

Better Aid

924 828 870

# **Aid Effectiveness**

A PROGRESS REPORT ON IMPLEMENTING  
THE PARIS DECLARATION

**C 257992**

---



## *Table of Contents*

List of Abbreviations .....	8
Executive Summary .....	9
<b>Part I: Main Messages</b> .....	19
Introduction .....	20
Messages from the Progress Report .....	22
What needs to be done, and by whom? .....	28
<b>Part II: Findings</b> .....	31
<i>Chapter 1. Ownership – Leading National Development in Practice</i> .....	33
Ownership is rightly seen as being at the heart of aid effectiveness .....	34
There is progress on ownership, but a step change is needed if the 2010 targets are to be met .....	35
Emerging lessons for further strengthening ownership .....	36
Conclusion .....	40
References .....	42
<i>Chapter 2. Alignment Using National Development Strategies and     Country Systems</i> .....	43
Alignment creates a large agenda for partners and donors .....	44
Aligning with partners' strategies .....	44
Capacity development .....	46
Public financial management (PFM) .....	49
Including aid in the budget .....	52
Improving the predictability of aid flows .....	53
Procurement .....	55
Strengthening statistical systems .....	58
Strategic environmental assessments .....	60
Aid management .....	61
Aid untying .....	62
References .....	68

<b>Chapter 3. Harmonisation – Rationalising Aid Delivery</b> .....	71
Introduction .....	72
Progress towards implementing common arrangements and simplifying procedures .....	72
Complementarity and division of labour .....	74
Improvement in donor systems .....	79
Factors influencing the rate of progress on harmonisation.....	79
Implications for the future .....	80
References .....	83
<b>Chapter 4. Managing for Development Results</b> .....	85
Introduction .....	86
Progress .....	86
Incentives and capacities for moving forward with MfDR .....	88
Conclusion .....	91
References .....	94
<b>Chapter 5. Mutual Accountability</b> .....	95
Introduction .....	96
Progress towards the Paris Declaration commitments .....	96
Implications for the future .....	100
References .....	103
<b>Chapter 6. Sector Perspectives</b> .....	105
Aid effectiveness at sector level is crucial and often difficult to achieve .....	106
Aid effectiveness and health.....	107
Aid effectiveness and education .....	109
Agriculture and aid effectiveness .....	113
Aid effectiveness in the infrastructure sector .....	115
Applying the Paris Declaration principles to aid for trade .....	117
References .....	121
<b>Chapter 7. The Roles of Civil Society Organisations in Making Aid Effective</b> .....	123
CSOs and aid effectiveness .....	124
The Advisory Group on Civil Society and Aid Effectiveness.....	124
Towards a consensus on CSOs, the Paris Declaration and the broader aid effectiveness agenda.....	125
<b>Chapter 8. Situations of Fragility and Conflict</b> .....	131
Evidence of progress and constraints in implementing the Paris Declaration.....	132
Evidence of progress and constraints in implementing the principles .....	133
Overall assessment of progress .....	135
Implications for future policy priorities and ways of working .....	136
References .....	138

<b>Chapter 9. Implications of the Changing Aid Architecture</b> .....	139
Introduction .....	140
Non-DAC donors (south-south co-operation) .....	140
Global programme funds and the Paris Declaration.....	143
References .....	148
<b>Annex I: Paris Declaration on Aid Effectiveness</b> .....	149
<b>Annex II: Accra Agenda for Action</b> .....	165

## Boxes

Box I.1. Main messages .....	20
Box I.2. Recommendations .....	21
Box 1.1. Partner country priorities .....	34
Box 1.2. Nepal: Support to the Safe Motherhood Programme.....	35
Box 1.3. Spain: Working with civil society organisations and sub-national governments.....	38
Box 2.1. Promoting country-led approaches and rethinking aid conditionally .....	45
Box 2.2. The Bonn Workshop Consensus.....	47
Box 2.3. Strengthening procurement in Ghana .....	57
Box 2.4. Procurement where donors are not prepared to use country systems .....	57
Box 2.5. Aid Information Management Systems (AIMS).....	62
Box 3.1. Common approaches: Joint Assistance Strategy in Tanzania.....	73
Box 3.2. Nordic Plus Group: Rationalising aid.....	75
Box 3.3. A donor experience with division of labour: Germany.....	76
Box 3.4. Geographic and sector concentration: Belgium in Morocco .....	76
Box 3.5. Zambia: Division of labour.....	77
Box 3.6. EU Code of Conduct Guiding Principles.....	78
Box 3.7. Good practice principles on in-country division of labour .....	79
Box 4.1. Managing for results .....	87
Box 4.2. Results at a glance.....	89
Box 5.1. Increasing awareness and understanding of the MA agenda .....	97
Box 5.2. Domestic accountability .....	98
Box 5.3. Databases on development assistance flows.....	99
Box 6.1. Aid effectiveness in education: Tanzania and Bangladesh.....	111
Box 6.2. Education for All, a foundation for increasing aid effectiveness in education, and the Fast Track Initiative, a mechanism for additional financial mobilisation and support .....	112
Box 8.1. Understanding how a Paris Declaration-consistent project can undermine state-building objectives in Afghanistan.....	133
Box 9.1. Triangular development co-operation.....	141
Box 9.2. Non-DAC donor approaches: Korea.....	142
Box 9.3. Private foundations and the Paris Declaration .....	143
Box 9.4. Global funds and the Paris Declaration: Progress and challenges .....	144