



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

“Putting into practise the PARIS Declaration”
organised by NALAS and AAM
Tirana, 23 November 2008

*OECD Development Cooperation Directorate
amended by Christopher Opancar, Austrian Development Cooperation*



Overview

1. The OECD and its Development Assistance Committee
2. The 2005 Paris Declaration on Aid Effectiveness
3. Is aid becoming more effective?
 - Spotlight on Albania
4. The 2008 Accra Agenda for Action
5. How to put the PARIS Declaration into practise
 - Experiences and lessons
 - How to move forward?

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
- Austria
- Belgium
- Canada
- Denmark
- Finland
- France
- Germany

- Greece
- Ireland
- Italy
- Japan
- Luxembourg
- Netherlands
- New Zealand
- Norway

- Portugal
- Spain
- Sweden
- Switzerland
- United Kingdom
- United States
- European Commission

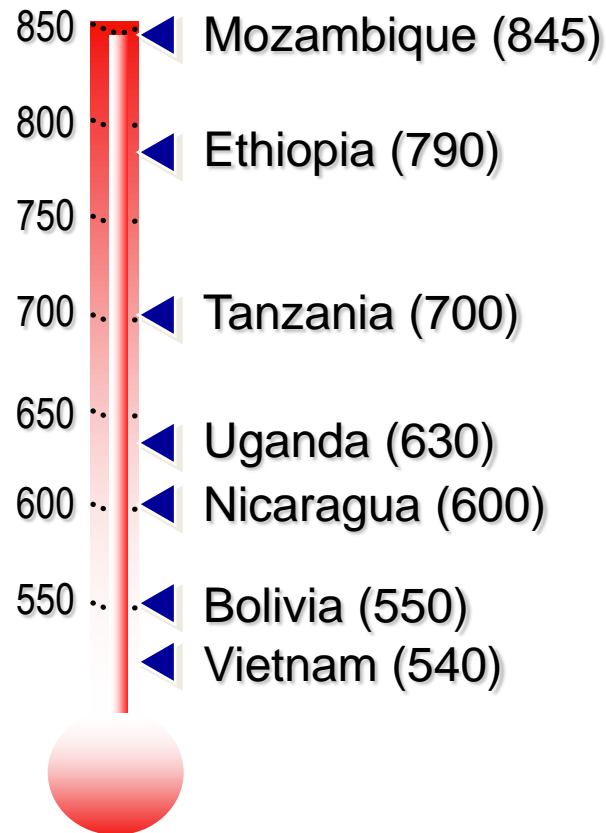
DAC Subsidiary Bodies

- 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

So: why talk about aid effectiveness?

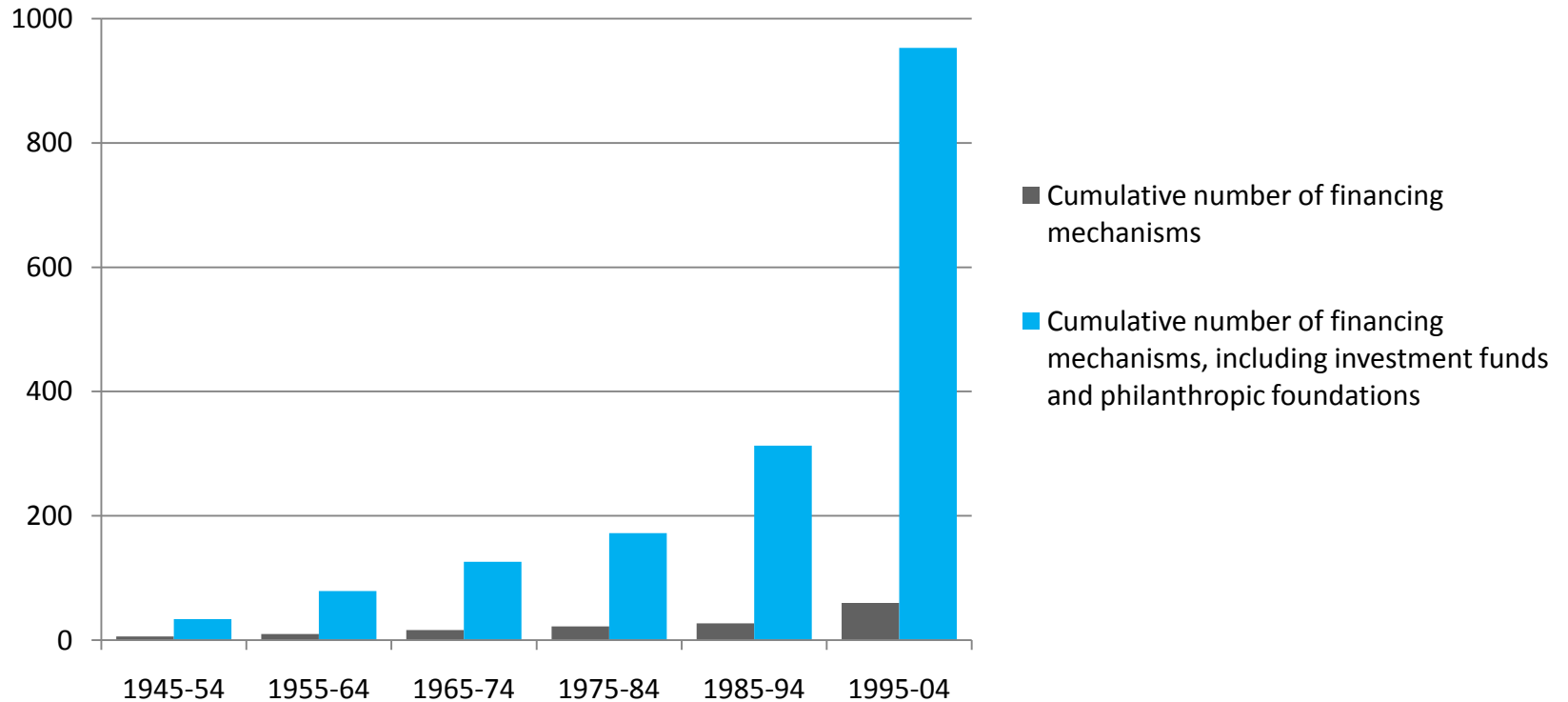
Projects strain limited capacities

New development activities per year (2005)



Financing mechanisms are multiplying

Cumulative number



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



Since 2000



President's Emergency Plan for AIDS Relief (PEPFAR)

Global Alliance to Eliminate Leprosy (GAEL)



Initiative on Public-Private Partnerships for Health



Accelerating Access Initiative



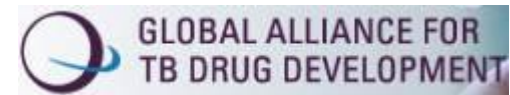
SECURE THE FUTURE



Medicines for Malaria Venture



Global Polio Eradication Initiative



The European Malaria Vaccine Initiative



US Presidential Initiative
FIGHTING MALARIA
SAVING LIVES IN AFRICA

Schistosomiasis Control Initiative



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]

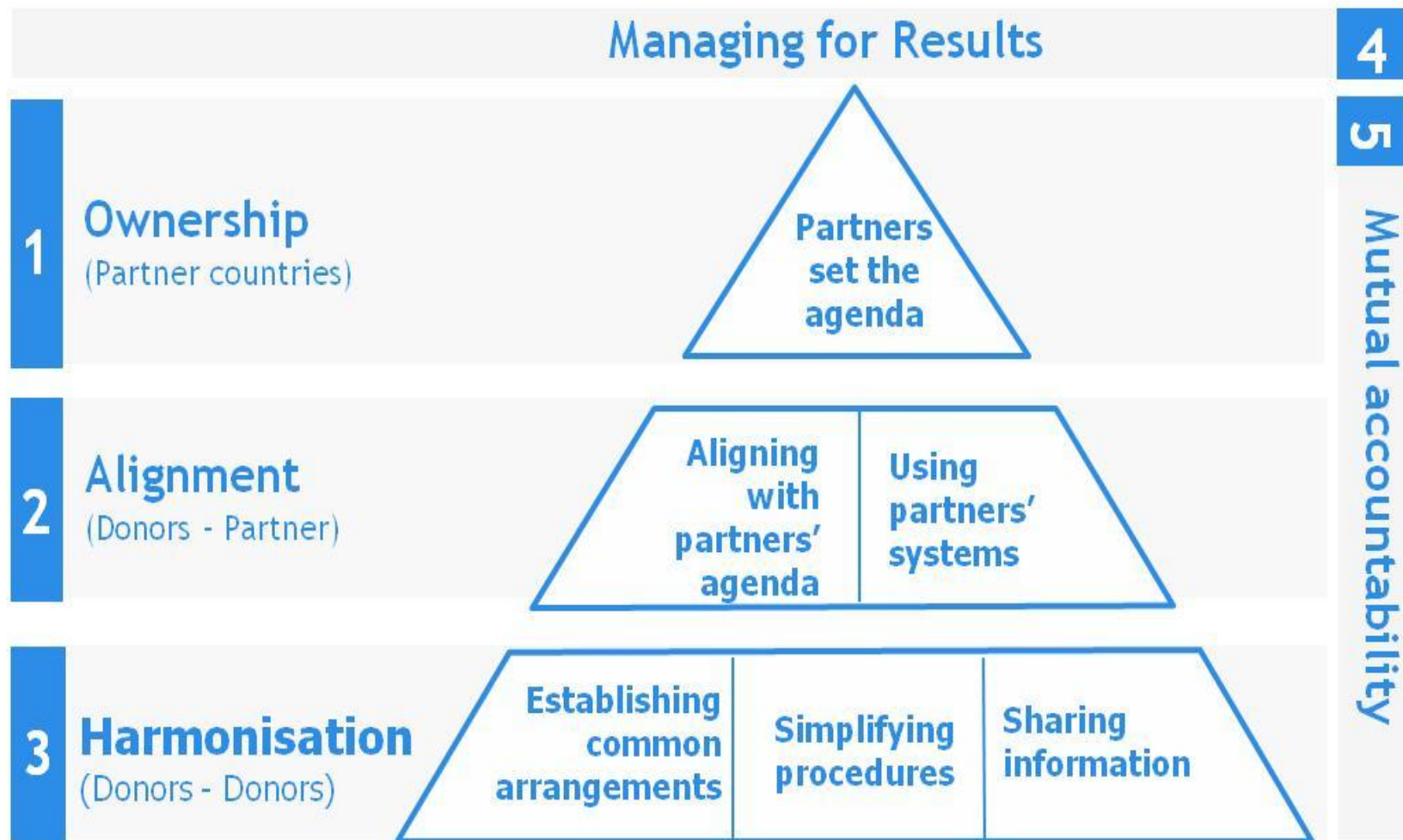
A roadmap to deliver more effective aid:

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	■	

55 Countries participated in the 2008 Monitoring Survey

Asia & Pacific

Afghanistan

Bangladesh

Cambodia

Indonesia

Mongolia

Nepal

Vietnam

Philippines
P NG

Tonga

Lao PDR

Africa

Uganda

Zambia

Tanzania

Benin

Burkina Faso

Burundi

Cameroon

Cape Verde

CAR

Chad

DR Congo
Morocco

Gabon

Mali

Mauritania

Niger

Senegal

Mozambique

Nigeria

Togo

Madagascar

Ethiopia

Côte d'Ivoire

Ghana

Kenya

Liberia
Sierra Leone

Malawi

Arab States

Egypt

Jordan

Sudan

Yemen

Latin America

Haiti

Colombia

Peru

Bolivia

Honduras

Nicaragua

Dom. Republic

ECIS

Albania

Ukraine

PISG Kosovo

Moldova

Kyrgyz Republic

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.accrahlfi.net

How are we going?

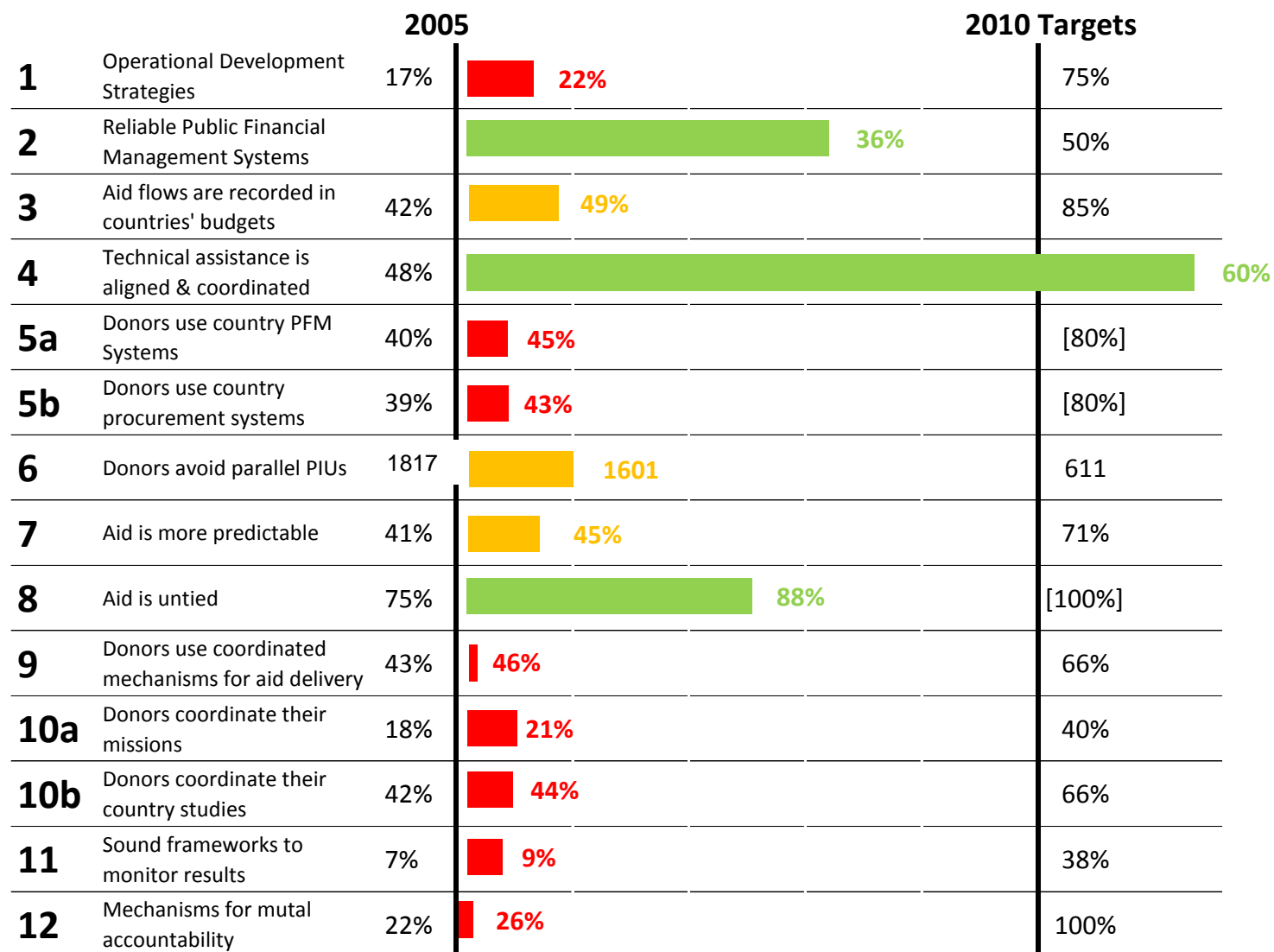
Where progress is on track

		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

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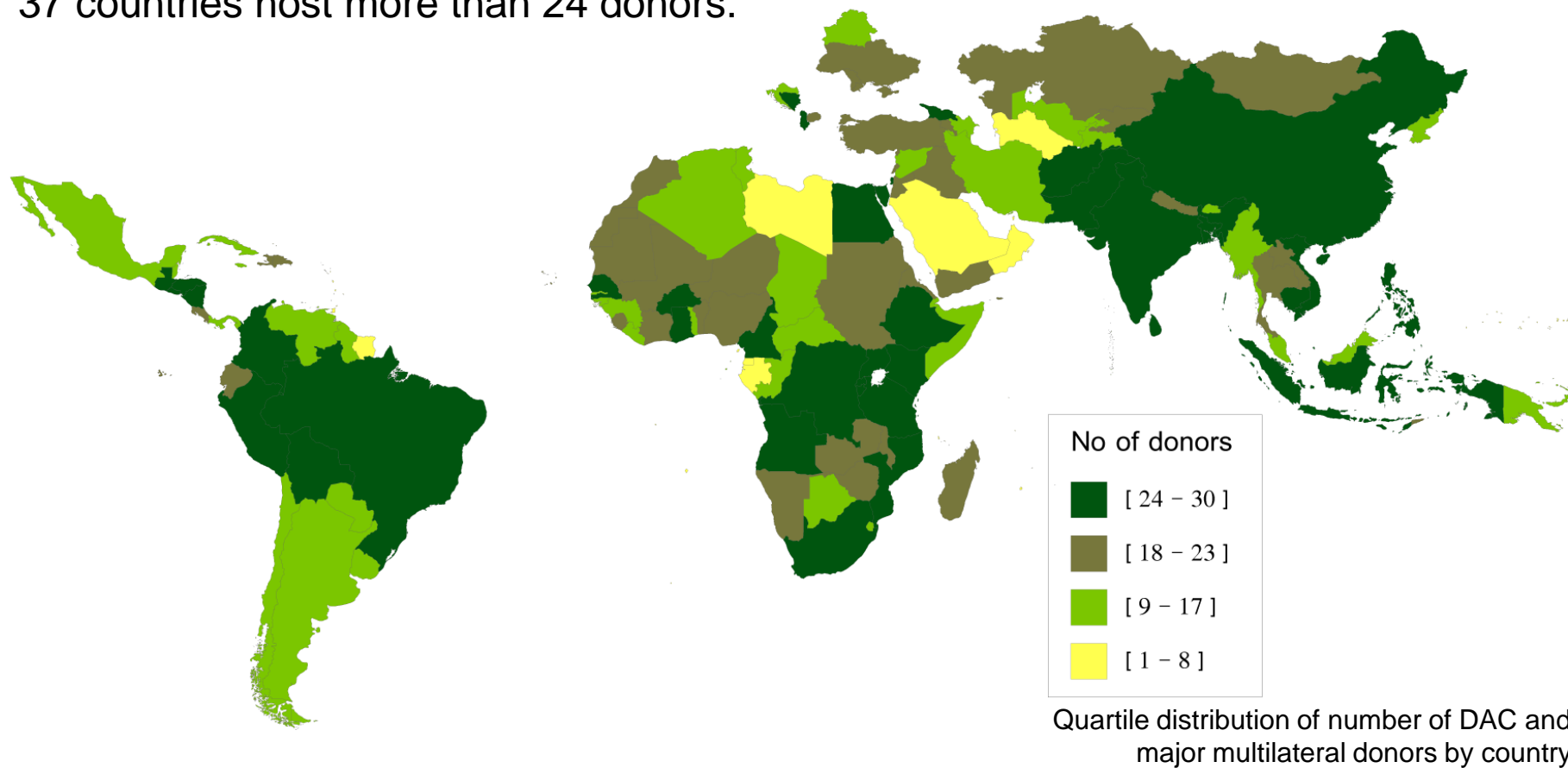
Where very special efforts are required



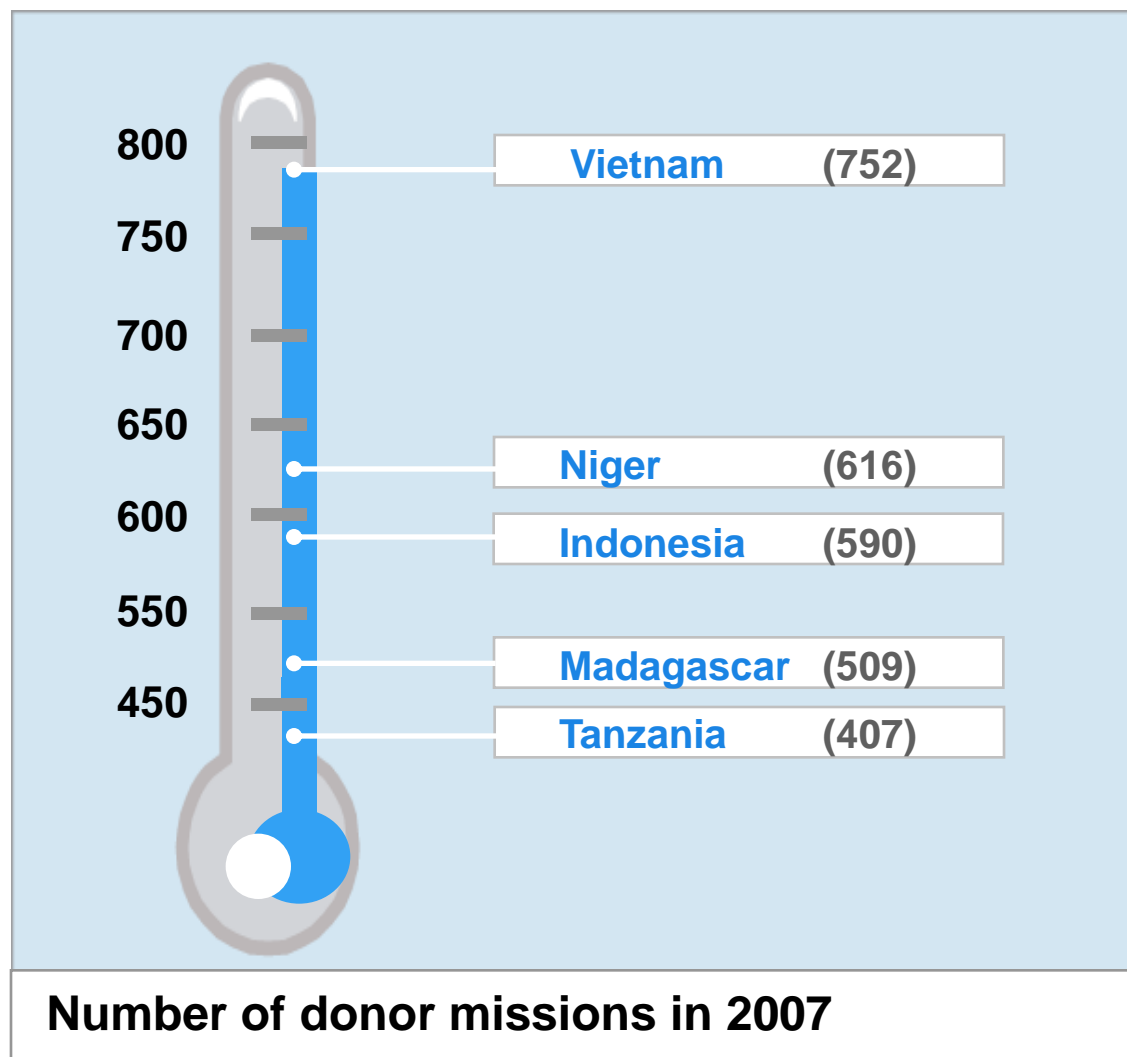
The number of donors per country remains high

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

37 countries host more than 24 donors.



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

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***

**What does this mean for
Local Governments?**

Current situation

- Decentralisation
- Strengthening capacities and building institutions
- High financial needs
- Regional Development
- Enhanced cooperation between regions

Experiences and lessons

Recommendations

General

- These principles apply to **all actors**
- Pro-active and transparent **communication** and **cooperation** at all levels
- Consider **all available funds**: State Budget and Donor Funds
- Holistic view, Sector Wide Dialogue
- Increase **accountability** and **transparency**

Recommendations

Beneficiaries

- Ownership
 - Quality of strategies, action plans, budgets, monitoring
 - Broaden dialogue with parliaments, local authorities and civil society
 - Re-affirm international commitments
- Steering coordination
 - Holistic view, Sector Wide Dialogue
 - But dont shop around !
 - Use intermediaries and representations
- Strengthen capacities and institutions
- Commitment and motivation

Recommendations

Beneficiaries and Donors

- Beneficiaries
 - Prepare agendas and strategies
 - Set up reliable country systems
- Donors
 - Align with the countries agenda
 - Use country systems
 - Avoid external structures (PIU, PCU, etc)
- Promote and allow for ownership

Recommendations

Donors

- Common arrangements, apply new aid modalities
- Partnerships, embark on joint initiatives
- Simplify procedures
- Information sharing
- Increase medium-term predictability of aid

Questions and risks (1)

- Decentralisation: With whom do Donors work, to align? Central or local Governments?
- Donors: don't preempt the role of the central Government
- Donors co-finance, not Governments (Ownership)
- Competition between Donors

Questions and risks (2)

- Use intermediaries and representations
- Language: clarification and agreement on concepts and terminology
- Long partnerships
- Dissemination of results and good practises

How to move forward?

Potentials and challenges

- Vast economic and social potential
- Broad development agendas
- Funding sources
 - EC: IPA regional, Interreg III
 - Bilateral and Multilateral Donors
 - State Budget

Thank you

- Live the spirit of the PARIS Declaration
- Ownership, Harmonization, Alignment
- Enhanced cooperation reduces transaction costs and increases effectiveness and efficiency
- For the benefit of all!



For more information
www.oecd.org/dac



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

