Ways forward for IWG based on NDMR Conclusions
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1. Introduction

The current work plan outlines four broad areas of focus for the IWG with a view to facilitating the implementation of the New Deal at country level:

- Guidance development
- Country level workshops on Use of Country Systems and Transparency Workshops
- Approach to Crisis work
- Monitoring

Work in these four areas was approved by the Steering Group and now has endorsement across the IWG.

The time is now ripe for moving forward and putting some dates and deliverables on each of these core areas, and canvass, among ourselves, champions for each piece of work, so that within another year we have at least something useful to report, something to reflect upon and improve in, and ways to move the New Deal forward.

2. Rethinking IWG priorities in the light of the broad conclusions of the New Deal Monitoring Report?

As this a working group, —a cauldron for shaping and sharing ideas on best practice, rather than an implementation vehicle as such— it still worth considering whether we have chosen the right focus areas.

The New Deal monitoring report, which we will be discussing in a high-level public event in just a few days’ time, was a collective piece of work by the Dialogue, and it was collectively endorsed by all three constituent bodies. As such, its findings and recommendations could serve as a powerful tool for re-orienting the work of the International Dialogue and the IWG in particular.

Whilst the choice of the 4 work areas broadly reflects some elements of the findings of the NDMR, it does not reflect all of them. In fact, there may be a need for the IWG to review the broad conclusions of the NDMR and assess whether its choice of priorities actually reflects the burning issues for urgent action, outlined in the report.


Let us just remind ourselves what the conclusions of the NDMR were. In particular, the traffic lights visual summary of the main conclusions was a useful guide in terms of what is to be done.
The New Deal Monitoring Report is the first report which examines, in detail, what progress there has been since implementation began in the pilot countries. Unanimously endorsed by all members of the International Dialogue, it provides useful pointers about what needs to be done if the New Deal is to be more effectively implemented, and in order to achieve its ambition and promise to radically overhaul the nature of engagement in fragile and conflict affected states. The report looks specifically at the extent to which aid effectiveness principles have been applied to aid delivery in the New Deal pilot countries (TRUST), and the extent to which governments have taken account of the New Deal principles in national-planning and priority-setting processes (FOCUS). It does not, however, look specifically at the PSGs.

The report, which is based on a survey of g7+ countries and INCAF donor agencies, concluded that, so far, results have been mixed. Since its launch in 2012, there have been some changes. After just three years, the New Deal has already begun to spearhead the beginnings of change. Donors and countries are beginning to adapt their systems to more effectively coordinate and there is more and better dialogue within donor communities and between them and governments. Moreover, significant progress is also apparent in the normative and policymaking fields.

Yet, real change takes time—several generations in fact. While the progress highlighted must be acknowledged, the report also notes that overall implementation has been slow and not systematically uniform across all pilot countries. It does not yet amount to the paradigm shift some had hoped for. Some aspects of the New Deal framework have actually been stalled in many pilot countries, inclusive politics and inclusive policies remain far off, and establishing deep trust between donors and country governments and between country governments and civil societies remains an uphill struggle.

In addition, for most pilots, donors have been reluctant to use country systems, invest in capacity building, and pool finances to manage risk. There continues to be underinvestment in inclusive politics, justice, and security, even though we all agree that they are vital. Pilot country governments themselves, too, have difficulties translating the PSGs and the results of admittedly consultative conflict analyses (Fragility Assessments) into action. There are few inclusive national planning processes, and the results of fragility assessments are rarely systematically woven into the agreements that governments themselves sign with donors (Compacts). Nevertheless, the New Deal has been piloted in 7 countries, and this Monitoring Report provides an important gauge of current progress and highlights of what remains to be done. The challenge now is to learn the lessons and move onward quickly.
What we have learned? Key messages emerging from the first round of New Deal pilots

- **Implementing the New Deal is an inherently political exercise.** It needs top level leadership, in both g7+ countries and donor governments, to drive it through. Mobilising top level support of this kind needs to be a priority for those committed to tackling fragility head on.

- **Fewer priorities, more focus.** Compacts are potentially great for locking in donors and country governments into a set of binding commitments, but, if they are to work, they must be less complicated and more focussed. They should include a set of core short-term priorities which can deliver visible results and build confidence. Compacts also must be informed by a shared understanding of the drivers of fragility and sources of resilience.

- **Finance Ministries and Donor Agencies cannot do it alone.** The New Deal needs buy in across governments in order to make real progress on the ground. Investing in broad-government approaches in donor countries and in fragile and conflict affected states is key.

- **New Deal implementation needs to move from the global to the local** and focus on building support for New Deal implementation in country. This means clear targets and clear roadmaps for implementation, and joint assessment of risks and monitoring tools.

- **The Peacebuilding and Statebuilding Goals (PSGs) need to be up front and at the centre of any engagement in fragile and conflict affected environments** – and at the heart of mutual accountability. The PSGs should be guiding us towards the important issues that need to be addressed.

- **Aid transparency needs to be an integral part of national planning and budgeting.**

- **Pooled financing is helping to strengthen country systems but requires clear targets and agreed plans** in order to scale up their use step by step.

- **More shared / joint risk assessments are vital** if higher risks / perceptions of high risk are to be overcome.

5. **IWG must respond to changing operating environment**

In addition, since the ND monitoring report was written, the external operating and internal operating environment has evolved.

The ID has a new co-chair—Sweden—and there is a perceptible reticence on the part of some Dialogue members to continue to engage with the New Deal. There are concerns that only some of the NDMR’s recommendations—notably on poor progress on aid effectiveness—are being taken on board by the IWG, whilst the PSGs, notably PSG1, are being neglected. The New Co-Chair is particularly keen on PSG1 gaining more systematic airing.

This means that the manner in which the IWG group pursues the validation and communication of the results of the NDMR—from an aid effectiveness perspective alone—could further generate disengagement from the New Deal on the part of the INCAF members.

Galvanising, once again, widespread commitment and support for the New Deal is a major challenge. The IWG group needs to ask itself whether their choice of priorities, as they presently stand, is the most effective way of doing this.
4. Key questions

- Do the current ID Work Plan priorities have to change?
- How can the IWG group ensure that the ID engages more with PSG1?
- Does the IWG need to invest more in sensitising country-level staff of agencies to the New Deal?
- How can the current work stream areas be pursued in such a way that galvanises New Deal interest at country level?
- Can IWG members agree upon two things can be extracted from the NDMR—recommendations for progress, that the IWG as a whole can agree on across all three constituencies— and push for collective progress throughout the year, as a means to scaling up New Deal implementation?