

**PRS Implementation Forum - Session V: Aid Harmonization and Aid Effectiveness**

Longer Term PRSP Target/Link	Targets to be achieved by October 2006
<p>1. Establish an overarching <b>GoB-DP harmonization implementation and monitoring framework</b> to enhance aid effectiveness</p>	<ul style="list-style-type: none"> <li>● <b>Harmonization Action Plan will be finalized</b> as a working document outlining directions for future actions by both GoB and DPs.</li> <li>● <b>A senior official will be appointed in ERD as a focal point</b> with a clear mandate to promote the implementation and monitoring of Harmonization Action Plan and to participate in international conferences on aid effectiveness (e.g. OECD/DAC).</li> <li>● <b>GoB-DP Joint Harmonization Taskforce</b> will be established and its meetings will be held on a regular basis to track the progress of Harmonization Action Plan and Paris Declaration implementation and to facilitate necessary actions by both GoB and DPs.</li> <li>● <b>GoB-DP Joint Seminar on Aid Harmonization and Aid Effectiveness</b> will be held in early 2006 with the participation of various stakeholders, including relevant ministries and agencies, to identify and facilitate necessary actions.</li> </ul>
<p>2. Further improve <b>public financial management (PFM) and procurement process</b> to ensure country-owned, efficient and sustainable resource management and to strengthen a basis for donor support</p>	<ul style="list-style-type: none"> <li>● <b>Medium Term Budgetary Framework (MTBF)</b> will be extended from 4 to 15 ministries for FY2006-7 with a view to further extending it to all ministries as soon as practicable so that the distinction between revenue and ADP budgets could be removed and that the link between financial inputs and expected outputs could be established.</li> <li>● An agreed <b>Public Financial Management Improvement Plan (PFMIP)</b> will be developed and implemented, with measures and timetable to address gaps, including those identified in the recently developed PFM indicators.</li> </ul>

	<ul style="list-style-type: none"> <li>● <b>New procurement law</b> will be enacted and implemented. <b>Procurement management and monitoring capacity</b> will be enhanced through training with the target of 1600 staff by June 2006 and the centralized management information system (MIS). <b>E-government procurement</b> will be piloted so that speedy and appropriate procurement decisions could be made. <b>International obligations</b> will be applied to donor-assisted projects so that such projects could be implemented without delay.</li> </ul>
<p>3. <b>Promote Program-Based Approach and sector coordination</b> to mobilize various aid schemes and instruments for maximum impact</p>	<ul style="list-style-type: none"> <li>● <b>Program-Based Approach</b> will be extended from primary education (PEDP-II) and health (HNPS) to other sectors/sub-sectors (e.g. private sector development, local governance, justice) in a pragmatic manner, which would then be incorporated into the Medium Term Budgetary Framework (MTBF). Lessons learnt from PEDP-II and HNPS will be compiled and widely shared with other line ministries.</li> <li>● <b>Sector coordination</b> will be vigorously pursued by both GoB and DPs in important sectors (e.g. power, water and sanitation, agriculture) to enhance aid effectiveness. Analytic works will be shared and missions will be coordinated.</li> </ul>
<p>4. <b>Mainstreaming Managing for Results</b> through capacity building and coordination of overarching (MDG/PRSP), sector- and project-level monitoring and evaluation</p>	<ul style="list-style-type: none"> <li>● <b>MDG/PRSP monitoring capacity</b> will be strengthened by coordination of a wide range of monitoring and evaluation activities as well as concerted statistical capacity building efforts to enhance data quality, analysis and policy feedback (e.g. support for GED &amp; BBS, formulation of Statistics Master Plan).</li> <li>● <b>Sector- and project-level monitoring and evaluation</b> will be better coordinated and joint monitoring and evaluation will be promoted so that transaction cost could be reduced and that the outcomes could be utilized by more stakeholders.</li> </ul>
<p>5. <b>Establish a GoB-DP mechanism for PRSP implementation and monitoring</b> to facilitate</p>	<ul style="list-style-type: none"> <li>● <b>GoB-DP mechanism for PRSP implementation and monitoring</b> will be established to track the progress and facilitate necessary actions by both GoB and DPs. GoB-led working group will explore the concrete</li> </ul>

collaboration	<p>modalities of such mechanism. ERD will promote such work from GoB side, while LCG will promote DPs' constructive engagement and support GoB's leadership.</p> <ul style="list-style-type: none"><li>● <b>Sector-level GoB-DP mechanisms for the same purpose</b> will also be established to support and feed into the overarching PRSP implementation and monitoring process. GoB-led sector-level working groups will explore the concrete modalities of such mechanisms.</li><li>● In addition to GoB and DPs, other parties such as <b>private sector and NGOs</b> will participate in the mechanisms where appropriate. PRSP monitoring by <b>civil society</b> could also be considered.</li></ul>
---------------	---