

The Country Assistance Framework (CAF)

Integrated Office

May 2007

In DRC, donors have adopted the CAF

**Country
Assistance
Framework**

**Other
Official
Development
Assistance**

**DRC
Government
Budget**

Households

Poverty Reduction Strategy Paper

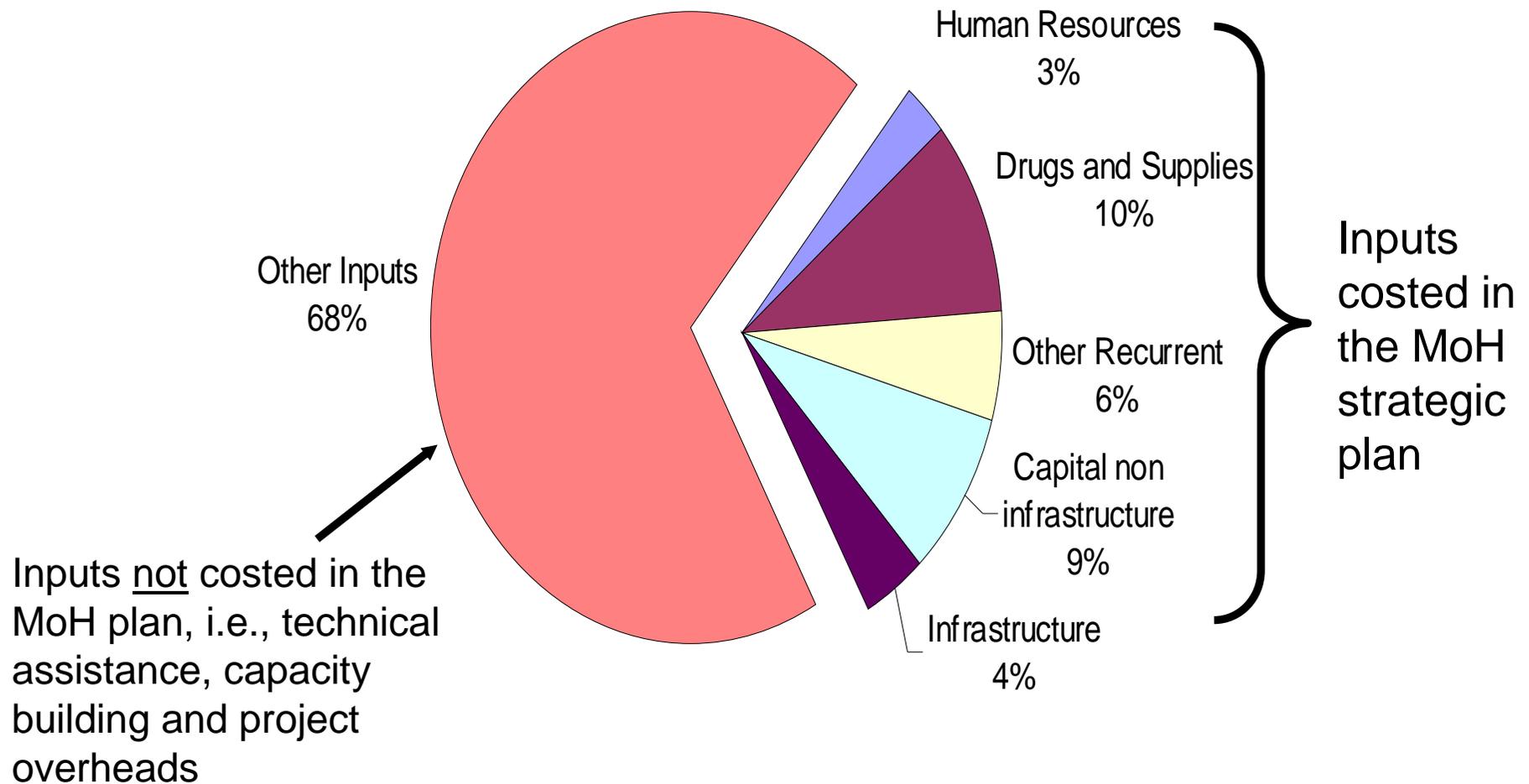
Services and Reforms

Millennium Development Goals

International Development is Changing

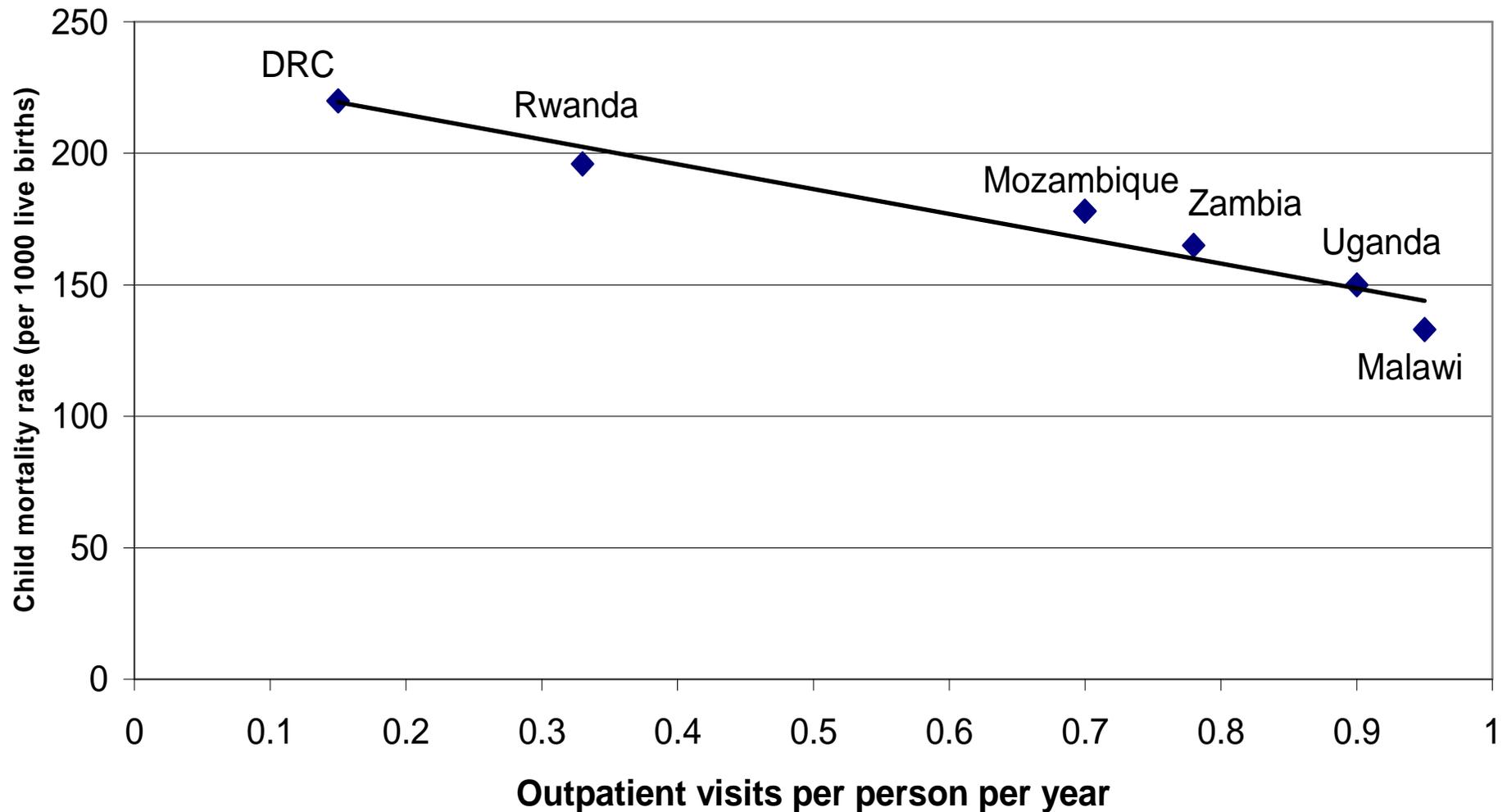
- There is broad commitment to reaching the MDGs as quickly as possible
- Almost everyone recognizes that reaching the MDGs means changing the way we do development
- Small-scale development projects are not able to deliver the MDGs and are therefore receiving less support
- Reaching the MDGs requires that people, particularly the poor and vulnerable, consume more services
- Increasing consumption means channeling more aid through reformed public finance mechanisms

**Projects are less efficient: breakdown of 66 Bn shillings
expenditure by
DPs: USAID, SIDA, GTZ, DFID, DANIDA**



How increasing the consumption of services can lead to better MDG performance

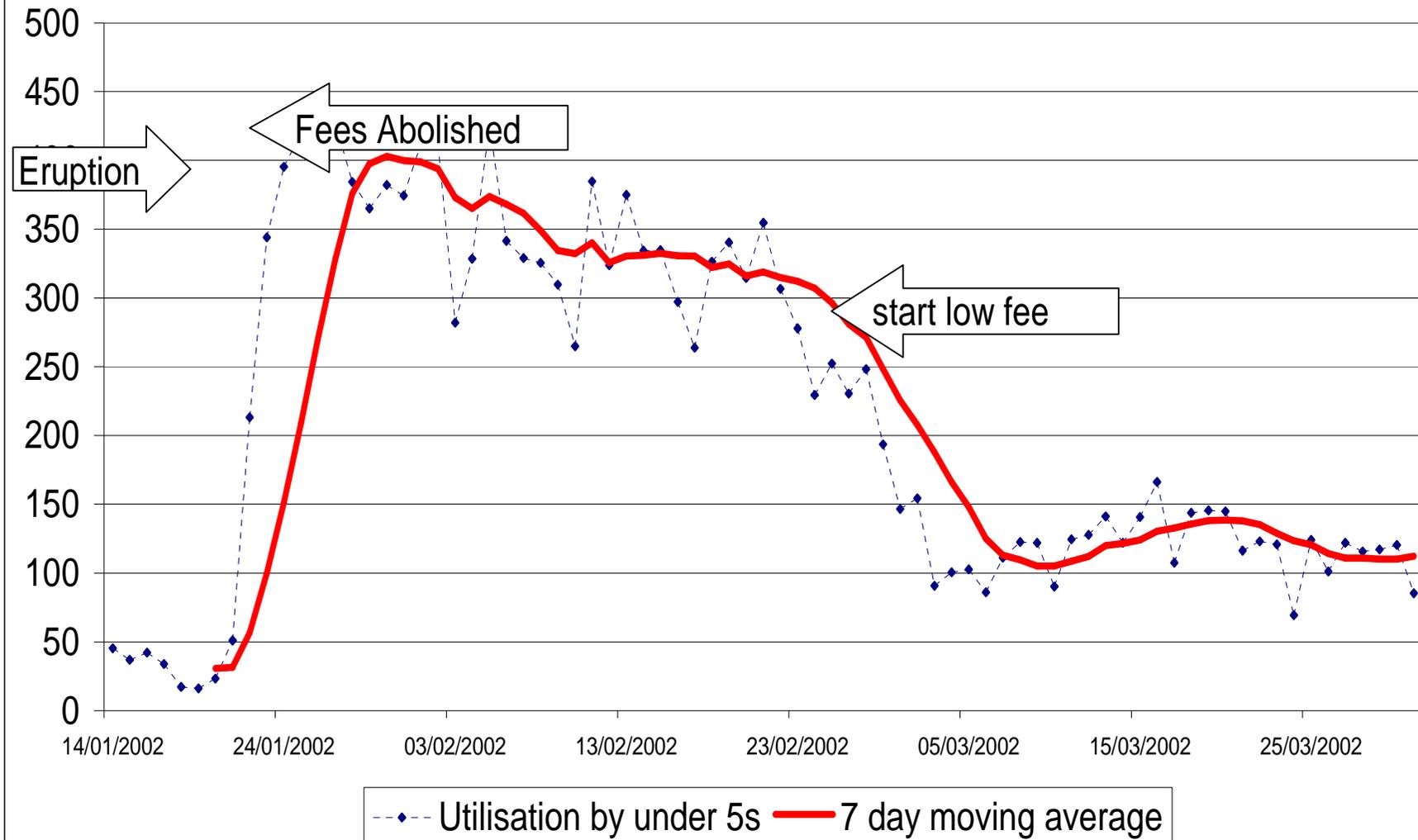
Child Mortality Rate vs Total Outpatient Utilisation In Selected African Countries



Abolition of Health Care User Fees - Evidence from DRC

Health Care Utilisation In Goma By Children Under 5

Measured In Visits Per 100 Children Per Year



The CAF Reflects Development Trends

The chief advantage of the CAF is that it harmonizes assistance in accordance with the principles outlined in the Paris Declaration on Aid Effectiveness. This results in:

- Reduced transaction costs**
- Increased effectiveness of ODA**
- Increased efficiency of ODA**
- More equitable ODA allocations**

What functions does the CAF serve?

The CAF serves several purposes simultaneously, including being:

- a tool for donor coordination**
- a mechanism to mobilise resources**
- a means to address supply side and demand side constraints at the same time**
- a strategy for both reconstruction and reform**
- a way to deliver tangible peace dividends to the population**

How has the CAF been put together?

February 2006	WB and UN agree to combine CAS and UNDAF
May	EC, DFID and Belgium Cooperation join the initiative; first joint meeting is held in Washington
July	Additional donors attend second joint meeting in Brussels where powerpoints are given on the five pillars
August-September	CAF donors meet in Kinshasa to discuss the process; partner leads draft concept notes
October-November	Concept notes are disseminated; CAF donors meet weekly to discuss the notes
December	Concept notes are transformed into annexes; a mini results matrix is distributed; joint narrative sections and annexes are disseminated
13-14 December	CAF donors meet in Brussels to agree pillar strategies and resource allocations
April 2007	UN and World Bank prepared first draft of results matrix with output indicators

What is the main aim of the CAF?

**The CAF is about helping the
Government deliver
a new deal for its population
by financing PRSP
programmes that bring
security, economic growth and
services to everybody**

A deal that includes....

Free primary education for all: getting there means moving towards the elimination of school fees

A free package of minimum health services for all: getting there means distributing free anti-malarials, bed-nets, condoms, vaccines and antibiotics in health centres

Giving people the means to feed their families: getting there means capitalizing the agricultural sector, launching public-private partnerships that put people to work, building roads and opening up markets for farmers to sell their products

A deal that includes...

Safe, rebuilt and re-energised communities: getting there means reforming the security forces and launching integrated community-driven programmes, particularly in high-risk areas

A Government that is there for its people: getting there means empowering people to demand better services and helping the Government raise revenue, allocate funds and manage its resources fairly, transparently and efficiently

To make this deal a reality, CAF donors will be supporting the key objectives in each of the PRSP's five pillars

How did we choose the elements in the CAF?

In choosing the right peace dividends, we focused on policies that:

are popular - politicians have to be confident that if they push the idea, it will win support, even from people who may have voted against them

deliver quick wins – the population doesn't want to wait any longer for a peace dividend, the bigger and faster the impact of a policy on the population, the better it will be for the new Government

are not controversial - politicians will not want to risk losing support or upsetting powerful interest groups

Did we use other criteria?

To ensure national ownership, the CAF is aligned directly with the PRSP. In addition, our policies need to be:

Effective i.e., have the biggest impact on the MDG/PRSP

Efficient i.e., help the country reach the MDGs and implement the PRSP in the least expensive way

Equitable i.e., target the poor and vulnerable

Affordable i.e., achievable with funding from the international community and the Government

Feasible i.e., achievable in a reasonable amount of time by unblocking a few key obstacles

What are the strategic objectives the CAF donors have agreed to?

PRSP Pillars	Proposed CAF Strategic Objectives
Good Governance	Remove the governance obstacles that inhibit the country from reaching the MDGs
Pro-Poor Growth	Achieve both a high rate and a strong quality of economic growth in line with PRSP objectives
Basic Social Services	Improve social indicators in line with PRSP objectives by increasing access to effective, efficient and equitable social services
HIV/AIDS	Limit the spread of HIV/AIDS and improve conditions for people living with HIV/AIDS
Community Recovery	Stabilise highly volatile communities and strengthen implementation of PRSP programmes

GOOD GOVERNANCE PILLAR

This pillar aims to remove the governance obstacles that inhibit the country from reaching the MDGs.

Security Sector Reform: The PNC is reformed and transformed into a professional and unified structure, supported by a coherent legal framework

Security Sector Reform: FARDC salaries and basic conditions are improved and the capacity of the army to protect civilians is enhanced

Security Sector Reform: The FARDC is reformed and transformed into a professional and unified structure, supported by a coherent legal framework

Security Sector Reform: The justice system is reformed and reorganised in line with the new Constitution

Transparency: Public expenditures and contracts are monitored by government and independent bodies

Public Finance Management: Government revenues are increased and the budgetary process is reformed in line with international standards

Natural Resources Management: Natural resources are managed in a sustainable manner on the basis of legal codes

Public Administration Reform: The civil service is reformed and transformed into a professional structure, supported by a coherent legal framework

Local Governance: Fiduciary systems at provincial and local levels are established and capacities to deliver social services are strengthened

Investment Climate and Public Enterprises Reform: Pro-investment legislation and frameworks are established and public enterprises are restructured and reformed in line with international standards

PRO-POOR GROWTH PILLAR

This pillar aims to achieve both a high rate and a strong quality of economic growth in line with PRSP objectives.

Transport: The transport structure is rehabilitated and state and non-state owned transport enterprises are reformed.

Business Environment (CAF outcome to be completed)

Agriculture: Rural areas are reconnected to commercial centres

Agriculture: The agriculture sector is recapitalised

Agriculture: Conditions for medium-term growth in the sector are established

Mining: The business environment is improved and existing regulatory frameworks are enforced

Mining: Transport bottlenecks are removed, particularly along key rail and road links in Southern Katanga

Mining: Artisanal mining is regularised

Industry and Services: The business environment is improved

Industry and Services: Access to credit is restored

Industry and Services: Access between provinces is improved

Industry and Services: Bottlenecks to international trade are removed

Industry and Services: Availability of electric power is increased

BASIC SOCIAL SERVICES PILLAR

This pillar aims to improve social indicators in line with PRSP objectives by increasing access to effective, efficient and equitable social services.

Education: Universal access to free primary education is achieved over time

Education: The quality of basic primary and secondary education services is improved

Education: Tertiary and vocational education systems are rationalised and revamped

Education: Strategic and operational management systems are improved

Health: The legislative framework for the health sector is revised

Health: Access to health care, as well as equity, is improved

Health: A balanced supply of human resources for health is achieved

Health: A continuous and regular supply of drugs and other resources are ensured

Health: Stable and sustainable financing mechanisms for the health sector are established and financial barriers to health care are removed

Health: Multi-sectoral coordination mechanisms are established

Water and Sanitation: Access to water and sanitation in rural areas is expanded

Water and Sanitation: Coverage of urban water services is expanded

Water and Sanitation: Coverage of urban sanitation services is expanded

Water and Sanitation: A sector reform programme is developed

Social Protection: Risk among the most vulnerable populations is reduced

Social Protection: Highly vulnerable populations are provided a minimum safety-net

HIV/AIDS PILLAR

This pillar aims to limit the spread of HIV/AIDS and improve conditions for people living with HIV/AIDS.

Prevention: Prevention programmes are accelerated and scaled-up

Treatment and Care: Access to quality treatment and care is increased

Persons Living with HIV/AIDS: The negative impact on the quality of life for persons living with HIV/AIDS and their families is mitigated

Strategic Vision and Implementation Mechanisms: A common strategic vision is defined and implemented

COMMUNITY DYNAMICS PILLAR

This pillar aims to stabilise highly volatile communities and strengthen implementation of PRSP programmes.

Stabilisation Programme: Delivery of state services improves in hard-hit rural communities

Stabilisation Programme: Jobs and livelihoods are increased

Stabilisation Programme: Basic infrastructures, including feeder roads, are rehabilitated in hard-hit rural communities and Local Development Funds are piloted

Stabilisation Programme: Reconciliation occurs in hard-hit rural communities and security is improved

Community Participation: Communities participate effectively in the implementation of PRSP programmes

Lessons Learned

What have we been worried about?

Reconciling different planning approaches

Making tough decisions over CAF outcomes without compromising on principles or ending up with the lowest common denominator

Agreeing an acceptable formats for all partners

Anticipating and influencing the contributions that the Government may make

Ensuring that partners accept CAF priorities even if this means closing existing programmes or redirecting resources

What have been some of the high points of the CAF process?

- There has been genuine collaboration between the 18 donor delegations
- Everyone has agreed that the DRC is seriously under-funded and that the CAF should be used to mobilise additional resources
- Demand and supply-side programming have both been accepted as strategies for achieving the MDGs
- Universal access to basic services has emerged as a key theme of the CAF
- Real movement towards consensus has been made in all sectors
- Donors have agreed to adjust their programmes in the future on the basis of evidence related to efficiency, effectiveness, equity, affordability and feasibility
- Donors have indicated the amount of funding likely to be available during the next 3-4 years for priority CAF programmes