



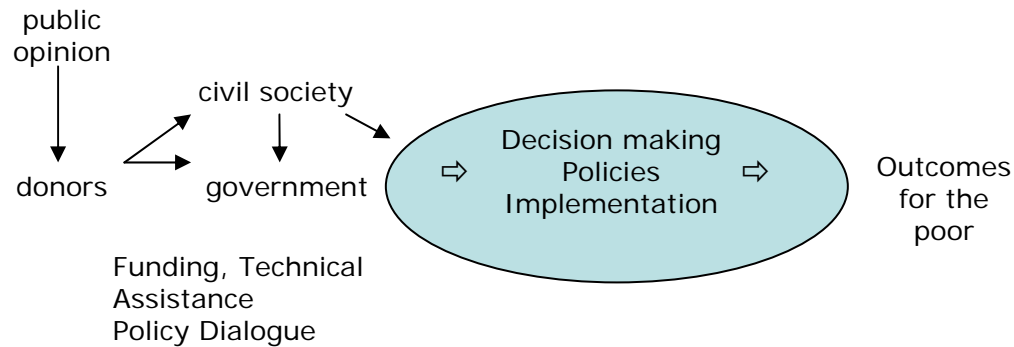
Maastricht Graduate School of Governance

# The New Aid Approach: Where do we stand today?

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# The logic of the new aid approach



Source: inspired by Bourguignon & Sundberg (2007)

Input → processes → outputs/outcomes

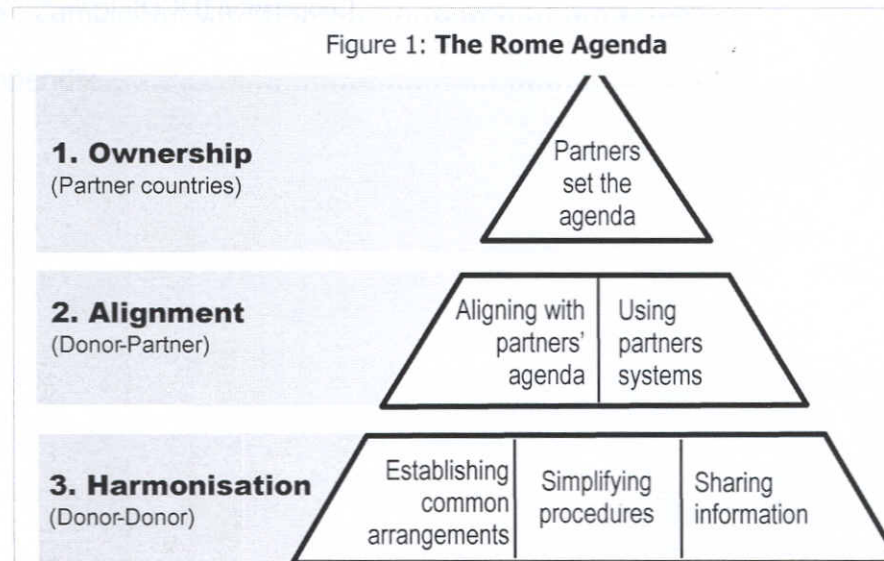
## Where do we stand today?

- NAA is firmly taken root
- Paris Declaration has become a peer pressure mechanism
- Yet many challenges remain

## New aid paradigm has firmly taken root

- Acceptance of 'new aid paradigm' widening
- Original 'coalition of the willing' stays on course
  - World Bank, IMF, regional development banks
  - like-minded countries
    - Scandinavian countries
    - Netherlands
    - UK
    - Switzerland, Canada
- Some of the sceptics showing increasing interest
  - France
  - Japan
  - Germany
- But no clear signal from US
- And practice does not always follow discourse

# The importance of the Paris Declaration



Key principles:

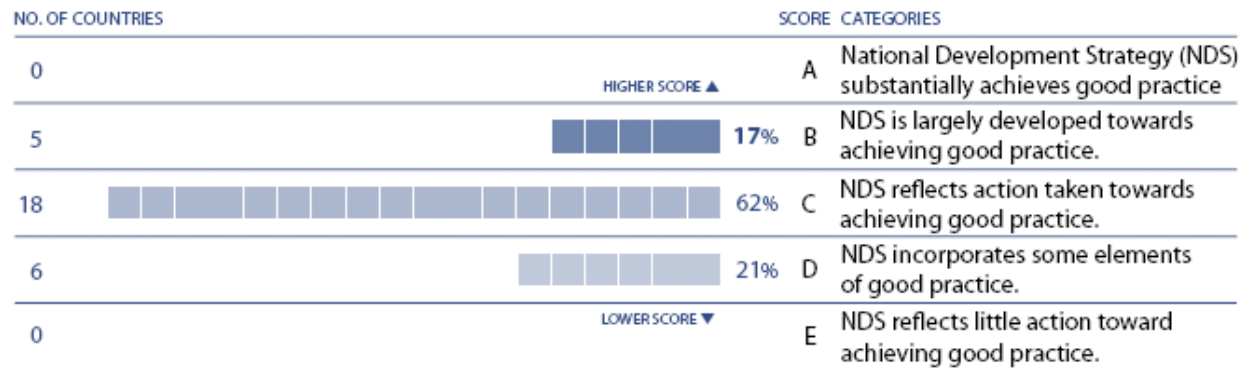
- Ownership
- Alignment
- Harmonisation
- Managing for results
- Mutual accountability

# Monitoring the Paris declaration: results 2006

- Baseline survey
- 34 self selected countries
- Comprehensive list of donors covering 37% of aid across the world in 2005
- In this ppt: only a selection of results (for more information see OECD-DAC publication 2006: 2006 Survey on Monitoring the Paris Declaration)

# On the recipient side

## Operational value of national development strategies



Source: World Bank CDF Progress Report for 2005.

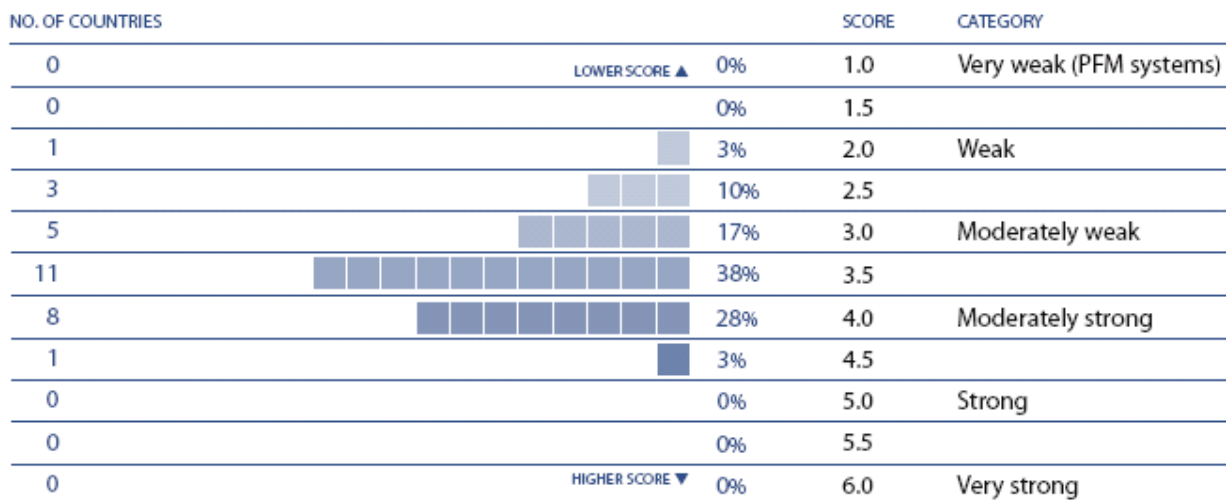
## INDICATOR 1

CHART 1.1:  
Do countries have operational development strategies?

- Only 5 countries (17%) from the sample have sound operational development strategies (CDF) – PD goal: 75%
  - A coherent long term vision and medium term strategy
  - Holistic balances and sequenced strategy
  - Capacity and resources for implementation
- More ownership is needed

# On the recipient side

Quality of country public financial management systems



Source: World Bank Country Policy and Institutional Assessment (CPIA), 2005.

- Bulk of countries in between moderately weak and moderately strong
- About 31% have strong PFM systems
- PD goal: half of the partners must move up at least half a point by 2010
- Decisive leadership is needed

INDICATOR 2a

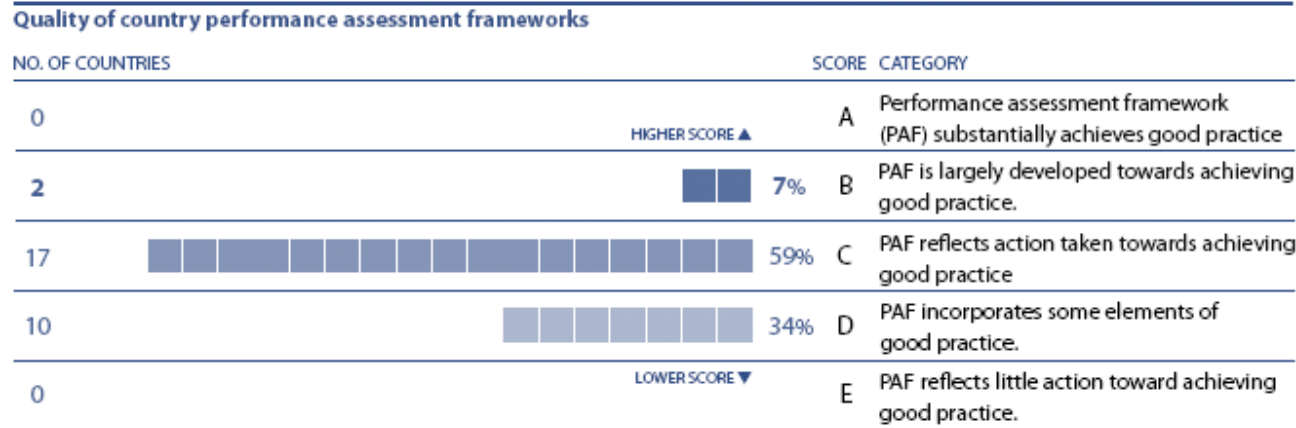
CHART 1.2:  
How reliable  
are country  
public financial  
systems?



# On the recipient side

## INDICATOR 11

CHART 1.15:  
Do countries have monitorable performance-assessment frameworks?



Source: World Bank CDF Progress Report for 2005.

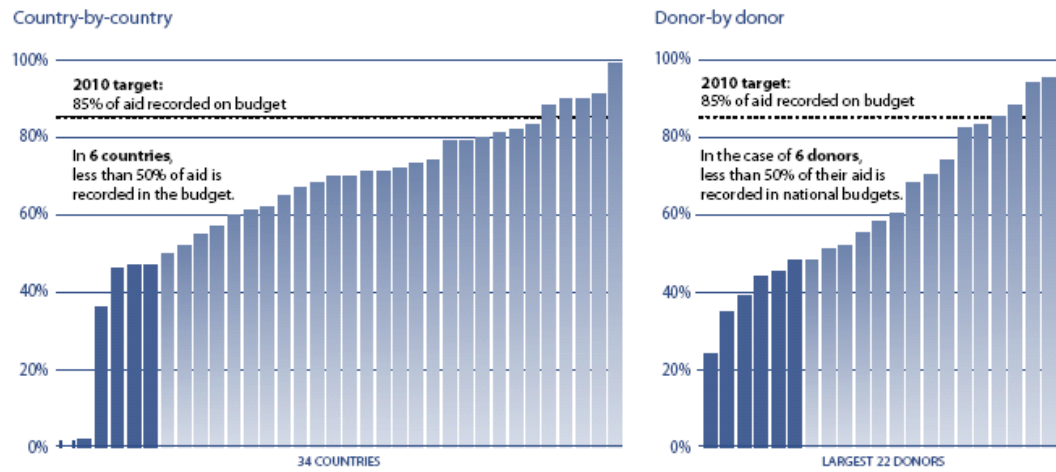
- Only two countries have largely developed performance assessment frameworks
- The surveyed countries here do better than the full CDF-progress report sample (a lot of countries are in D and E)

# On the donor side: alignment, aid on budget

## INDICATOR 3

CHART 1.3:  
Do national  
budgets record  
aid realistically and  
comprehensively?

Aid recorded in countries' national budgets as a percentage of donors' disbursements



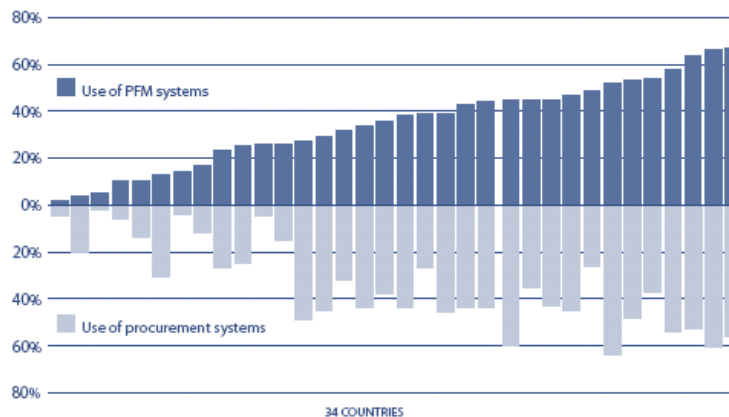
- In 6 countries less than 50% of aid is recorded in budget
- 6 donors have less than 50% of their aid recorded in national budgets
- the problem of budget realism: non-disbursement scheduled funds or unscheduled disbursements
- Linked to the problem of aid-predictability

# On the donor side: alignment, using country systems

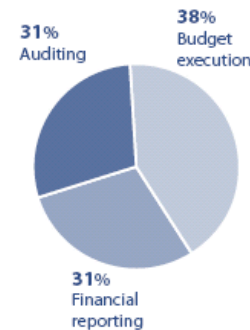
## INDICATOR 5

CHART 1.6:  
How much aid for the government sectors uses country systems?

Use of country systems as a percentage of aid for government  
Country-by-country

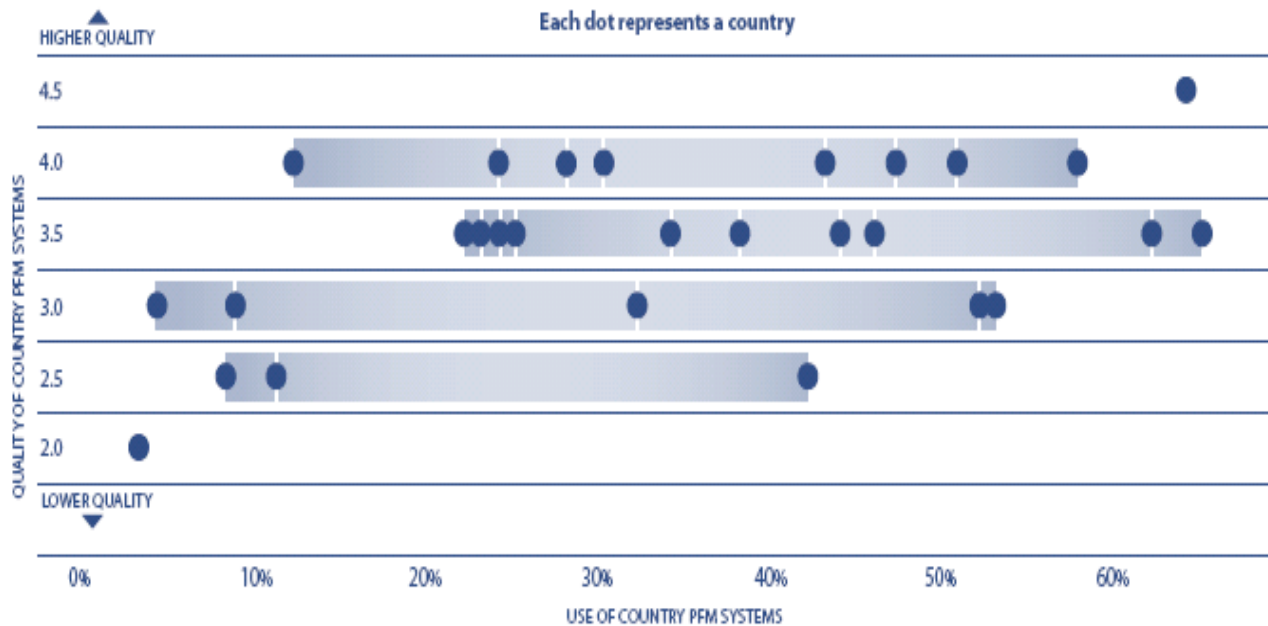


Use of country PFM systems  
broken down by component



- Using PFM: about 40% - what is less used: auditing and financial reporting systems...
- Using procurement systems: about 39%

**Quality of country PFM systems vs. use of country PFM systems**  
Country-by-country



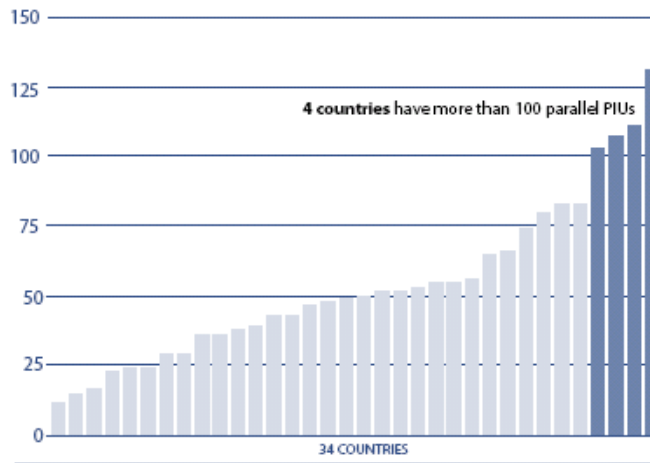
**CHART 1.7:**  
What drives use  
of country PFM  
systems?

**Findings**

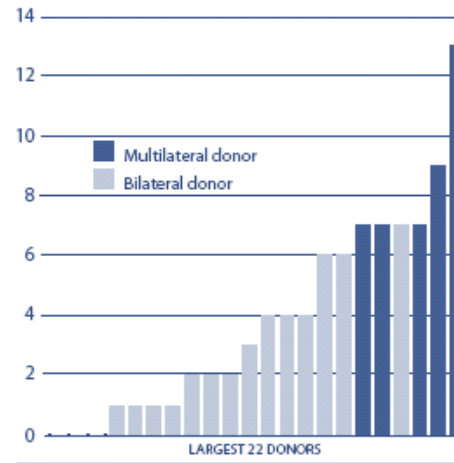
1. There is a correlation between quality of PFM systems and use of PFM systems by donors. But correlation is very weak ( $R^2=21\%$ ).
2. There is a very broad range of use of country systems within the group of countries that share the same score for quality of PFM systems.

## On the donor side: alignment, avoiding PIU's

Number of parallel PIUs  
Country-by-country



Average number of parallel PIUs per country  
Donor-by-donor



INDICATOR 6

CHART 1.8:  
How many  
PIUs are parallel  
to country  
structures?

- Baseline stock of PIUs: 1832 – PD goal: reduce to 611 by 2010
- Problem with concept: Under-counting is probable

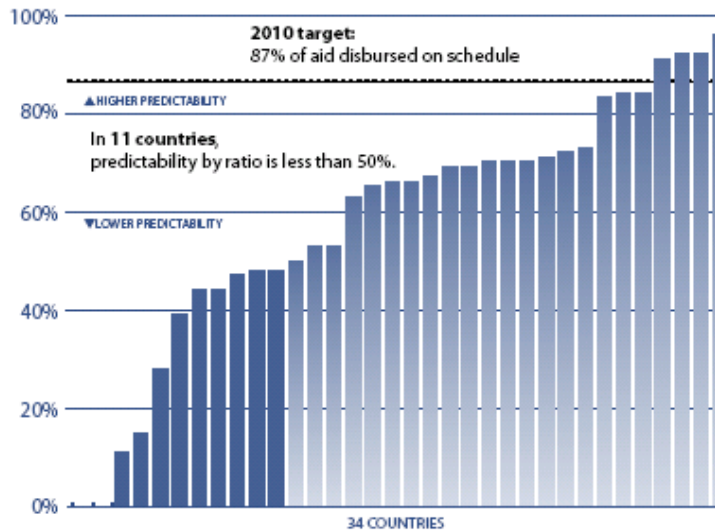
# On the donor side: alignment, predictability of aid

## INDICATOR 7

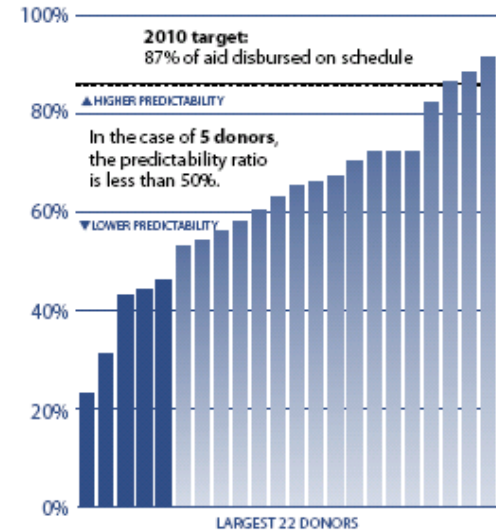
CHART 1.9:  
Are disbursements  
on schedule  
and recorded by  
government?

### Aid scheduled for disbursement as a percentage of aid disbursed

Country-by-country



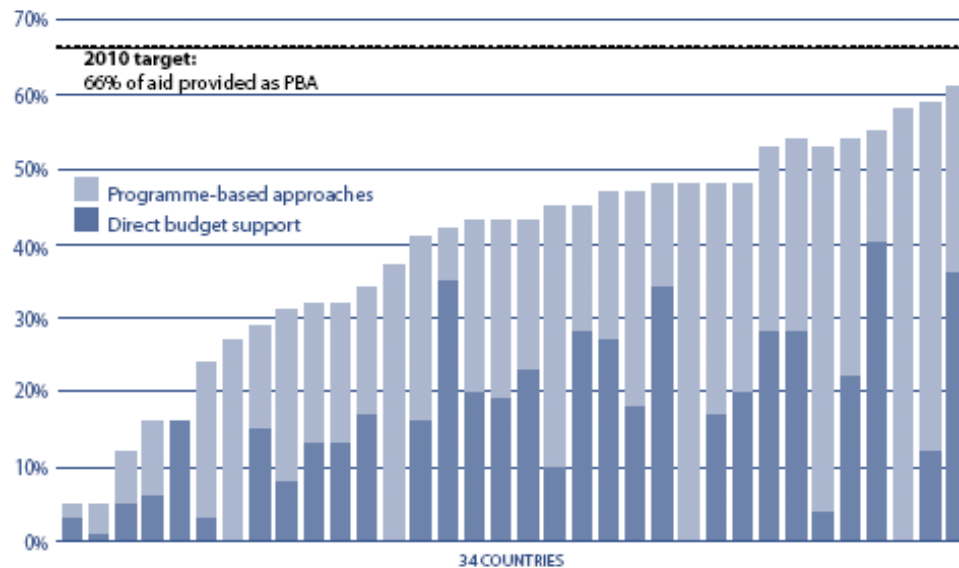
Donor-by-donor



- About 70% of aid is predictable

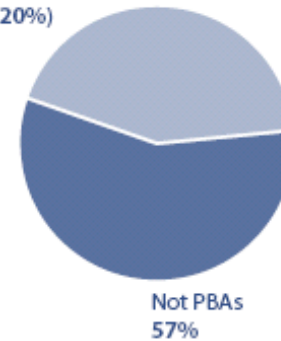
# On the donor side: harmonisation, PBA support

Proportion of aid provided as PBAs  
Country-by-country



Proportion of aid provided  
as PBAs

PBAs 43%  
(of which direct  
budget support  
20%)



INDICATOR 9  
CHART 1.11:  
How much aid  
is programme  
based?

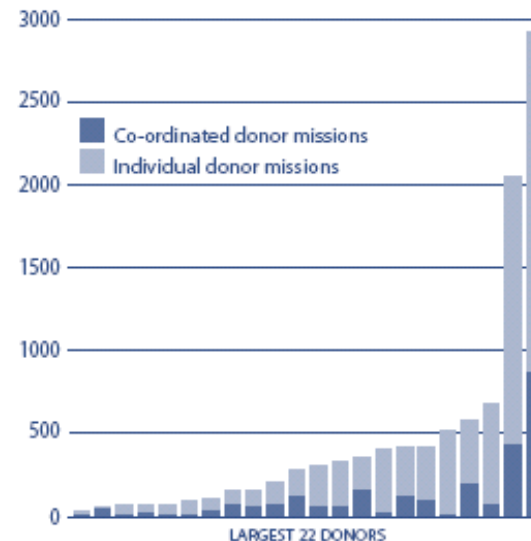
# On the donor side: harmonization, coordinating missions and joint analytical work

## Number of missions

### Country-by-country



### Donor-by-donor



## INDICATOR 10a

CHART 1.13:  
How many donor missions are co-ordinated?

- On average: 18% - PD goal 2010: 40%

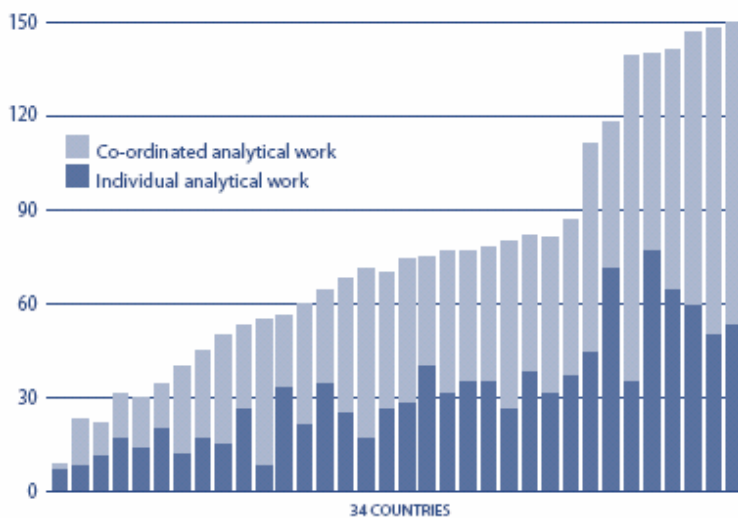


## INDICATOR 10b

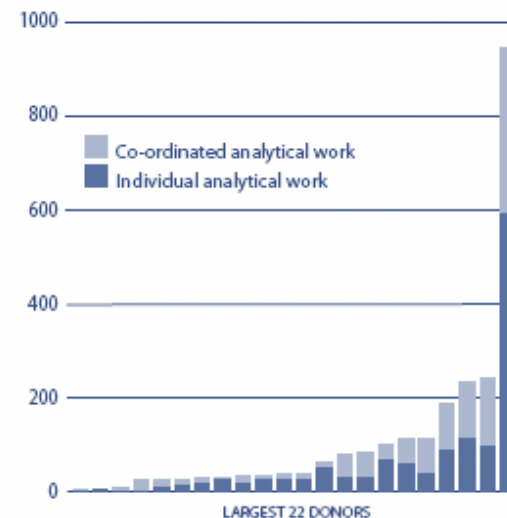
CHART 1.14:  
How much  
country analysis  
is co-ordinated?

### Number of country analyses

#### Country-by-country



#### Donor-by-donor



- A noticeable trend in the right direction, increasingly countries and donors start using Joint Assistance Strategies – PD goal: 66%

# Mutual accountability

## INDICATOR 12

TABLE 1.1:  
Do countries  
have mechanisms  
for mutual  
assessment  
of progress?

"YES"		"NO"	
Countries that <b>DO</b> have mechanisms for mutual review of progress (2005)		Countries that <b>DO NOT</b> have mechanisms for mutual review of progress (2005)	
Afghanistan	Moldova	Albania	Mali
Bolivia	Mozambique	Bangladesh	Mauritania
Cambodia	Nicaragua	Benin	Mongolia
Cape Verde	South Africa	Burkina Faso	Niger
Egypt	Tanzania	Burundi	Peru
Ethiopia	Viet Nam	Congo Democratic Republic	Rwanda
Ghana	Zambia	Dominican Republic	Senegal
Malawi		Honduras	Uganda
		Kenya	Yemen
		Kyrgyz Republic	
		<b>19 countries (56%)</b>	
<b>15 countries (44%)</b>			

# Many challenges remain

## The limits of Paris Declaration

- Full H&A only makes sense if donors and governments are genuinely development maximisers

## On the donor side

- Non-developmental agenda's (Foreign Affairs-DevCoop)
- The dynamics of domestic politics (importance public opinion)
- The painful governance trade-off (technocratic versus political good governance - The technocratic trap and the tick-box phenomenon)
- Non-credible sanctions (how to reconcile long-term partnership with sanctions?)

=> huge collective action problems

## On the recipient side

- Ownership over development objectives
- Balkanized bureaucracies
- Weak civil society

On the output side: the jury is still out

# Which role for UNICEF?

On input side:

- Relate to 'child-oriented actors'
- Facilitate and connect actors with similar agenda's (civil society, donors, government departments)
- Provide spaces for harmonization around children's issues
- Inform donors with 'feet on the ground information'

On process side:

- Keep track of commitment around child oriented programmes (is gvt. keeping promises)

On output side:

- M&E on resultsorientedness focussed around children's issues (poverty)