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AID EFFECTIVENESS

INTEGRATING AID EFFECTIVENESS IN CENTRAL AND SECTORAL PROCESSES: A ROADMAP TO RESULTS

The focus of this statement is placed on identifying practical and achievable measures that can be taken to ensure that aid effectiveness initiatives are linked to the achievement of our development goals.

The 2008 Aid Effectiveness Report draws from a wide body of quantitative and qualitative evidence: the TWG reports to the GDCC, the Paris Declaration monitoring survey, the technical cooperation analysis, the Evaluation of Aid Effectiveness and its Independent Review, and many of the global studies that were prepared for this year's High-level Forum in Accra — including the Accra Agenda for Action itself. But it is the conclusions and recommendations that are contained in the Report, rather than the technical detail, that is important to the CDCF dialogue.

All of the combined evidence suggests that progress has been mixed. On some priority initiatives and in some sectors there has been progress, elsewhere there has been little headway beyond establishing policies and plans, drafting reports and holding meetings. While it is therefore encouraging to report that aid flows are increasing and to note that alignment with the NSDP is improving, there is still little evidence to show that the significant efforts made with regard to aid effectiveness have delivered a satisfactory return in terms of more efficient aid management and more impact in meeting our NSDP targets.

Challenges ahead

The challenge for Government and development partners is to work within the existing Harmonisation, Alignment and Results Action Plan framework to prioritise and integrate these lessons into our sectoral and central planning and budgeting processes. In addition we must work together to implement the joint commitments we made in Accra.

The Aid Effectiveness Report's recommendations are based on five primary concerns:

1. Good progress in establishing tools and processes yields little evidence of links to development

results. Signs of increasing fatigue imply that political interventions and leadership required.

2. Efforts need to focus on less complicated – "good enough" – measures that are more integrated in sector and central planning/budgeting processes.
3. Improved partnership dynamics are needed to support multi-stakeholder processes that deliver results in an accountable, effective and partnership-based manner.
4. Broader engagement – of RGC, DPs, CSOs - is necessary but requires commitment and competency to be effective and results-focused.
5. The future role for partnerships in development cooperation must increasingly focus on capacity development.

Concrete proposals

a) Central planning and budgeting process

At central level, the Ministry of Economy and Finance, the Ministry of Planning and CDC will work together in closer collaboration to harmonise the processes of collecting aid information, including it in the Public Investment Programme, and then ensuring that the PIP is used to prepare the budget and MTEF. This will strengthen both central and sectoral planning and budgeting functions. In addition, the Council for Administrative Reform – CAR – will continue the process of developing the National Capacity Strategy, and this will guide the use of technical cooperation, on which much effort has been devoted in 2007 and 2008.

b) Ministry-defined priorities

It is proposed that each Ministry and agency that is represented in the TWGs identify its own set of aid effectiveness priorities, based on the H-A-R Action Plan, and in the context of the Accra Agenda for Action. This need not be complicated; indeed a light and focused process is to be encouraged as long as it is based on the realities and priorities of the sector. This will enable a relatively short set of priority actions to be identified that: first, have a high level of political commitment, second, are linked to the achievement of our development goals; and, third, are feasible in the context of a sector's own context and capacity.

These actions are to be developed and implemented by Government as this is how ownership and sustainable capacity development becomes a realistic possibility. They may be prepared in collaboration with TWGs but they are the responsibility of Government first and foremost. TWGs are only facilitating bodies, although their support for developing and implementing these plans will clearly be crucial, and the identified priorities will become part of the aid effectiveness JMI. The existing TWG Guideline also makes a provision for the identification of aid effectiveness priorities so that consistency with established procedures during the implementation phase is assured.

None of these actions are new. But increased urgency to accelerate implementation requires that some additional measures are put in place. A prioritisation to focus only on the relevant aspects of the following activities is encouraged, taking full account of cross-cutting issues:

1. Capacity and Technical cooperation – using common assessments of national systems and capacity
2. Programme-based approaches and fragmentation
   - identify steps to establish or strengthen PBAs
   - use of Annual Operational Plans (integrating all resources)
   - increased use of delegated cooperation
   - implementation of division of labour
3. Strengthening ownership and partnerships
   - CRDB to provide support in partnership building, project monitoring, and results-based management (JMIs)
   - TWGs to consider membership, participation, use of interpreter services

c) National systems and capacity development

The Accra Agenda for Action represents a global consensus that national systems should be used as the 'first option.' It is proposed that common assessments of these systems be made, led by Government and supported by development partners. It is also noted that the Accra Agenda for Action requires development partners to make clear their reasons for not using country systems as well as a time-frame for developing capacity to do so. For Government this provision has significant appeal.

d) Programme-based approaches

There is a need to make an increased effort to move beyond the development of a sector plan or strategy that encourages alignment only at a basic level, and omits altogether most aspects of harmonisation. Further consolidation and application of programmatic practices is required, especially related to whichever of the following are suited to the sector context: (i) development of RGC-led comprehensive sector policy/strategies; (ii) all support to be programmed within a sector framework or annual operational plan; (iii) TWG effectiveness and coordination: (iv) use of national systems: (v) harmonised and common implementation and management procedures and funding modalities; (vi) coherent capacity and technical cooperation programming; and, (vii) joint reviews.

e) Partnership-building

Partnerships also need to be strengthened in the context of a more effective ownership, something which the Evaluation of Aid Effectiveness has highlighted. In a complex multi-stakeholder environment both Government and development partners must have the partnership-based competencies to engage in a sector process, to be able to communicate, negotiate, monitor progress jointly and demonstrate flexibility. Training in partnership-building and results-based management may therefore be offered by CDC in 2009, which will mean expanding the TWG Network to include chairs and development partner facilitators. Other areas for promoting TWG effectiveness are more straightforward but often overlooked: they concern membership and participation at an appropriate level, and the continued need for translation services, which are available and should be used more readily (using the block grant provided by CDC if necessary). Recent momentum in improving dialogue mechanisms will also be maintained.

f) Division of labour

Division of labour is a necessary part of a broader reflection on excessive fragmentation both across and within sectors. There are still too many partners spreading their resources too thinly across too many sectors, and within those sectors project fragmentation is creating an unsustainable burden. This makes it difficult to associate any development partner country programme or individual project with meaningful outcomes. The Government is supportive of a division of labour exercise in principle and the Aid Effectiveness Report (page 20) sets out some criteria. This must be applied pragmatically however, meaning that each sector and partner must enter into such an exercise voluntarily based on their own needs, and that overall NSDP financing consistency must be maintained. There are a number of other technical challenges that we must be aware of (e.g. definition of a sector, country programme focus and timeframes, role of multilaterals), as well as alternatives (e.g. using PBAs, delegating cooperation, or simply managing some of these 750 projects more efficiently). The first step is to confirm sufficient interest in principle and then to undertake a detailed mapping of each sector. We will then ask each TWG to reflect on the levels of fragmentation, the extent to which this is burdensome and if a rationalised division of labour would deliver improved results. Such a reflection should of course consider the context of implementing a programme-based approach, which can facilitate the efficient management of multi-partner support. The Government understands that EU partners are also interested in looking more closely at this initiative and Government is prepared to lead this initiative in 2009.

Taking the next steps and keeping the process manageable

Undertaking this work may appear formidable but we propose that it be kept light and manageable. The Independent Review of the Evaluation of Aid Effectiveness noted that "preparation, design and launching of reform... is now in danger of drowning in its own process. There seems almost a danger that the preparation is becoming an excuse for the limited action." Developing excessively ambitious and needlessly detailed plans must therefore be replaced by more limited actions identified and grounded in sector realities. Implementing the whole of the H-A-R Action Plan in every Ministry, as perhaps we have tried to do in the past, may therefore not be relevant: it places a burden on scarce capacity and results in very little being achieved. There is nothing wrong with identifying one priority issue, taking effective action and then reflecting on what more might be needed. Indeed, the creation of long-term, universal and comprehensive plans may have been our un-doing as we become overwhelmed, paralysed and fatigued.

It is proposed that each TWG chair, representing his or her Ministry, works with: (i) a representative from other Ministries and agencies participating in the TWG; (ii) a member of the secretariat (iii) an official from CRDB, (iv) and. if our partners are agreeable, one of the many aid effectiveness experts that are now engaged in development partner agencies, although their work at present may have no particular grounding in any sector. This will allow a prioritised list of options to be identified by each Ministry. Based on development partners own reflections and consultations with their capitals I am hopeful that we can then move forward quickly to use the TWGs to support the Ministries during the implementation phase, which will become part of the aid effectiveness JMI. Our ambition must be focused on creating momentum and achieving results in the short-term, not on addressing each and every provision of the HA-R Action Plan in every sector. Oversight and support can be provided using the Partnership and Harmonisation TWG, the JMIs, the GDCC and the TWG Network.

Summary

These recommendations are designed to address the problems identified as a result of significant analytical work and reflection, as well as the global commitments agreed in Accra. Identifying discrete and results-oriented actions will allow us to strengthen central linkages, prioritise and implement only those actions that make sense at sector level, and translate our commitments into results. The CDCF provides an opportunity to do three important things: (i) underline political will to take this work forward; (ii) to seek the views of Government colleagues regarding their preparedness; and (iii) to consider the steps that we may take together early next year to begin this important initiative.