at the same

time, a great majority also felt that the joint strategy process still had a clear role to play (i.e., it should not be abandoned) and that it resulted in improved coordination and a greater commitment to achieve the Paris Declaration goals. For the case of Tajikistan, it is premature to arrive at an overall evaluation of the JCPS process.

CONCLUSIONS AND RECOMMENDATIONS

In the current prevailing fragmented aid environment, donor representatives on the ground and their government partners face a fundamental challenge of collective action best reflected in this question: With many actors on both the donors' and the governments' sides, how will coordinated action be agreed, implemented and monitored, in the absence of an agreed framework of joint accountability at country level and lacking a lead actor who has clearly assigned and accepted responsibility, accountability and the capacity to effectively manage the process of aid coordination and harmonization at the country level?

One possible response to this problem of collective action is for donors and governments to agree to prepare joint country assistance strategies. As this paper has documented, in some countries donors and governments have made efforts to prepare such strategies. With all the effort and hype around the Paris Declaration and all the resources spent on monitoring overall progress and on preparing and convening major international meetings, it is surprising that there are no systematic evaluations of the costs and benefits of joint country strategies. There appear to be no rigorous cost estimates of the process, no before-and-after—let alone with-and-without—evaluations, and no good baseline analysis of costs and losses from the lack of coordination.

The various joint country strategy initiatives that have been undertaken on the ground were developed by courageous, entrepreneurial and partnership-oriented local donor managers, without much guidance and support from their headquarters. These managers have pushed ahead because they were dissatisfied with the clear evidence facing them every day that

the continuation of uncoordinated and competitive deployment of donor resources at the country level led to much waste and missed opportunities among donor and government officials alike. It was this sense of missed opportunities from a lack of coordination that led the country team in Tajikistan to embark on the process of preparing a joint country strategy.

From the above compilation of issues and lessons, it is clear from the preparation of joint country strategies that donor and recipient country are typically only partially engaged in this complex, time consuming, costly, and potentially even divisive process. It requires careful planning, appropriate incentives and leadership. Furthermore, there are real questions about whether the costs of strategy formulation and of coordination among donors and with the government outweigh the potential benefits in improved overall aid program delivery. It is therefore not surprising that some donor agencies on the ground prefer to stay outside the joint strategy process and that inside some agencies, such as the World Bank, there is a considerable degree of skepticism among headquarter operational managers about the usefulness of joint strategies.

The skeptics, however, need to be concerned about three questions: First, what is the alternative instrument or mechanism that the donor community has at its disposal to ensure the effective delivery on the ambitious Paris Declaration goals, indicators and targets? It is fine to require country program staff on the front lines to report on what is happening, but if there is no instrumentality available to translate internationally mandated targets into outcomes at the country level, then one should not be surprised that targets are not being achieved. Second, why do some front line managers, even when initially skeptical, as was the case for the World Bank Country Manager in Kyrgyz Republic, actually come to believe that the

joint strategy exercise is useful and can be made to work in such a way that benefits outweigh costs? And third, why is it that the few assessments of joint strategies available end up with a cautiously positive appraisal of this instrument?

The donor community broadly has three options to address the question how it expects to implement the targets of the Paris Declaration at the country level: One option is to continue with its current, haphazard approach, which leaves the process entirely to the local donor agency heads with little, if any, guidance and support from headquarters or from the DAC system on how to translate the international targets into effective country-level approaches. A second option is to explore systematically whether and how to use the joint country strategy approach as a way to ensure a more effective implementation of the Paris Declaration principles. A third approach would be to search for alternative ways of approaching the collective action problem faced by donors on the ground. This could involve developing metrics for donor performance overall and in specific areas to allow for a more effective evaluation by the recipient governments and an organization's peers whether a particular donor is suited for the role that it considers playing. Additionally, it would be possible to look for ways to allow multi-stakeholder alliances, subsets of actors across the spectrum of country stakeholders and private as well as official donors, to be formed in specific programmatic areas and develop structured partnerships, usually under the leadership of one or more of the financially and/or technically stronger partners.

Most likely the optimal approach will involve a combination of the second and third alternatives. Further exploration of the third alternative is beyond the scope of this paper.²⁰ Therefore, the remainder of this paper will briefly summarize the key recommendations for

pursuing the second alternative if the potential of using joint country strategies is to be further explored with a view to broadening and strengthening its use.

These recommendations fall into two clusters: The first cluster refers to possible actions at the country level, the second cluster to actions at the international level—at the OECD-DAC and at the headquarters of the aid agencies.

Country-level actions

- The country's government and/or donors at the country level will have to take the initiative in organizing a joint country strategy process. With the appropriate guidance and support from the DAC and the Paris Declaration process this could occur much more frequently.
- Second, the initiators of the exercise will have to agree on who would be invited to participate in the process. This involves difficult trade-offs between the size and the effectiveness of the exercise. This may be best resolved by a phased approach that starts with a limited number of donors but leads to the eventual inclusion of all major official and private donors, if they are willing to participate.
- Ideally the government should lead the joint strategy exercise, but if it is unable or unwilling to do so or if the donors are unwilling to have it play that role, one donor or a small group of donors will have to take the lead. In the past, this role has often been assumed by the World Bank, but it appears recently that the Bank is less able or willing to assume the lead role in donor coordination on the ground.²¹ If the government is not in the lead, it is critical to make sure it is as fully engaged as possible in the process, and that the joint strategy exercise is fully aligned with the national development strategy. Donors should make a concerted effort to strengthen the government's capacity to be fully engaged in and eventually take a lead in the joint strategy process.

- Participants need to clarify early on that the key to success will not be the joint strategy documents, but an effective process of strategy preparation and implementation that results in improved aid effectiveness—although a high quality document will be an important and useful product associated with such a process. During its implementation, monitoring of progress and learning from the experience is likely to be an important part of a good strategy process.
- The scope of the strategy should be tailored to the local conditions. In the interest of timeliness and cost containment, it is better to start with a less ambitious approach which focuses, as in the case of Tajikistan, on trust building, information exchange, development of a common vision and principles of partnership, as well as on improving the practical modalities of coordination. Over time, the scope can be expanded to focus on the more difficult tasks of division of labor, sector program alignment, leadership and results benchmarks. In countries with a stronger track record of donor and government cooperation, as in the Kyrgyz Republic, a more ambitious approach may be feasible from the beginning of the joint strategy process.
- In preparing joint country strategies, high quality analytical background work is very important. As in the case of Tajikistan's JCPS, this should involve an assessment of development trends and challenges (such as the "drivers of change" exercise supported by DFID) as well as a review of aid effectiveness and aid coordination mechanisms overall and in specific sectors and thematic areas. Donor agencies must be willing to fund and manage this analytical work.
- For the logistics of the process, aside from providing clear overall leadership, a subgroup of donors should act as a steering group in support of the lead agency. In turn, there will generally be a need to establish a secretariat. When the government is in the lead, a government agency can take on this role. When a donor is in the lead, a separate secretariat, working in close cooperation with the relevant government agencies, should be established. Joint do-

nor/government workshops or retreats were useful in the case of Tajikistan in offering opportunities for frank exchange, effective planning and midcourse adjustment in the process. An external facilitator can add value by helping to create the conditions for a constructive exchange.

- Consultation with non-participant stakeholders is an important, but easily neglected, part of the process. Key stakeholders include non-participating official and private donors, recipient government ministries and governmental agencies (including provincial and local authorities), parliamentary representatives, businesses and civil society. It will be helpful to align these consultation processes with those used for the development of national development plans or Poverty Reduction Strategies, if they are satisfactory.
- A financing plan for the out-of-pocket costs of the exercise needs to be developed and funding sources need to be identified and agreed upon—in particular for the secretariat, the analytical work and meeting expenses. Government and donors need to identify the staff who will manage and support the process and relevant costs will have to be included in government and donor agency budgets as appropriate.
- If joint country strategies are to become an important pillar of the implementation process of the Paris Declaration principles then it will be essential that the DAC, the donor headquarters and the donors' evaluation offices become more effectively engaged in supporting the in-country process. They need to align managerial and staff incentives for the preparation and implementation of effective strategies; provide appropriate evaluation and learning support; and program the incremental financial and staff costs of process.

Actions at above country level

- OECD-DAC and individual donor agencies should systematically evaluate the experiences of joint country assistance strategies that have been prepared and are under implementation.

- Based on such evaluations, donor agencies should decide whether they wish to support and engage in joint country strategies. If they wish to do so, they should provide guidance and support to their field staff in their participation in such exercises.
- The donor community may wish to identify one agency as the presumptive leader among donors for aid coordination on the ground in countries where governments do not have the capacity or the will to take clear leadership of the aid coordination effort. Traditionally this has been a role of the World Bank or sometimes UNDP. However, in recent years, they have less readily exerted this leadership role and it has not been as readily accepted by other parties. This is one of the factors explaining the difficulties that donors have in overcoming their collective action problem to assume leadership in the face of weak government capacity. Reestablishing the presumption of lead responsibility and accountability in aid coordination for the World Bank would appear to be the most pragmatic way to proceed. This would not rule out that in specific countries

another donor could take a lead role by mutual agreement, presuming the government cannot or will not do so.

When donors push ahead with a more general application of joint country strategies under the Paris Declaration umbrella, it will be essential not to lose what clearly has been a strength of the current approach. It has been driven by the realization of agency heads on the ground—as well as by the governments concerned—that better coordinated efforts are essential to achieve the broadly shared goals of more effective aid delivery and use. The key challenge will be to instill among donor country teams and among government agencies a set of values and behaviors that create incentives and demand for a more effective joint country strategy preparation and delivery, rather than making the preparation of joint strategies another rote bureaucratic requirement, which would turn this potentially useful initiative into certain failure.

ANNEX: THE TAJIKISTAN JOINT COUNTRY PARTNERSHIP STRATEGY (JCPS)²²

The country setting

Tajikistan is a mountainous, landlocked country in Central Asia, bordering on Afghanistan, China, Kyrgyz Republic and Uzbekistan. Its surface area of 143 thousand square kilometers is equal to that of Bangladesh, but it has a population of only 7 million with a per capita income at purchasing power parity of US\$1,560 in 2006.²³ This per capita income is somewhat below the average of US\$1,860 for low-income developing countries as a group and gives Tajikistan a rank of 172 among 208 countries in the world.²⁴ According to the draft JCPS, 53 percent of the population lives in poverty and the country is unlikely to achieve many of the MDGs by 2015.

Created as an independent country in 1991 with the break-up of the Soviet Union, Tajikistan went through a major economic recession like the other newly independent former Soviet republics. This was reinforced by an extended civil war that caused hundreds of thousands of deaths and the widespread destruction of infrastructure and productive capacity. After a peace agreement was reached in 1997 and market oriented reforms started, Tajikistan's economy began to recover and in recent years experienced rapid growth of about 9 percent p.a. between 2000 and 2007, driven by high commodity prices, workers' remittances and improved trade and capacity utilization. In 2008, growth slowed due to a harsh winter in late 2007 into early 2008 and macroeconomic difficulties, which were reinforced with the onset of the worldwide economic crisis and are likely to extend into the foreseeable future. Tajikistan's institutional capacity and governance indicators remain low by international standards.²⁵

After the peace settlement was reached in 1997, the international community stepped up its engagement in Tajikistan, first with mostly humanitarian support, followed by increasing amounts of development assistance. In 2006, Tajikistan received US\$36 per capita in official aid as measured by the DAC, almost double that of the average low-income country (US\$20), but significantly below what many African countries of equal size and poverty receive, and much below the aid given to its neighbor, Kyrgyz Republic (US\$60). Its aid dependency ratio measured by aid as a fraction of Gross Domestic Income was 14.5 percent, much higher than that of the average for low income countries (3.0 percent), and somewhat higher than for Kyrgyz Republic (11.2 percent).²⁶ In 2006, all donors disbursed US\$273 million on a net basis, of which multilateral donors provided over half at US\$154 million, while bilateral DAC official donors contributed US\$92 million, non-DAC official donors (mostly China) US\$26 million, and private donors US\$3.4 million.²⁷ Among multilateral donors, ADB, IDA, IMF and the European Commission were the four largest for 2004-2006, while among bilateral DAC donors Germany, Japan, Switzerland and the USA were the four largest (with the USA about 3½ times the size of the next largest). Among the non-DAC donors China is by far the most prominent, with over US\$1 billion in assistance committed 2004-2008, dwarfing other individual bilateral donors' flows, which for the entire period 1992-2006 amounted to just under \$1 billion.²⁸

The origins, participants and objectives of the Tajikistan Joint Country Strategy process

The idea of a joint donor strategy for Tajikistan was first mooted in connection with the joint Government-donor Consultative Group Meeting for Tajikistan (also referred to as the Development Forum) on June 2,

2007 in Dushanbe, influenced in part by what was regarded as a successful joint strategy process in neighboring Kyrgyz Republic, which had been concluded earlier in 2007. Starting in the fall of 2007, the heads of selected donor agencies in Tajikistan began discussions on whether and how to organize the preparation of a joint donor strategy, formally named the Joint Country Support Strategy (JCSS), later renamed Joint Country Partnership Strategy (JCPS). The Kyrgyz precedent was a main motivating force in getting the JCPS process started in Tajikistan. Another factor was the interest in some of the headquarters that saw the preparation of joint strategies as a good instrument to promote the objectives of the Paris Declaration. This was the case particularly for DFID, which had been involved in similar exercises in other developing countries. More generally, however, it appears that the Paris Declaration and its procedures and targets were not a strong factor for most participants at the outset.²⁹ The strongest driver of the exercise seems to have been the motivation of the individual agency heads, most of whom felt that more could and should be done on the ground to improve the effectiveness of aid through better coordination.

DFID, the EC, the Swiss and the World Bank led the initial discussions. They were joined in early 2008 by ADB, EBRD, Germany, Sweden, the UNDP, UNICEF and WHO. USAID initially was involved only as an observer, but joined as a full member of the JCPS later in 2008. OSCE joined the process in November 2008. One non-governmental aid agency, the Aga Khan Development Network, joined the process in mid-2008. In terms of relative weight in total aid flows from official DAC donors, the participating countries contributed about three quarters of total aid flows to Tajikistan in the period 1991-2006.³⁰ Notable by their absence and relative size were the IMF and Islamic Development Bank among the multilateral agencies, Canada and Japan

among the bilateral DAC donors, and China, Russia and the Arab funds among the non-DAC bilateral donors. Many of the non-participating donors, including non-DAC donors and private international donor agencies, were consulted during the preparation of the JCPS and expressed an interest in being kept informed. None however expressed a strong interest in participating and some explicitly indicated their preference not to do so (e.g., China).

The objectives of the Tajikistan JCPS are stated in an early draft strategy document as follows:

“The purpose of the Joint Country Partnership Strategy in Tajikistan is to provide a framework for development partners working together with the government of Tajikistan to improve the effectiveness of aid in alignment with the government strategies to reduce poverty, achieve the Millennium Development Goals and enhance economic growth.”³¹

The JCPS preparation process

The JCPS preparation process was driven throughout by the same core group of agency heads who started it in the first place. With the exception of the head of the DFID office, who had to return to headquarters in the course of the preparation and was replaced by the head of the Swedish aid agency (SIDA), the group stayed effectively together throughout and eventually formed a JCPS Steering Group. The process of adding participants was entirely based on self-selection by the agencies concerned, with no agency excluded if it wanted to join.

Three two-day workshops, or “retreats,” of agency heads and government officials formed the backbone of the preparation process.³² The first retreat in June

2008 was held without government participation and served to build trust among the participating donors and a common understanding of the purpose and approach to be adopted. It was held away from the capital city and thus ensured that participants were together virtually without interruption for full two days. Two further retreats were held subsequently in Dushanbe: a second retreat in September 2008 to review progress and discuss specific sectoral strategic directions; and a third retreat in January 2009 to review a first complete draft of the JCPS document.

Based on some prior analytical work and discussions among all participants at the inaugural retreat in June 2008 agreement was reached on a number of key points:

- a common understanding among donors on the broad challenges facing Tajikistan based on a background paper commissioned by DFID (“Drivers of Change”);
- the objectives of the JCPS exercise;
- the structure of the report and the key elements of the strategy;
- prospective government involvement;
- creation of a small secretariat to manage the process, led by an experienced international consultant reporting directly to the steering group;
- additional analytical work to be carried out, specifically on the existing donor coordination procedures and ways to rationalize it;
- allocation of responsibility to two agencies to prepare together a plan for consultation and outreach during the process of the JCPS; and
- a tight timetable for the completion of the draft strategy (draft strategy by the end of 2008 and a final strategy by early 2009).

Although donors held their first retreat without the government, President Rakhmon invited agency heads and his economic cabinet to an important meeting immediately before the retreat. This meeting allowed the president to present to donors his vision for the country and for an improved aid process and gave the donors an opportunity to brief the president on the JCPS process and expected outcomes.³³ Subsequent retreats involved the government and the JCPS Steering Group and Secretariat regularly interacted with their principal government contact point, a cabinet-level official who was assigned the main coordinating role on the government side for the JCPS process.

Background studies prepared for the Tajikistan JCPS

As part of the JCPS preparation process some of the participating donors commissioned a number of background studies that provided important factual information previously not available to the donors and the government. The most important such background studies were the following:

- DFID commissioned a study on “Drivers of Change,” which created a shared understanding of the economic, social and political factors that drive or obstruct progress within Tajikistan and helped to identify ways in which donors can build on or react to these drivers in order to support the country’s development. Box A1 summarizes the results of this study.
- ADB, the EC, UNICEF and the World Bank commissioned a set of sector studies reviewing strategy formulations and donor engagement in five areas: Human Rights and Rule of Law, Public Sector, Social Sectors (Health, Education, Social Protection), Real Sectors (Transport, Energy, Agriculture), and Private and Financial Sector Development. Box A2 summarizes the key results of these studies. One

Box A1: Results of “Drivers of Change” study

Principal drivers of change:

- Economic drivers: energy and aluminum linkages, agriculture, human capital, nascent private sector and regional transport linkages
- Societal drivers: demographics (youth, gender, education), migration, climate change
- Political drivers: centralized power, lack of political accountability, civil society, regional pressures and opportunities

Donors can support Tajikistan’s development by:

- Helping Tajikistan capitalize on its assets
- Supporting the state-building agenda
- Helping to building pluralism in the private sector
- Addressing the positive and negative consequences of migration
- Using limited resources jointly on key priorities, with well defined policy objectives
- Broadening cooperation with new donors

Source: DFID “Drivers of Change” Study, as summarized by A. Kucey

Box A2: Key results of Tajikistan JCPS sector reports

- Little reform to date in rule of law and less in human rights. Donor interventions are fragmented and often not multi-year with no vision for the sector, which has cross-cutting importance. Judicial reform should be a priority.
- In the public sector many active donors have a collective capacity to overwhelm government capacities. Leadership by government with clear coordination mechanisms would help.
- In the real sectors, there is strong coordination in some sectors (transport, energy). Common strategies help (e.g., CAREC in transport and energy). A challenge is to agree on priorities and enhance coordination with new bilaterals.
- Several donors are leaving the agriculture sector (50 percent of grant funders), sustainability and coordination of ongoing programs is an issue. (See Box A4.)
- In the private and financial sector there are scattered interventions and pilot activities. More impact could be achieved by scaling-up successful programs to create economies of scale on the donor side.
- Social sectors are under-funded, and households bear a high share of out of pocket costs. Donors are working together with Government on developing sector-wide approaches (SWAPs) in health and education. Donor funds should complement, not substitute, government funding.

Source: Tajikistan JCPS Sector Studies, as summarized by A. Kucey

particularly striking example of the need for enhanced donor coordination was presented at the June 2008 retreat involving donor engagement in the agricultural sector (see Box A3).

- The World Bank supported an independent assessment of aid effectiveness by a team of local consultants that was commissioned and supervised by the Wolfensohn Center for Development as part of its multi-country study on aid effectiveness.³⁴ A

key purpose of this study was to contribute a view to the discussions on how aid is seen from a Tajik country perspective. See Box A4 for the key findings of this study as presented to the donors at the first retreat.

- The JCPS Executive Committee commissioned a study under the supervision of WHO on the modalities of aid coordination in Tajikistan but it was not finalized at the time of the completion of this paper.

Box A3: Need for improved donor coordination in the agricultural sector in Tajikistan

The agricultural sector review, carried out for the Tajikistan JCCS in 2008, revealed some important examples of the need for improved donor coordination. Perhaps the most striking one, involved the case of donor programs for the setting up of legal aid and farmer assistance centers in various part of the country. At the donor retreat in June 2008, two maps were discussed. The first map showed the locations of donor engagement in May 2008; the second map showed expected donor engagement in January 2009. Two features were particularly striking in comparing the two maps: The first map showed that in 2008, six donors were active in the relatively better-off western and northern provinces of the country, with more than one donor active in some locations, while there were no donors active in the poor eastern provinces. The conclusion was that lack of coordination led to overlapping and sometimes inconsistent support in parts of the country, while other parts of the country were neglected. The second slide showed that by January 2009 most donors were terminating their programs, with only two donors remaining, principally the EU, leading to a dramatic reduction in support and a lack in continuity of donor engagement in many locations. Donors agreed that there are potential benefits from greater division of labor and better harmonization of approaches, and that the uncoordinated departure of individual donors from specific sectors or subsectors can lead to serious problems of discontinuity that could be avoided through better coordination.

Source: Tajikistan JCPS exercise

Box A4: Key findings of aid effectiveness study

- Rising donor fragmentation creates serious coordination challenges and costs for the government.
- Lack of use of joint operational modalities (SWAps, Joint PIUs, joint missions) represent missed opportunities.
- Volatility and discontinuities create problems.
- Much aid remains supply driven and alignment of donor priorities with government priorities is limited (except for new donors).
- Management of database on aid flows is improving, but faces significant challenges.
- Budget, public investment and aid processes are unconnected and M&E is incomplete.
- Aid coordination processes are fragmented and donor driven.

Source: Tajikistan Aid Effectiveness Study, as summarized by A. Kucey and J. Linn

Coverage of the Tajikistan JCPS

The initial intention of the donor group was to develop a strategy that covered a comprehensive set of issues, including an assessment of the following key dimensions:

- the country's development trends, prospects and challenges;
- the major sectoral and thematic issues in terms of the main goals and results benchmarks of the country's own strategy (the PRS), the challenges and opportunities the country faces in achieving these goals, and what donors are planning in terms of their contributions; for each area the government and relevant donors were to have aligned and agreed on their core strategic directions and activities;
- the principles and modalities of aid delivery and coordination based on the lessons from the past; and
- the main strategic risks and what can be done to help mitigate these risks.

Ten main sectors were considered: agriculture, energy, transport, education, health, social protection, public sector governance, private sector development, financial sector development, and human rights and rule of law. Four cross-cutting issues were addressed: the country's demographics and migration patterns, gender and environmental issues, and the exposure to natural disasters.

However, at the third retreat in January 2009 donors concluded that it was better to split the JCPS preparation process into two stages. The first stage is to develop a common understanding of the country's development challenges and risks, a shared understanding of and agreement on the principles and modalities of coordination aligned with the Paris Declaration, and a joint approach to risks (items 1, 3 and 4 above). The

second stage is to address the issues, programs and results benchmarks of specific sectoral and thematic areas. The reason for this decision was that donors felt it would be important to link the identification of specific sectoral and thematic programs more directly to a review of progress by and with the government of the implementation of the PRS in the course of 2009, reflecting among other things the changed economic environment, which Tajikistan faces as a result of the global financial and economic crisis. This was expected to lead to a more effective integration of the government's PRS goals and benchmarks and the donors' engagement, while at the same time permitting early gains in reaching joint understandings on overall development challenges, on aid coordination principles and modalities, and on risks faced in implementation.

Costs of the Tajikistan JCPS process

No definitive costing information is currently available, so all that could be done for this paper was to estimate a range of costs for the major inputs on the donor side. No effort was made to estimate the cost of government's participation where in any case the issue is less one of financial cost, but of opportunity cost of senior officials' time devoted to the JCPS. Key cost elements were the time of donor staff (US\$300-450,000), secretariat and facilitator (US\$70-105,000), analytical studies (US\$80-115,000) and travel and other incidental expenses (US\$25-30,000). Total cost of the JCPS preparation process is therefore estimated to fall in the range of US\$500-700,000. In any case it is likely that it will have been less than US\$1million. This is about 0.5 percent of the average annual financial support provided in the period 2004-2006 by the participating donors to Tajikistan.³⁵ If one assumes that a JCPS would be prepared every three years and that the annual aid flows remain approxi-

mately unchanged, the cost of the Tajikistan JCPS is somewhere around 0.1-0.2 percent of total aid flows from the donors concerned.

Some preliminary conclusions from the Tajikistan JCPS

The Tajikistan JCPS process is not yet completed and indeed is now expected to last for an extended period, since it has been redesigned into a two-stage approach. Moreover, compared to the Kyrgyz Republic, the process faced major hurdles. In Kyrgyz Republic, the donors had already worked together very closely during and after the “Tulip Revolution” in the spring of 2005. Moreover, Kyrgyz Republic had been a pilot country for the implementation of the Paris Declaration with intensive attention and support from donors, OECD-DAC and the government. A PRSP process with intensive donor engagement and a multi-donor SWAps operation in the health sector had been successfully promoted.³⁶ In Tajikistan, by contrast, while some local donor coordination mechanisms had been in place prior to the start of the JCPS, no similar favorable preconditions prevailed. Moreover, a number of crises diverted donor and government attention from their focus on the JCPS in the winter months of 2008/2009: a severe energy shortage, the incipient impacts of the global financial and economic crisis, and the continuing fall-out from revelations of mismanagement at the National Bank of Tajikistan. However, based on the developments so far, it is possible to conclude that the process, which has been set in motion has the potential for significantly enhancing aid coordination on the ground.

Key success factors in Tajikistan were these:

- strong leadership from selected agency heads within the donor community and readiness to finance the out-of-pocket expenses of the exercise;

- support from the head of state and hence readiness of the government to participate actively;
- a remarkable openness to self-reflection and team work among the donor and government participants, underpinned by good analytical work;
- flexibility in the approach to the JCPS exercise, including restructuring the process from an ambitious comprehensive process into a realistic phased two-stage exercise; and
- the establishment of a steering group supported by a secretariat who together managed a disciplined process that kept time requirements and costs in check.

The key challenges were and are:

- ensuring government ownership and establishing a basis of trust among donors and government;
- reaching out to other stake holders in Tajikistan;
- engaging with donors outside the JCPS process;
- consolidating and strengthening existing donor coordination mechanisms and clarifying the government’s role in the coordination process;
- keeping the process on time table, despite the persistent economic crisis conditions in the country and turn-over in key donor, government and secretariat personnel;
- timely completion of the first stage and effective integration of the second stage into a review of PRS2;
- monitoring progress against benchmarks and adapting the coordination and alignment approach in light of lessons learned; and
- avoiding donor and government fatigue with the JCPS process.

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ENDNOTES

1. See OECD-DAC, "Paris Declaration," http://www.oecd.org/document/18/0,2340,en_2649_3236398_35401554_1_1_1,00.html
2. OECD-DAC, *2008 Survey on Monitoring the Paris Declaration*, Paris 2008, p. 3, http://www.oecd.org/document/0/0,3343,en_2649_3236398_41203264_1_1_1,00.html
3. Third High Level Forum on Aid Effectiveness, Accra Agenda for Action, Accra, Ghana, September 2-4, 2008 <http://siteresources.worldbank.org/ACCRAEXT/Resources/4700790-1217425866038/AAA-4-SEPTEMBER-FINAL-16h00.pdf>. A reviewer of this paper commented that the absence of any reference could be explained by recipient governments' fear that joint donor strategies might mean that donors would gang up on the government in imposing their joint preferences.
4. Ministry of Foreign Affairs (Danida)/European Commission, DG Development, EC (2005); African Development Bank (2006); Thornton (2006); World Bank (2006); Gaynor and Jennings (2008).
5. An evaluation of the Kyrgyz Joint Donor Strategy is currently under preparation, but its conclusions were not available at the time of writing this paper. The author also benefited from a conversation with Tefik Yaprak who has followed the preparation and implementation of various joint country assistance strategies in his official capacity as a Senior Advisor in the World Bank.
6. Reportedly the implementation of the joint strategy has been difficult even for Nigeria, although only two donors were involved.
7. This point was suggested to the author by Nisha Agrawal.
8. The Danida/EC report notes that in the case of Tanzania the joint assistance strategy process was government owned, while in Uganda and Zambia it was donor driven.
9. This point was suggested by Nisha Agrawal.
10. There was no expectation of assignment to specific donors of lead responsibility for specific sectors nor to establish joint programming or common pool funding arrangements.
11. Andrea Kucey pointed out that in the case of Kyrgyz Republic there was a prior history of donor coordination, which permitted a more ambitious approach.
12. The quality of the strategy document cannot yet be assessed, since the final version had not yet been prepared at the time of writing of this study.
13. The issue of discontinuities in donor staff engaged in country program delivery is a fundamental problem that affects the quality of aid. The Tajik JCPS process is just one example for this.
14. According to Irish Aid (2008, p.12) there was some progress on division of labor issues in 2008.
15. In the case of Tajikistan, the analytical studies prepared for the JCPS are available in English and Russian on a public Web site managed by the UNDP as part of the JCPS preparation process: <http://www.untj.org/JCPS/> and <http://www.untj.org/JCPS/ru/>.
16. "In the five [African countries] under review, HQ/Capitals tended to have stronger reservations about the [joint strategy] process than the [country offices] which have almost daily contact with Government and the other donors." (African Development Bank, 2006, p. 24)
17. Another disconnect that cropped up in the case of Tajikistan was the gap within donor agencies between the country team and their colleagues working on regional issues in Central Asia. There was very little apparent communication and sharing of information and documentation between those agency staff who worked on issues of energy, water, trade and transport in the Central Asian regional context and the Tajikistan donor country teams, even though the issues were clearly interconnected and insights, lessons and strategically

relevant information could have been usefully exchanged.

18. Another potential disconnect can arise from the different perspectives and agendas of the diplomatic and the aid representatives on the ground. In the case of Tajikistan, the dialogue between donors and the government at the senior most level was led by the ambassadors whose focus tends to be more on the political and diplomatic aspects of the relationship, while donor agency heads and staff, whose focus is more on the development priorities and implementation of programs, generally had access only to ministerial or sub-ministerial policy levels of the government.
19. Overall the Bank concludes that “there is not enough evidence that harmonization initiatives have helped curb transactions costs.” (African Development Bank, 2006, p. 28)
20. Reference to the overview chapter of the forthcoming Wolfensohn Center volume on aid effectiveness
21. This is likely the result of the relative declining importance of the World Bank in the increasingly fragmented aid architecture (see Kharas, 2007). Past examples, where the World Bank assumed major responsibility for coordinating donors in a strategic manner, includes the successful Bosnia-Herzegovina reconstruction program, where the Bank took a joint leadership role together with the European Commission (see World Bank, 2004).
22. Information in square brackets still needs to be verified. Moreover, since the strategy preparation process is still ongoing, updated information will be used in preparing the final version of this paper.
23. Unless otherwise noted all data in this paragraph are taken from World Bank, *World Development Indicators 2008*, Washington, DC, 2008.
24. At current exchange rates, Tajikistan's per capita income is US\$390, which compares with US\$649 for the average low income country and gives it a rank of only 187.
25. See UNDP, *Central Asia Human Development Report*, New York, 2005
26. *World Development Indicators 2008*
27. Tajikistan Aid Effectiveness Study
28. Ibid. Note that the \$1 billion for China refers to commitments, not disbursements. The latter are likely to be spread out of multiple years beyond 2008.
29. The attitude at the outset of the JCPS process towards the Paris Declaration was expressed to the author by one donor agency head as follows: “We don’t really see any benefits from the Paris Declaration here on the ground. If anything, it creates additional work with the reporting to headquarters that we have to do. We really get virtually nothing back in return.” During the JCPS preparation process, however, both donors and the government became more cognizant and appreciative of the value of the principles embedded in the Paris Declaration.
30. Ibid.
31. Tajikistan draft JCPS, p.1
32. The author served as the external facilitator at all retreats. The intention behind this appointment was (a) to avoid any one donor representative having to manage the discussions; (b) to bring in someone who knew Tajikistan well, but could bring a credible perspective to the table independent from any donor or the government; and (c) to provide a link to the top leadership of the government.
33. Apparently this was the first time that the president met the heads of donor agencies as a group. Previously such meetings had been reserved for ambassadors only and hence focused more on political aspects than on the developmental aspects of government-donor relations.

- 34. Tajikistan Aid Effectiveness Study/Chapter
- 35. Based on donor data in the Tajikistan Aid Effectiveness Study/Chapter
- 36. The supportive factors for Kyrgyz Republic were identified by Andrea Kucey.



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