



## THREE ASPECTS

- 1. Macro-economic**
- 2. Aid Fragmentation**
- 3. Future data collection**

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### The macroeconomic aspect

- 1. Crisis reduces “spontaneous” inflows and nominal demand (remittances, FDI and private borrowing abroad, exports)**
- 2. In most countries, no room for fiscal stimulus financed from domestic sources**
- 3. Increased official flows from donors and IFIs and rapid implementation is key for demand stabilisation and for avoiding hard landing of BoP**

**What are the prospects?**

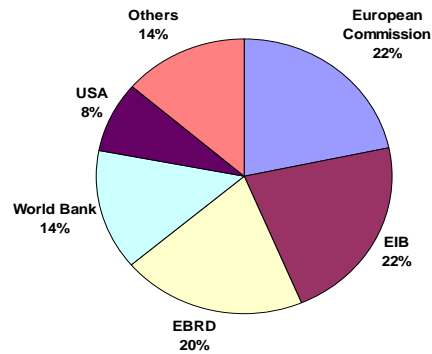
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## The macroeconomic aspects

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Sources of Financing - Grants and Loans 2005-2008



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## The macro-economic aspect

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### Intended commitments 2009 Compared to commitments 2008

- Three IFIs (loans EIB, EBRD, World Bank): +44%
- European Commission  
IPA Grants: + 8 % without Kosovo under UNSCR 1244/99  
+2 % including Kosovo under UNSCR 1244/99
- Sample of 9 bi-lateral donors (Grants plus loans): -12 %

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## The macroeconomic aspect



- A sustained effort by bi-laterals is needed to avoid excessive recourse to debt;
- Expected shift to policy lending by the World Bank and, on a case by case basis, to budget support under IPA highly welcome;
- Strengthen capacities in countries to absorb more rapidly aid and implement infrastructure projects. Cooperation between the beneficiary countries, the Commission and the IFIs key in this respect.

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## Origin of aid and fragmentation



### METHODOLOGY

**Source: OECD . Report on aid by the members of the Development Assistance Committee (DAC-includes 15 « old » EU member states + 7 other OECD countries)**

**Spent amounts 2007**

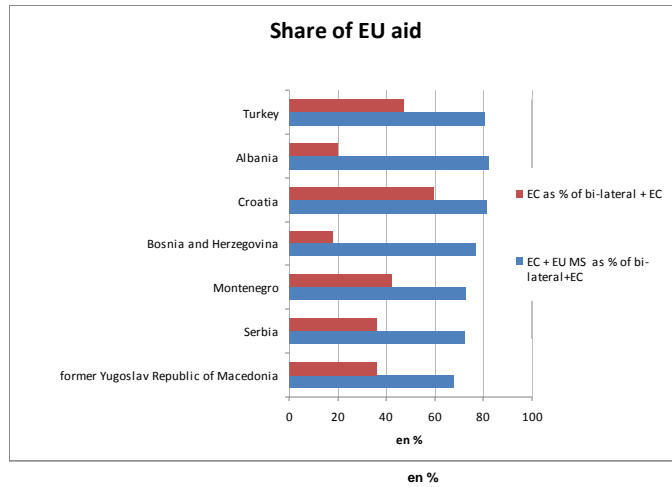
**EU aid: Aid by the 15 MS (DAC members) + EC**

**European aid: Aid by EU members (DAC members) + EC + Norway + Switzerland**

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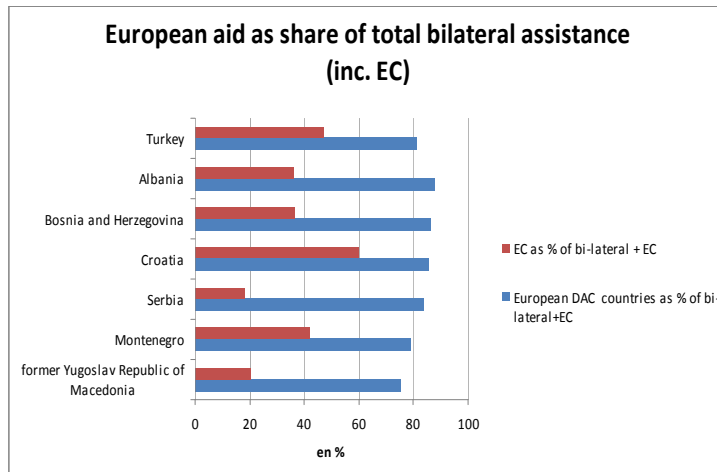
### Origin of aid and fragmentation



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### Origin of aid and fragmentation



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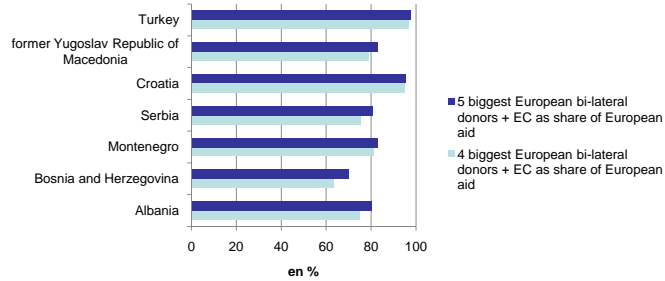


## Origin of aid and fragmentation

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**Main part of aid concentrated on few donors  
Better opportunity for specialisation  
And enhanced division of labour**

Indicator of fragmentation



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## Origin of aid and fragmentation

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### •Recommendations

•The few big donors specialize on sectors

•The numerous small donors specialize on countries and join their efforts

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**Data collection in the future  
From the donors point of view**



**Headquarter level  
Analysis of the past**

- **OECD DAC numbers extremely useful, because established methodology, harmonisation and comparability**
- **Needed for analysis of the past**
- **Few problems that can be overcome**
  - Publication in \$**
  - Non DAC members not or not well covered**
  - Delay of publication**



**Data collection in the future  
From the donors point of view**



**Headquarter level  
Prospective**

- **Need to maintain a global overview on intended commitments (predictability)**
- **Voluntary reporting to the Commission on intended commitments (t-1,t,t+1)?**
- **In future OECD compatible broad sector breakdown?**