



Commonwealth Finance Ministers Meeting

Limassol, Cyprus. 30 September – 2 October 2009

Provisional Agenda Item 2

FMM(09)(O)1 Supplement

MEETING OF COMMONWEALTH SENIOR FINANCE OFFICIALS 30 SEPTEMBER 2009

ANNOTATED DRAFT AGENDA

This annotated agenda provides an overview of the issues to be discussed at the Senior Officials Meeting on 30 September. Consistent with the reshaping of the format of Commonwealth Finance Ministers Meetings, officials will be discussing a series of substantive issues. These discussions will provide strategic guidance to the Secretariat in a number of areas. The conclusions of the meeting will be reported to Ministers for endorsement.

Item 1: Election of Chairperson

2. The host country will chair the Meeting.

Item 2: Adoption of Agenda

Item 3: Consideration of the draft agenda for the Commonwealth Finance Ministers meeting

3. Officials will have an opportunity to comment on the structure of the Ministerial meeting and the content of the agenda.

Item 4: Review of Commonwealth performance under the Paris Declaration on Aid Effectiveness

4. At their 2007 meeting in Georgetown, Guyana, Commonwealth Finance Ministers agreed a work programme for the Secretariat in the field of Aid and Aid Architecture. One part of that work programme was linked to the implementation of the Paris Declaration. This required the Secretariat to produce an annual report on the implementation of the Paris

Declaration within the Commonwealth. It also called on the Secretariat to raise awareness and promote exchange of experiences on implementation of the Paris Declaration.

5. The annual report is contained in **Commonwealth Member Countries' Progress on the Aid Effectiveness Agenda: A Review FMM(09)(O)3**. This provides a detailed analysis of performance by the Commonwealth countries against the objectives contained in the Paris Declaration drawing on the survey work undertaken by the OECD in preparation for the High Level Forum on Aid Effectiveness held in Accra in 2008.

6. A short discussion note has been compiled by the Secretariat (**FMM(09)(O)3**). It provides an overview of the trends evident in the Commonwealth in implementing the Paris Declaration. It shows that Commonwealth countries as a whole are making more rapid progress than non-Commonwealth countries. However, overall the entire international community, including members of the Commonwealth are lagging in making progress towards the targets which are due to be met by the end of next year.

7. **In discussion, Officials should comment on:**

- **Progress towards implementing the Paris Declaration and the Accra Agenda for Action in their countries and**
- **The processes for taking forward the commitments in the Paris Declaration and Accra Agenda for Action in their countries.**

8. The paper seeks guidance from Senior Officials on the work which the Secretariat can undertake to fulfil the Ministerial mandate to support members in improving aid effectiveness through implementation of the Paris Declaration. There are five questions to which answers are sought:

- **Do Senior Officials agree that Ministers should receive a periodic report every three years?**
- **Does the Secretariat have a role to play in promoting peer to peer learning and dissemination of good practice? If so, how can the Secretariat assist?**
- **How can the Secretariat work with its members to leverage the political commitment and use the Commonwealth platform to improve aid effectiveness?**
- **How can the Secretariat assist in facilitating discussion between donors and recipients?**
- **How can the Secretariat best assist learning amongst traditional and non-traditional donors on how to pursue aid effectiveness and promote cross Commonwealth learning?**

9. Finally, the Secretariat has been working within the OECD Working Party on Aid Effectiveness to identify areas where the Commonwealth can make a distinctive contribution as part of the work programme in raising awareness and promoting exchange on the implementation of the Paris Declaration. To support this, the Secretariat will undertake a number of case studies on ***Building Stronger Synergies between Domestic and Mutual Accountability for Aid***. It is envisaged that these case studies would be undertaken between November 2009 and April 2010. Volunteer member countries interested in participating in this practical piece of work are sought. A short note provides further background and sets out briefly the planned methodology and approach.

10. Members will receive an oral briefing on this work from the Secretariat. In addition, officials will receive a briefing from the co-Chair of the Ownership and Accountability Cluster which meets under the auspices of the DAC Working Party on Aid Effectiveness to put this work in further context.

Item 5: Gender Responsive Budgeting in the Commonwealth

11. Since 2002 Commonwealth Finance Ministers have expressed their commitment to the implementation of Gender Responsive Budgets. At their meeting in 2005, Ministers recognised the critical importance of gender-responsive budgets (GRBs) for the achievement of economic growth, development, peace and democracy. Ministers reaffirmed their commitment to GRBs in 2007 and agreed to report biennially to review progress on this issue. At that time they also recognised the importance and need for institutionalisation of GRBs through the incorporation of gender considerations in budget documents and the development of reporting systems. The purpose of this was to ensure that it is possible to track the money allocated for gender equality and Ministers noted that this would lead to enhanced aid effectiveness. The Commonwealth Secretariat report **Institutionalising GRB in the Commonwealth: Lessons Learned and Critical Next Steps (FMM(O)(09)4)** focuses on the progress made and good practices on GRBs in Commonwealth member states since 2007, specifically looking to draw together knowledge about GRBs and Aid Effectiveness.

12. In discussion, Senior Officials should focus on the following questions with a view to making recommendations to Ministers about how the Commonwealth can support improvements in practice across the organisation:

- **How can member states implement stronger mechanisms and institutional arrangements for the implementation of GRB's?**
- **How can monitoring and evaluation of the impact of GRBs be improved to give a clearer picture of impacts; can more gender disaggregated data be collected?**
- **How can states capitalise on the potential of GRBs to bridge persistent inequalities between women and men and facilitate development and economic growth in the context of the current global financial crisis?**
- **How can Finance Ministers engage with National Women's Machineries and the Commonwealth Meeting of Women's Affairs Ministers in 2010 to ensure gender equitable recovery and ongoing growth?**
- **How can Finance Ministers promote a system-wide approach to gender mainstreaming via budgets, enhance accountability and transparency of national budgets and promote evidence-based, people centred plans and budgets?**

Item 6: Strengthening Public Finance Management in the Commonwealth: Lessons from the 2009 Country Public Financial Management self assessments

13. The *Aso Rock Declaration*, agreed at the Commonwealth Heads of Government Meeting in Abuja in 2003, made the commitment for the Secretariat to support the strengthening of public financial management in developing member countries. The Secretariat has made considerable progress on this mandate, some of which has been reported at Finance Ministers Meetings in Barbados, Guyana and St Lucia. In Guyana in 2007, Ministers welcomed the on-line toolkit, *Commonwealth Public Financial Management Self-Assessment Toolkit (CPFM-SAT)*, and made a commitment to conduct biennial self-

assessments. The toolkit was developed under the *Building Pyramids in the Valley* initiative to assist member countries to conduct self-assessments without external involvement. The key purpose of the toolkit is to assist countries in identifying strengths and challenges in public financial management reforms and to provide a road map in adopting gap closing measures. It attempts to address the disadvantages of country reliance on externally led assessments and promises to inculcate the spirit of internalised institutional reviews. It is also meant to guide the Secretariat's intervention strategy in public finance. The results of the 2009 assessments, in which twenty-two member countries participated, will be presented to the meeting. The presentation will be focusing on the lessons learnt and suggests a way forward on the Secretariat's support to member countries in the medium term.

14. Officials are asked to comment on the findings of the survey and to discuss:

- **What lessons should be learned from the assessment exercise?**
- **The value of future self-assessment exercises.**
- **The next steps in the Secretariat's work to support strengthening of public financial management.**

Item 7: Any Other Business

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