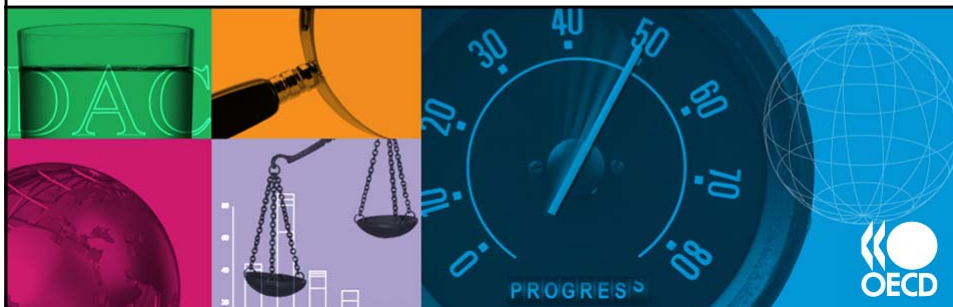




THE PARIS DECLARATION ON AID EFFECTIVENESS: LESSONS FOR EU AID IN ENLARGEMENT COUNTRIES

Donor Co-ordination Conference
organised by the Directorate General for Enlargement, European Commission
Brussels, 23 October 2008

Felix Zimmermann, OECD Development Cooperation Directorate



Overview

1. The OECD and its Development Assistance Committee
2. The 2005 Paris Declaration on Aid Effectiveness
3. Is aid becoming more effective?
 - Spotlights on Albania and Kosovo
4. The 2008 Accra Agenda for Action

The OECD

- 30 member countries committed to democratic government and the market economy
- Where governments compare and exchange policy experiences, identify good practices, and promote decisions and recommendations
- Characterised by dialogue, consensus and peer review

www.oecd.org



The OECD Development Assistance Committee

Where donors come together to help developing countries reduce poverty and achieve the Millennium Development Goals.

- | | | |
|-------------|---------------|-----------------------|
| ▪ Australia | ▪ Greece | ▪ Portugal |
| ▪ Austria | ▪ Ireland | ▪ Spain |
| ▪ Belgium | ▪ Italy | ▪ Sweden |
| ▪ Canada | ▪ Japan | ▪ Switzerland |
| ▪ Denmark | ▪ Luxembourg | ▪ United Kingdom |
| ▪ Finland | ▪ Netherlands | ▪ United States |
| ▪ France | ▪ New Zealand | ▪ European Commission |
| ▪ Germany | ▪ Norway | |



DAC Subsidiary Bodies

- Working Party on Statistics
- ***Working Party on Aid Effectiveness***
- Network on Development Evaluation
- Network on Gender Equality (GENDERNET)
- Network on Environment and Development Co-operation (ENVIRONET)
- Network on Poverty Reduction (POVNET)
- Network on Governance (GOVNET)
- Network on Conflict, Peace and Development Co-operation
- Fragile States Group



Working Party on Aid Effectiveness

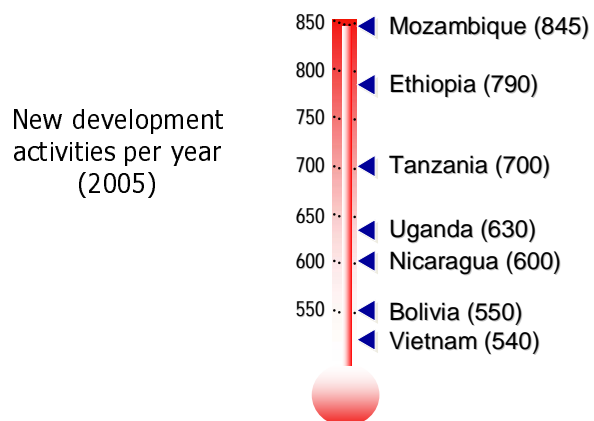
- Set up in 2003 following Monterrey conference on Financing for Development
- Comprises senior policy advisers from the DAC (23), developing countries (23) and multilaterals (11)
- Negotiated the Paris Declaration (2005) and Accra Agenda for Action (2008)



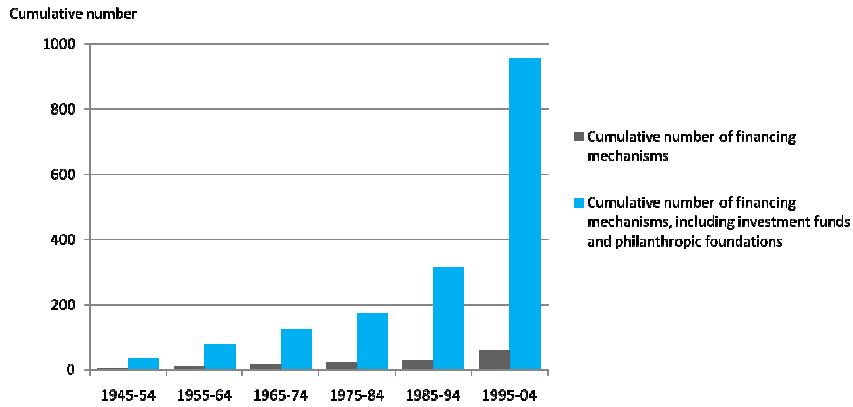
So: why talk about aid effectiveness?



Projects strain limited capacities



Financing mechanisms are multiplying



Source: *Financing Development 2008: Whose Ownership?*
 OECD Development Centre
 Based on Kaul and Conceicao (2006)

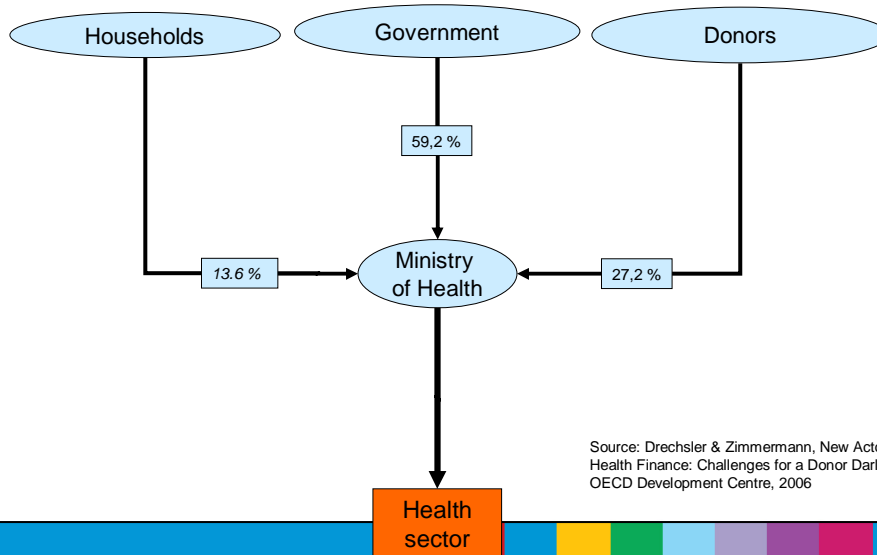


Since 2000

Logos include:

- Stop TB Partnership
- President's Emergency Plan for AIDS Relief (PEPFAR)
- Global Alliance to Eliminate Leprosy (GAEL)
- Initiative on Public-Private Partnerships for Health
- Concept Foundation
- Accelerating Access Initiative
- TREAT 3 by 5
- RBM (Roll Back Malaria)
- APOC
- AFUTUREFREEOFLP (Global Alliance)
- gain (Global Alliance for Improved Nutrition)
- CLINTON FOUNDATION
- GLOBAL ALLIANCE FOR TB DRUG DEVELOPMENT
- Medicines for Malaria Venture
- iavi (International AIDS Vaccine Initiative)
- ACHAP
- Global Polio Eradication Initiative
- GLOBAL ALLIANCE FOR TB DRUG DEVELOPMENT
- International Trachoma Initiative (ITI)
- step forward
- Children's Vaccine Program
- Global Health Council
- HIV VACCINE PARTNERSHIP
- EMVI (European Malaria Vaccine Initiative)
- MECTIZAN DONATION PROGRAM
- NetMark (Public-Private Partnership)
- Global Campaign for Microbicides (Hope for African Children Initiative)
- Schistosomiasis Control Initiative
- US Presidential Initiative FIGHTING MALARIA (SAVING LIVES IN AFRICA)
- The Micronutrient Initiative
- Pediatric DENGUE VACCINE INITIATIVE

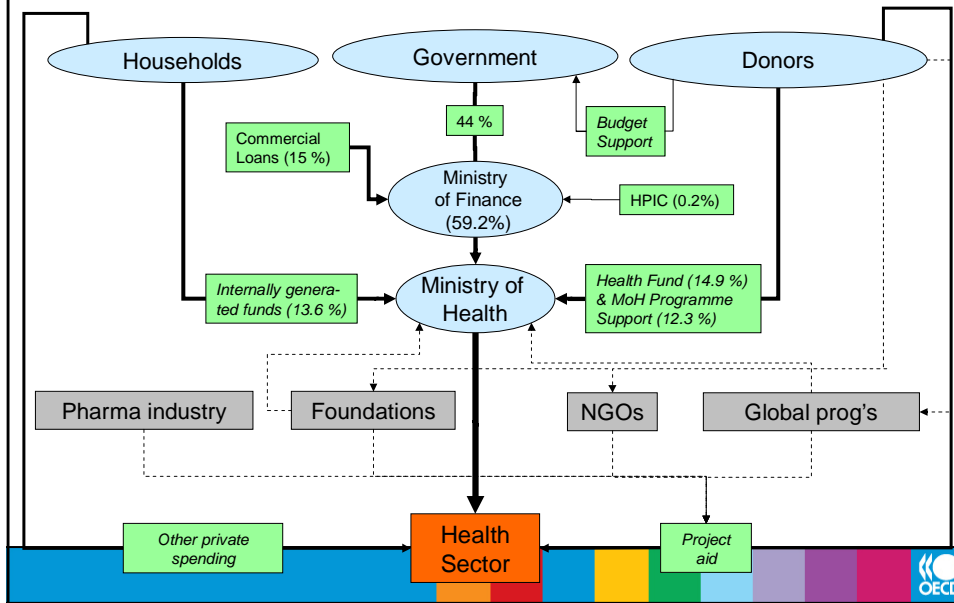
Health finance according to the Ghanaian Ministry of Health (2006)



Source: Drechsler & Zimmermann, New Actors in Health Finance: Challenges for a Donor Darling, OECD Development Centre, 2006



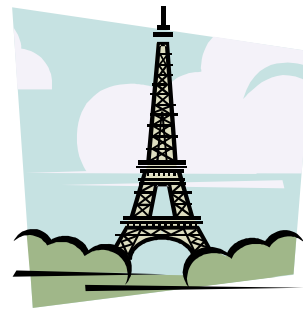
But the reality is more complex



Emerging from this complexity in 2005: an unprecedented consensus

Who endorsed the Paris Declaration?

- 35 donor countries
- 26 multilateral donor agencies.
- 56 countries that receive aid.
- [14 Civil society organisations]

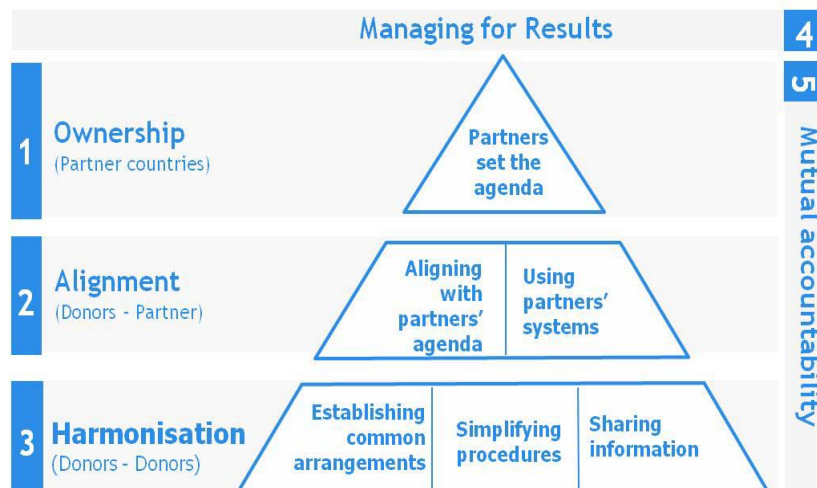


A roadmap to deliver more effective aid:

- 56 specific commitments.
- 12 Indicators of progress.



The Paris Declaration “pyramid”



12 indicators to monitor progress

	INDICATORS		SURVEY	REVIEWS
Ownership	1	National development strategies		■
Alignment	2	Quality of country systems		■
	3	Alignment: aid is on budget	■	
Harmonisation	4	Coordinated support for capacity development	■	
	5	Use of country systems	■	
	6	Parallel PIUs	■	
	7	In-year predictability of aid	■	
	8	Aid is untied		■
	9	Programme-based approaches	■	
	10	Joint missions & analytic work	■	
Managing for Results	11	Results-oriented frameworks		■
Mutual Accountability	12	Reviews of mutual performance	■	



The Accra HLF III, September 2008

- 1,700 participants included 100 partner countries, most donors and international agencies, and 80 civil society representatives
- Taking stock of progress:
 - Monitoring Surveys (2006, 2008)
 - Progress Report
 - Independent Evaluation
- The Accra Agenda for Action
- www.accrahlf.net



55 Countries participated in the 2008 Monitoring Survey

Asia & Pacific	Tanzania	Mozambique	Yemen
Afghanistan	Benin	Nigeria	Latin America
Bangladesh	Burkina Faso	Togo	Haiti
Cambodia	Burundi	Madagascar	Colombia
Indonesia	Cameroon	Ethiopia	Peru
Mongolia	Cape Verde	Côte d'Ivoire	Bolivia
Nepal	CAR	Ghana	Honduras
Vietnam	Chad	Kenya	Nicaragua
Philippines	DR Congo	Liberia	Dom. Republic
P NG	Morocco	Sierra Leone	
Tonga	Gabon	Malawi	ECIS
Lao PDR	Mali	Arab States	Albania
Africa	Mauritania	Egypt	Ukraine
Uganda	Niger	Jordan	PISG Kosovo
Zambia	Senegal	Sudan	Moldova
			Kyrgyz Republic



How are we going?



Where progress is on track

		2005		2010 Targets
1	Operational Development Strategies	17%		75%
2	Reliable Public Financial Management Systems		36%	50%
3	Aid flows are recorded in countries' budgets	42%		85%
4	Technical assistance is aligned & coordinated	48%	60%	
5a	Donors use country PFM Systems	40%		[80%]
5b	Donors use country procurement systems	39%		[80%]
6	Donors avoid parallel PIUs	1817		611
7	Aid is more predictable	41%		71%
8	Aid is untied	75%	88%	[100%]
9	Donors use coordinated mechanisms for aid delivery	43%		66%
10a	Donors coordinate their missions	18%		40%
10b	Donors coordinate their country studies	42%		66%
11	Sound frameworks to monitor results	7%		38%
12	Mechanisms for mutual accountability	22%		100%



Where targets are within reach

		2005		2010 Targets
1	Operational Development Strategies	17%		75%
2	Reliable Public Financial Management Systems		36%	50%
3	Aid flows are recorded in countries' budgets	42%	49%	85%
4	Technical assistance is aligned & coordinated	48%	60%	
5a	Donors use country PFM Systems	40%		[80%]
5b	Donors use country procurement systems	39%		[80%]
6	Donors avoid parallel PIUs	1817	1601	611
7	Aid is more predictable	41%	45%	71%
8	Aid is untied	75%	88%	[100%]
9	Donors use coordinated mechanisms for aid delivery	43%		66%
10a	Donors coordinate their missions	18%		40%
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11	Sound frameworks to monitor results	7%		38%
12	Mechanisms for mutual accountability	22%		100%



Where very special efforts are required

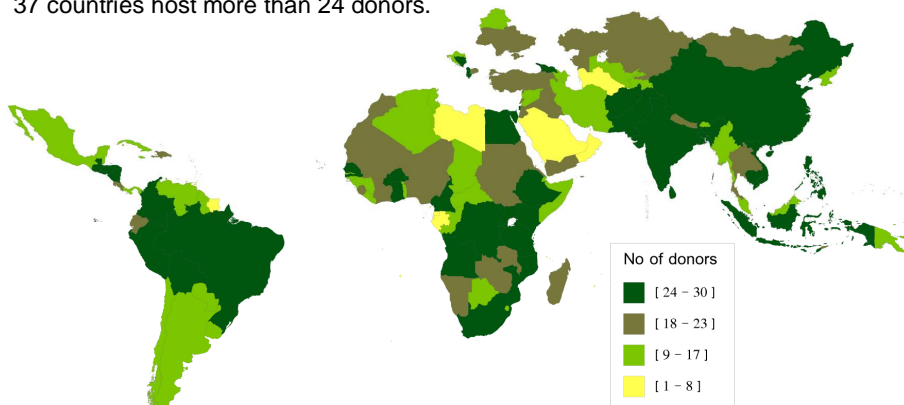
		2005	2010 Targets
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10b	Donors coordinate their country studies	42%	44% 66%
11	Sound frameworks to monitor results	7%	9% 38%
12	Mechanisms for mutual accountability	22%	26% 100%



The number of donors per country remains high

Donor programmes cover many countries
(EC, France & Germany: over 100 countries each).

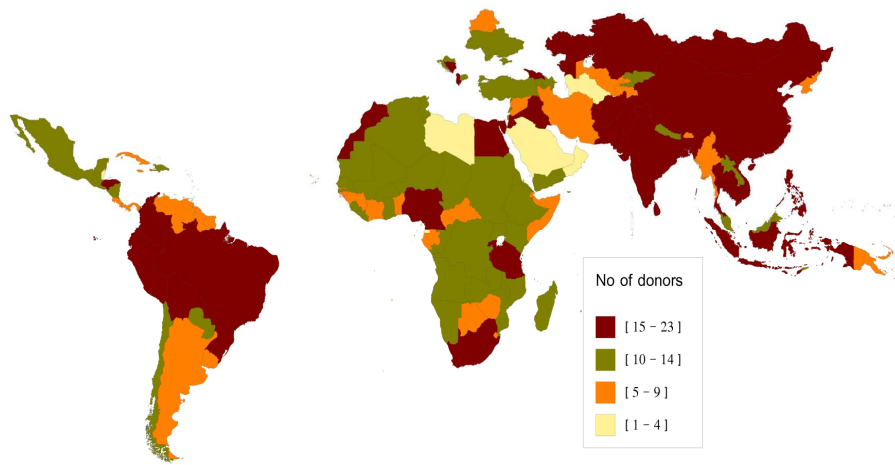
37 countries host more than 24 donors.



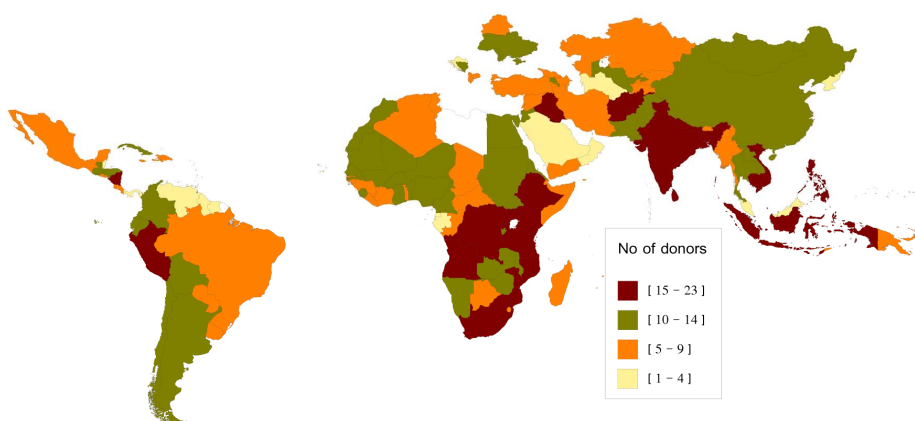
Quartile distribution of number of DAC and major multilateral donors by country



Many donors account less than 10% of aid

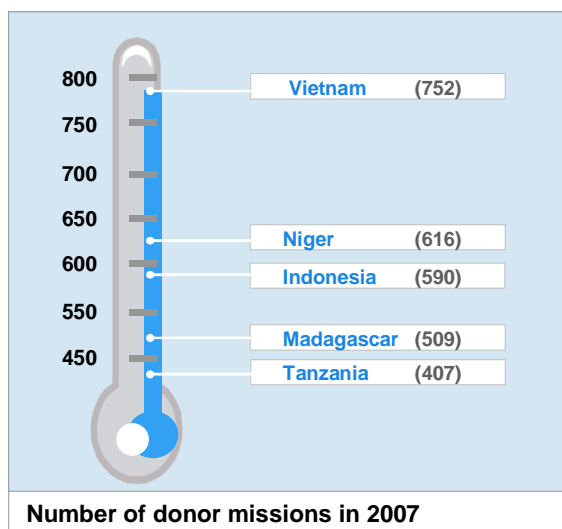


Aid for health is particularly fragmented



In 21 countries, in the health sector, more than 15 donors combined provide just 10% of their health CPA

10 420 missions in 55 countries in 2007



Spotlight on Albania

1. Ownership = moderate-high
 - Challenge: translate priorities into budgetary terms
 - Implement National Strategy for Development and Integration
2. Alignment = low-moderate
 - Step up donor use of public financial management systems
 - Improve data on aid disbursements
3. Harmonisation = low-moderate
 - Limited use of programme-based and sector-wide approaches
4. Managing for Results = low
 - Lack of capacity, especially on national monitoring and evaluation
5. Mutual Accountability = low
 - Finalise the harmonisation action plan, including a monitoring system



Spotlight on Kosovo

1. Ownership = low-medium
 - A long-term development plan with medium-term strategies
2. Alignment = low
 - Insufficient communication between donors and government
 - Improve capacities for financial management and procurement
3. Harmonisation = low
 - Limited use of programme-based approaches and insufficient dialogue with donors
4. Managing for Results = low
 - Lack of strategy to collect and disseminate data
5. Mutual Accountability = low
 - Donor conference should lead to high attention to aid effectiveness



The 2008 Accra Agenda for Action

- Not a new Paris Declaration
- A ministerial statement with concrete actions to help implement the Paris Declaration
- 48 commitments for donors and developing countries
- Focus on ***Ownership, Inclusive Partnerships*** and ***Delivering Results***



Country Ownership

- Broaden dialogue with parliaments, local authorities and civil society
- Re-affirm international commitments on gender equality, human rights, disability and environmental sustainability
- Strengthen capacity to lead and manage donors
- Strengthen developing country systems...
- ... and use them as the default option



Delivering and Accounting for Results

- Focus on delivering results: improving information systems
- Increase accountability and transparency
- Change conditionality to support ownership
- Increase medium-term predictability of aid



Effective and Inclusive Partnerships

- Reduce aid fragmentation: What role for the EU Code of Conduct?
- Use local and regional procurement
- Deepen engagement with civil society
- South-South Cooperation
 - Enlargement countries: from aid recipients to emerging donors?
 - E.g. Turkey
 - Regional Cooperation Council for South Eastern Europe



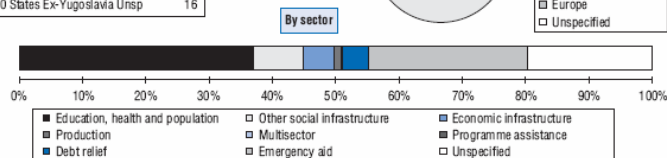
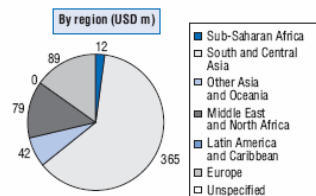
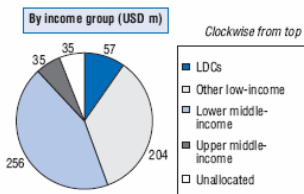
Turkey: from aid recipient to donor

TURKEY

Net ODA	2005	2006	Change 2005/06
Current (USD m)	601	714	18.8%
Constant (2005 USD m)	601	675	12.2%
In liras (million)	805	1 021	26.8%
ODA/GNI	0.17%	0.18%	
Bilateral share	89%	90%	

Top ten recipients of gross ODA (USD million)	
1 Pakistan	91
2 Kyrgyzstan	85
3 Kazakhstan	46
4 Afghanistan	43
5 Azerbaijan	33
6 Indonesia	25
7 Bosnia and Herzegovina	22
8 Lebanon	18
9 Turkmenistan	16
10 States Ex-Yugoslavia Unsp	16

Gross bilateral ODA, 2005-06 average, unless otherwise shown





For more information
www.oecd.org/dac



THE OECD DEVELOPMENT ASSISTANCE COMMITTEE
...where governments come together to make aid work

