Moving Forward on Aid Effectiveness
Does it really make a difference?

Increasing Aid Effectiveness in Belize, using Health as a Tracer Sector
San Ignacio, Belize, 17 May 2010

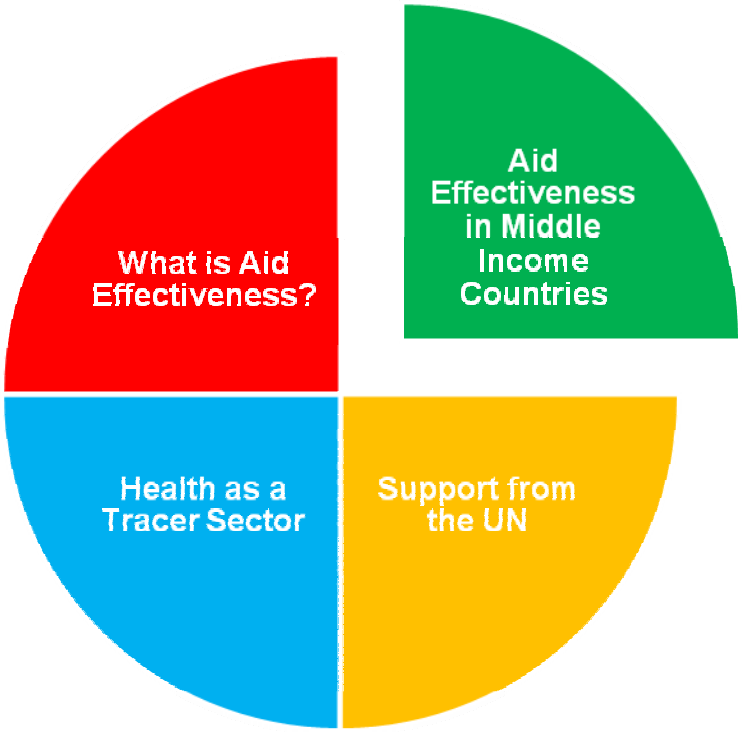
Today's presentation

What is Aid Effectiveness?

Aid Effectiveness in Middle Income Countries

Health as a Tracer Sector

Support from the UN



What is Aid Effectiveness?

What is aid effectiveness?

The effectiveness of development aid in achieving economic or human development

>> No new idea

>> Better use of funds

>> More efficient processes

>> Better and more sustainable results

What is Aid Effectiveness?

2000-2010: Ten Years of Aid Effectiveness

Millennium Summit 2000, Summit+5
Monterrey (FfD) 2002

Rome 2003
Paris 2005
Accra 2008
Seoul, HLF4 2011

OECD, World Bank, Regional Banks, civil society
Monitoring Surveys 2006, 2008 and 2010
PD Implementation Evaluation

What is Aid Effectiveness?

The Paris Declaration

Who endorsed it?

35 donor countries
26 multilateral donor agencies
56 countries that receive aid
14 civil society organisations present

Roadmap to deliver more effective aid:

56 specific commitments
12 indicators of progress

>> Simple adhesion process

What is Aid Effectiveness?

Countries Adhering to the Paris Declaration
17 May 2010: 17 countries in region

Afghanistan Albania **Argentina** Armenia Australia Austria Bangladesh Belarus Belgium Benin **Bolivia** Bosnia and Herzegovina Botswana **Brazil*** Burkina Faso Burundi Cambodia Cameroon Canada Cape Verde Central African Republic Chad China **Colombia** Comoros Congo Democratic Republic of Congo Cook Islands Cyprus Czech Republic Denmark Djibouti **Dominican Republic** **Ecuador** Egypt **El Salvador** Estonia Ethiopia European Commission Fiji Finland France Gabon The Gambia Germany Ghana Greece **Guatemala** Guinea **Guyana** **Haiti** **Honduras** Hungary Iceland India Indonesia Iraq Ireland Israel Italy Ivory Coast **Jamaica** Japan Jordan Kenya Korea Kuwait Kyrgyz Republic Lao PDR Lesotho Luxembourg Madagascar Malawi Malaysia Mali Mauritania **Mexico** Moldova Mongolia Morocco Mozambique Namibia Nepal The Netherlands New Zealand **Nicaragua** Niger Nigeria Norway Pakistan Palestinian territories **Panama** Papua New Guinea **Paraguay** **Peru** Philippines Poland Portugal Romania Russian Federation Rwanda Samoa Sao Tomé & Principe Saudi Arabia Senegal Serbia and Montenegro Sierra Leone Slovak Republic Slovenia Solomon Islands South Africa Spain Sri Lanka Sudan Swaziland Sweden Switzerland Syria Tajikistan Tanzania Thailand Timor-Leste Togo Tonga Tunisia Turkey Uganda Ukraine United Kingdom USA Vanuatu Vietnam Yemen Zambia

What is Aid Effectiveness?

12 Indicators of Progress

Ownership

1. Partners have operational development strategies.

Alignment

2. Reliable country systems.
3. Aid flows are aligned on national priorities.
4. Strengthen capacity by coordinated support.
5. Use of country systems.
6. Strengthen capacity by avoiding parallel PIUs.
7. Aid is more predictable
8. Aid is untied.

What is Aid Effectiveness?

12 Indicators of Progress

Harmonisation

9. Use common arrangements or procedures.
10. Encourage shared analysis and joint missions.

Managing for Development Results

11. Results-oriented frameworks.

Mutual Accountability

12. Joint/independent country reviews of aid effectiveness.

What is Aid Effectiveness?

UN and OECD Processes

Outcome Document 2005

Financing for Development

Paris Declaration

ECOSOC Symposia

High Level Dialogue

Monitoring

Cross Cutting Issues

Civil Society

DCF

Accra

Doha

What is Aid Effectiveness?

Any Progress Since Paris?
Are there benefits from adhering to the PD?

Ownership

PDI 1: 17% vs 12,5% (target 75%)
Poor predictability

Alignment

Little progress with aid on budget
Some improvement on untying
Some improvement on PFM systems quality
Little use of systems, no ‘quality correlation’

What is Aid Effectiveness?

Any Progress Since Paris?
Are there benefits from adhering to the PD?

Harmonisation
Some progress on PBAs
Some progress on joint missions, studies

Managing for Development Results
Challenges in monitoring national development plans
Unrealistic performance matrices

Mutual Accountability
Need for donor-country balance
CS and parliaments to come onboard

Still, **more than 14,000 donors missions in 54 countries**
– 2 a day in Viet Nam!

What is Aid Effectiveness?

More Breakthroughs – Accra 2008
Accra Agenda for Action

Predictability – donors to provide 3-5 year forward information on planned ODA

Partner country systems – first option for aid delivery

Conditionality – switch from prescriptive conditions to countries' development objectives
AND conditions made public

Broad ownership – more engagement of civil society and parliaments; CD for all

Gender equality, environment, HR, disability – integrated into national plans

What is Aid Effectiveness?

More Breakthroughs – Accra 2008

Country-led division of labour – across sectors and countries (2009)

Commitment to engage with CSOs

Situations of fragility - special efforts

Monitoring – donors to align with country information systems

Incentives – authority to donor field offices and staff incentives

Untying – restrictions relaxed >> best quality-lowest price purchases

Link to MDG Event and FfD Doha – SG asked to convey AAA message

What is Aid Effectiveness?

Preparing for HLF4 - Seoul, November 2011

South-South Cooperation – Task Team

High Level Event on South-South Cooperation and Capacity Development

Monitoring Survey 2010-11
National and donor focal points

Regional Consultations on HLF4

International Aid Transparency Initiative (IATI)

Development Cooperation Forum meetings

Aid Effectiveness in Middle Income Countries

Applying Aid Effectiveness in MICs

ODA percentages relatively low

As recipients and development partners

Instrument of mutual accountability

Complementary use of ODA

Tool as incentive to improve national systems

Accra opens the agenda even more

Aid Effectiveness in Middle Income Countries

Localising the Paris Declaration

Ownership: Paris Declaration a bare minimum

Peru – localising indicators

Median instead of average

Establishing indicators of inequality in wealth distribution

Identify average HDI in least developed quarter of the population and in specific areas

Use social spending per capita and monitoring of progress

Look at correlation between ODA execution and meeting the MDGs.

Aid Effectiveness in Middle Income Countries

Results-Based Management

Planning cycles key to success

Realistic and sufficient costing exercises

IADB comparative study on RBM
>> M&E particularly weak

Accountability – involvement of parliaments and civil society

Health as a Tracer Sector

History and Context

Proposed by the Working Party in 2007

Particularly challenging - large number and diverse nature of development partners

More than 100 partners in health

Increasing aid in health, much earmarked

Health as a Tracer Sector

Why Health?

Aid for health often not aligned with government priorities

More comprehensive health systems strengthening approaches insufficiently funded

Health is often unpredictable, short-term and volatile

Aid is poorly harmonised, increasing transaction costs for government

Budget allocations for health may lose out when move to GBS

Health as a Tracer Sector

PD as applied to Health
Indicator 3: Aligning aid to national priorities

1) In health often “competing” plans (population, maternal and child health) each with its donor. No single “plan” or agreed set of priorities for donors to align behind.

2) The range of stakeholders involved, including global north with particular priorities, underscore the need to agree upon common health sector goals.

3) Independent expenditures by donors may generate large distortions and misalignments (burden of disease, expenditures across regions, populations and health vs sectors which influence health outcomes). Challenges long-term sustainability of current expenditure efforts.

Health as a Tracer Sector

PD as applied to Health

Indicator 5: Use of country procurement systems.

Beyond transparency, using country systems to procure medicines and health equipment may raise issues.

1) Quality is more important than for other products, adding risk with local suppliers and systems. Counterfeit drugs a serious global problem carrying both large financial and individual health risks.

2) International trade rules around IPRs of pharmaceutical patents can pose challenges for procurement efforts.

3) Access to medicines a political issue: Pressure to invest in particular treatment or systems not available locally.

Health as a Tracer Sector

PD as applied to Health

Indicator 7: Predictability of aid

Important and difficult to address because of the multiple funding streams and large number of donors. The political nature of foreign aid within donor countries also complicates efforts to make aid long-term and predictable.

Indicator 9: Common arrangements and procedures, including programme-based approaches.

Indicator 11: Results-oriented frameworks. Difficult as no formal agreement on “good sector plan.” Measuring results is complex in health. Dialogue on sector-budget support in each country – no set of pre-requisites to compare against. Also, no consensus on "progress" in health sector performance, nor how to monitor it.

Health as a Tracer Sector

PD as applied to Health

Ownership

Countries design sound, costed, results focused health strategies linked to national development framework

Countries invest in capacity development across the sector

Donors provide appropriate, harmonised technical and financial support

Country Systems

All donors to use as first option national audit & evaluation procedures & drug procurement systems.

Health as a Tracer Sector

PD as applied to Health

Global programmes & funds	GHPs to further deepen implementation of PD/AAA agenda incl direct support for country strategies & plans
Delivering & accounting for devt results	Donors to use & strengthen country monitoring systems
Regular & transparent info on aid	Improve transparency of all donors' reporting of aid flows. Donors & countries use joint M&E frameworks
Medium-term predictability	Donors increase info on annual commitments & actual disbursements; donors increase long-term planning for disbursements

Health as a Tracer Sector

Three cases: Tanzania

In one region, child deaths halved in ten years after intensive investment in local systems: New tools for planning, management and health information

From SWAp evaluation

Enhanced national ownership
More domestic and external financing
Greater drug availability and improved service provision
Reductions in infant and child mortality.
SWAp underpinned by deep reforms, especially decentralising
Supported by innovative pooling mechanism for external resources
Global Health Initiatives & large bilateral programmes generally operate outside existing health planning processes; distort local priorities and threaten sustainability.

Health as a Tracer Sector

Three cases: Malawi

Use of countries' planning & management systems

Malawi national AIDS strategy

Country with partners developed national AIDS strategy & strategic management framework

Agreed annual implementation plans with tasks allocated to stakeholders

Joint annual reviews using common systems

Cooperation facilitates pooled funding

Health as a Tracer Sector

Three cases: Ethiopia

Through IHP – Ethiopia's Country Impact

Embedded in Ethiopia's existing harmonisation policy
Builds on existing processes (Health Sector Code of Conduct)
Establishes guiding principles and management arrangements
Specifies obligations of govt and donors
Sets targets for health aid
Addresses future aid management including increased use of govt systems for procuring, disbursing, implementing, reporting, monitoring & audit
Includes results framework to monitor sector performance

Support from the UN

UN Response to Aid Effectiveness demands

Support to Results and Resource Meetings (Consultative Groups, Round Tables, Joint Assistance Strategies)

Aid policy, AIMS and PFM linkage

Peer-learning, tripartite cooperation

Sharing best practices (CoP)

CSO, gender, HR, MICs, new donors

HIV response, post-crisis contexts

UN positioning, UNCT facilitation

Limited participation in SWAps

Support from the UN

Capacity development for South-South Solutions

Strengthening cooperation agencies' ability to localise

Facilitating and support SSC exchanges

Developing and piloting tools for better SSC results

Facilitating SSC knowledge exchange

Mapping SSC demand and supply

Strengthening partnerships for SSC

Thank you for your attention!

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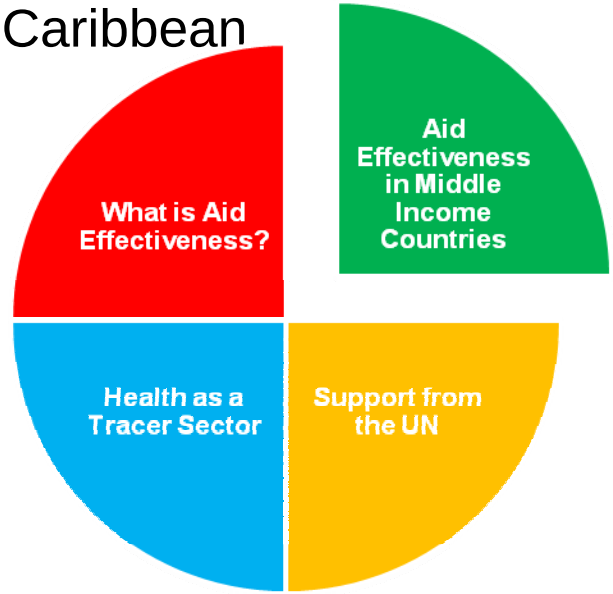
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