

Conference on Donor Coordination in the Western Balkans and Turkey

2-3 April 2009

Harmonisation of assistance and division of labour

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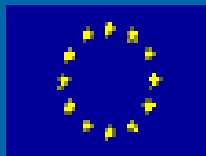


Aid effectiveness



EU Communications on Aid Effectiveness

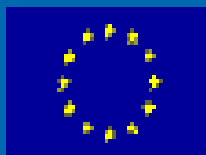
- 2006: Delivering More, Better, Faster
- 2007: Code of Conduct on Division of Labour
- 2008: EU Common Position for Accra including 4 drivers:
 - 1 Use of country systems
 - 2 Division of labour
 - 3 Predictability
 - 4 Mutual accountability for results, including reduction of conditionalities



EU Code of Conduct



- 1 Maximum three sectors** in-country; plus GBS if applicable, support for civil society, research, education scholarships, etc BUT in pre-accession policy, assistance also driven by "acquis" related priorities. Broader political framework calls for a multi-sectoral approach
Comparative advantage of each donor self assessed, endorsed by partner government and recognised by other donors
Partner countries to identify areas for increased or reduced support and **which donor to remain engaged in sector**
Donors to work with governments to identify sectors in which to remain and **propose sectors from which they will withdraw**
Long term engagement in sectors



EU Code of Conduct



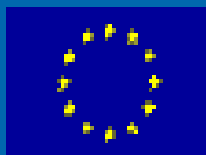
- 2 Redeploy funds** in country based on local negotiations
Where donors are in more than three sectors, either use delegated cooperation, or redeploy into Global Budget Support, or exit responsibly redeploying funds in priority sectors
- 3** In each sector **establish lead donor** for all donor coordination to reduce transaction cost of government
- 4** Even within 3 sectors of engagement or in additional sectors enter into **delegated cooperation arrangements**
- 5** In priority sectors relevant to poverty reduction **ensure adequate donor support**
- 6** Apply principles to **regional level**



EU Code of Conduct



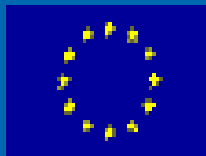
- 7 [Establish limited number of **priority countries** and in non-priority countries consider delegated authority]
- 8 [**Address 'orphans' gap**: often fragile states]
- 9 Analyse and **expand areas of strength**: Commission to further develop expertise in areas of comparative advantage and, particularly at country level in line with de-concentration and ownership of partner countries
- 10 **Other dimensions of complementarity** – vertical complementarity, joint/coordinated programmes
- 11 **Deepen reform**: decentralised structure, institutional incentives and redeployment of financial and human resources



MIPDs - Areas of common interest



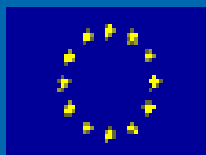
	AL	BiH	HR	fYRoM	KOS	MNG	SRB	TK
PAR		DFID, SIDA, NL		UN, GTZ, NL, CH, DFID	DFID	Under	DFID, SIDA	
Economic Development	IT		World Bank	World Bank, NL, USAID		review	IT, ADA, USAID, GTZ	
Census	UN	SIDA						
Local Government	CH, IT, EC, NL			UN, GTZ, NL, CH, DFID	USAID		USAID, GTZ/ KfW ADA	
Environment Water	NL, CZ, SW, OS, EC, KfW	KfW		CH, World Bank, ADA, KfW, SIDA	CH		KfW, SIDA	Proposed by TK
Return		NL					IT, Germany	
Education	EU, CH, OS, WB			UN, World Bank	SIDA		ADA, SDC	
Health	CZ	FR, IT		UN, World Bank	ADA, LUX		WB, CIDA	
Youth	FR	FR, IT		UN			IT	
Agriculture				USAID, SIDA, KfW				



Expression of interest for delegated management or lead donor



	AL	BiH	HR	fYRoM	KOS	MNG	SRB	TK
PAR		EC			EC, DFID	GTZ	Under review	
Economic Development	EC						(Various expressions of interest)	
Census	UN	EC						
Local Government	IT,CH				USAID			
Environment/ Water	NL	KfW			CH			
Return		NL						
Education	WB				SW	ADA		
Health	CZ				Lux			
Youth								
Agriculture								



A quick assessment



- A significant qualitative leap since October 2008
- All countries initiated or deepened efforts for streamlining financial assistance and aligning to country priorities
- Country lead is increasingly visible
- Systematic consultation among donors on the ground takes place
- EC strategies (MIPDs) are aligned to country priorities
- Progress in identifying areas of common interest / possible sector lead

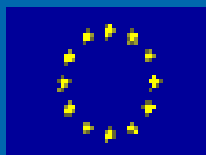


A quick assessment



But gaps remain:

- In country co-ordination systems still need to consolidate
- Awareness of aid effectiveness principles still limited
- Communication gaps: concepts and methods
- Still high dependency on individuals – high rotation of staff
- Need further progress in selecting areas for joint operations and possible lead arrangements



Some recommendations



- From discussion to institutionalisation – without creating new structures
- Organise joint trainings on aid effectiveness and methods of co-operation
- Include aid effectiveness in management and reporting instruments of donors
- Incorporate specific instructions or guidance in programming guides
- Establish roadmaps at country level, to be reviewed periodically by heads of missions