

ANNEX A

Key elements of a reform agenda to implement the DAC Guidance on Transition Financing

Commitment	Steps for donor consideration	HQ	Field
1. Identify, accept and manage context-specific risks	a) Active participation in joint assessments of contextual risks. The results of these assessments used when defining country strategies and deciding on priority interventions and funding channels.	X	X
	b) Decision making based on understanding of contextual risks and on the need to balance risks with opportunities.	X	X
	c) Strategy in place to communicate publicly about risks and mitigation strategies.	X	
	d) Simplified procurement and financial management procedures in place and used during transition.	X	X
	e) Incentives in place to enable use of emergency procedures in the initial stages of the transition.	X	
	f) Reforms undertaken to allow active participation in country-specific joint risk management platforms.	X	X
2. Strategise, prioritise and sequence activities	a) All aid to a given country, including through bilateral and multilateral channels and funding for global thematic programmes, is included and prioritised in the country strategy.	X	
	b) Policies recognise that elaborate planning frameworks can stifle results during transition and that simplified planning and shorter planning cycles are required. This is understood by planning and programming staff.	X	
	c) Criteria in place to ensure that donor strategies match the prioritisation laid out in country strategies and compacts. Adequate resources and systems allow participation in collective prioritisation and annual reviews, even in cases where this will involve suspending existing bilateral strategies.	X	X
	d) Operational guidelines recognise that development, diplomatic, humanitarian and security activities need to compliment and reinforce each other. Explicit guidance provided on how staff can achieve this.	X	

(continued) ►

Commitment	Steps for donor consideration	HQ	Field
3. Deliver better aid through a mix of instruments	a) Ministerial-level recognition of the need to mix ODA and non-ODA and government-wide investigation to explore scope for establishing specific transition funding instruments at HQ level, including stabilisation funds and budget lines that bridge different funding streams.	X	
	b) Funding decisions based on an understanding of contextual risks and clear and realistic assumptions about what can be delivered within which timeframes.		X
	c) Ability to mix and match humanitarian, development and security tools and instruments to provide the most appropriate funding for an evolving transition context. Clarity on objectives and a transparent division of labour between instruments and budget lines and effective co-ordination in place.	X	
	d) Guidelines developed to clarify how and under what conditions different pooled funds can be supported. Where this is not possible, ensure that objectives are still aligned and complementary.	X	
	e) Strategy in place to explain how and through what instruments and institutions multilateral funding should be channelled. Explicit policy in place to sequence the use of instruments based on objectives at different stages of transition.	X	
4. Support and engage in transition compacts	a) Compacts formalised as part of national response strategies and accepted as a priority, including in New Deal countries.		X
	b) Sufficient authority delegated to field offices to allow staff to adjust programmes, instruments and aid flows in response to evolving contexts and based on compact negotiations.	X	
	c) Country and sector strategies automatically suspended once a compact is agreed, to allow collective prioritisation.	X	
	d) Donor reports locally on aid flows (with multi-year predictions) and results, and according to local aid tracking systems and categories.		X
5. Link humanitarian and development engagement	a) Both emergency and development interventions are explicitly recognised in country strategies during transition and policies are in place to effectively co-ordinate and manage humanitarian and development responses. Steps taken to enable humanitarian desk officers to be part of country teams in all transition contexts.	X	X
	b) Funding procedures, practices and timeframes adjusted, as needed, to allow for early release of development funds to meet priorities during transition (as oppose to stretching of humanitarian funding and instruments).	X	
	c) Application of the Principles for Good International Engagement in Fragile States formalised as the overarching guiding framework. The need for gradual application of the Paris Declaration explicitly recognised.	X	X
6. Use and improve the effectiveness of the multilateral system during transition	a) Donor's multilateral aid strategy clarifies the intended role of different actors during transition and the capacities needed to perform such roles.	X	
	b) Donor engages in dialogue with multilateral actors about pooling of risk and support the establishment and use of mechanisms for this purpose.	X	
	c) Donor staff of multilateral boards and fora are briefed on the commitments in the DAC guidance and actively advocate for the use of compacts in the global response, including as part of the toolkit being considered by the UN, EU, etc.	X	
	d) Donor engaged in global dialogue between bilateral and multilateral actors to agree on default models for pooled funds, and to further specialise global pooled funds to avoid duplication of activities.	X	
	e) Donor encourages further coherence in planning and implementation, including through reforms of PCNA methodology and greater clarity on transition out of humanitarian cluster arrangements, and allocates flexible funding to achieve this.	X	



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