



**HEALTH  
in EU EXTERNAL ASSISTANCE  
PROGRAMMES,  
May 20, 2008**

**The Aid Effectiveness Agenda**

**EC guidelines and their  
implementation in the health sector**

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European Commission**



**HEALTH**  
**in EU EXTERNAL ASSISTANCE**  
**PROGRAMMES,**  
**May 20, 2008**

**EC Guidelines**

- **General Budget Support**
- **Sector Support**
- **Capacity Development**
- **Technical Assistance and  
parallel Programme  
Implementation Units  
(vision)**



**HEALTH**  
**in EU EXTERNAL ASSISTANCE**  
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**EU or EC?**



# EU or EC ?

- **EU** largest donor in the world
- **EU** = 27 MS + EC together 70 % of global ODA (EU € 46.1 bn)
- **EU** to increase its contribution by more than €25 billions by 2010 (MS responsible for 90% of increase)



# **EC European Commission**

- **Third largest donor after USA and Germany, followed by France, UK, Japan (OECD April 2008)**
- **Second largest donor of humanitarian aid**
- **Present in more than 150 countries**



## **EC Development Co-operation Communications to Council and Parliament (2000-2005)**

- **Health and Poverty (2002)**
- **Major communicable diseases (2000-2005)**
- **Strategy for Action on the Crisis in Human Resources for Health in Developing Countries (2005)**



**EC**

## **Development Co-operation International Commitments**

- **1990s Conferences: ICPD  
Cairo 1994, Beijing 1995..**
- **Millennium Declaration,  
MDG**
- **Monterrey 0,7/15; 0,56/10**
- **Paris Declaration on Aid  
Effectiveness**





# The Paris Declaration

Joint Progress  
Toward Enhanced  
Aid Effectiveness



Harmonisation,  
Alignment,  
Results

High Level Forum  
Paris ■ February 20 - March 2, 2005

## PARIS DECLARATION ON AID EFFECTIVENESS

Ownership, Harmonisation, Alignment, Results  
and Mutual Accountability

### I. Statement of Resolve

1. We, Ministers of developed and developing countries responsible for promoting development and Heads of multilateral and bilateral development institutions, meeting in Paris on 2 March 2005, resolve to take far-reaching and monitorable actions to reform the ways we deliver and manage aid as we look ahead to the UN five-year review of the Millennium Declaration and the Millennium Development Goals (MDGs) later this year. As in Monterrey, we recognise that while the volumes of aid and other development resources must increase to achieve these goals, aid effectiveness must increase significantly as well to support partner country efforts to strengthen governance and improve development performance. This will be all the more important if existing and new bilateral and multilateral initiatives lead to significant further increases in aid.

2. At this High-Level Forum on Aid Effectiveness, we followed up on the Declaration adopted at the High-Level Forum on Harmonisation in Rome (February 2003) and the core principles put forward at the Marrakech Roundtable on Managing for Development Results (February 2004) because we believe they will increase the impact aid has in reducing poverty and inequality, increasing growth, building capacity and accelerating achievement of the MDGs.

#### Scale up for more effective aid

3. We reaffirm the commitments made at Rome to harmonise and align aid delivery. We are encouraged that many donors and partner countries are making aid effectiveness a high priority, and we reaffirm our commitment to accelerate progress in implementation, especially in the following areas:

- i. Strengthening partner countries' national development strategies and associated operational frameworks (e.g., planning, budget, and performance assessment frameworks).
- ii. Increasing alignment of aid with partner countries' priorities, systems and procedures and helping to strengthen their capacities.
- iii. Enhancing donors' and partner countries' respective accountability to their citizens and parliaments for their development policies, strategies and performance.
- iv. Eliminating duplication of efforts and rationalising donor activities to make them as cost-effective as possible.
- v. Reforming and simplifying donor policies and procedures to encourage collaborative behaviour and progressive alignment with partner countries' priorities, systems and procedures.
- vi. Defining measures and standards of performance and accountability of partner country systems in public financial management, procurement, fiduciary safeguards and environmental assessments, in line with broadly accepted good practices and their quick and widespread application.

4. We commit ourselves to taking concrete and effective action to address the remaining challenges, including:

- i. Weaknesses in partner countries' institutional capacities to develop and implement results-driven national development strategies.
- ii. Failure to provide more predictable and multi-year commitments on aid flows to committed partner countries.





# **The Paris Declaration 5 Principles**

- **Ownership**
  - **Alignment**
  - **Harmonisation**
  - **Managing for Results**
  - **Mutual Accountability**
- ..and 12 Indicators**



# Development Policy



## The European Consensus

**December 2005**

**Joint statement by  
The Council / Member States  
European Parliament  
and the European Commission on**

60



## The European Consensus Development Policy objectives

- **Eradication of poverty** in the context of sustainable development, including pursuit of the **MDG**
- (Multi-dimensional aspects of Poverty Eradication:) democratic governance, .. political, economic and social reforms, conflict prevention, social justice, ... **equitable access to public services, education, culture, health.., social cohesion** and decent work

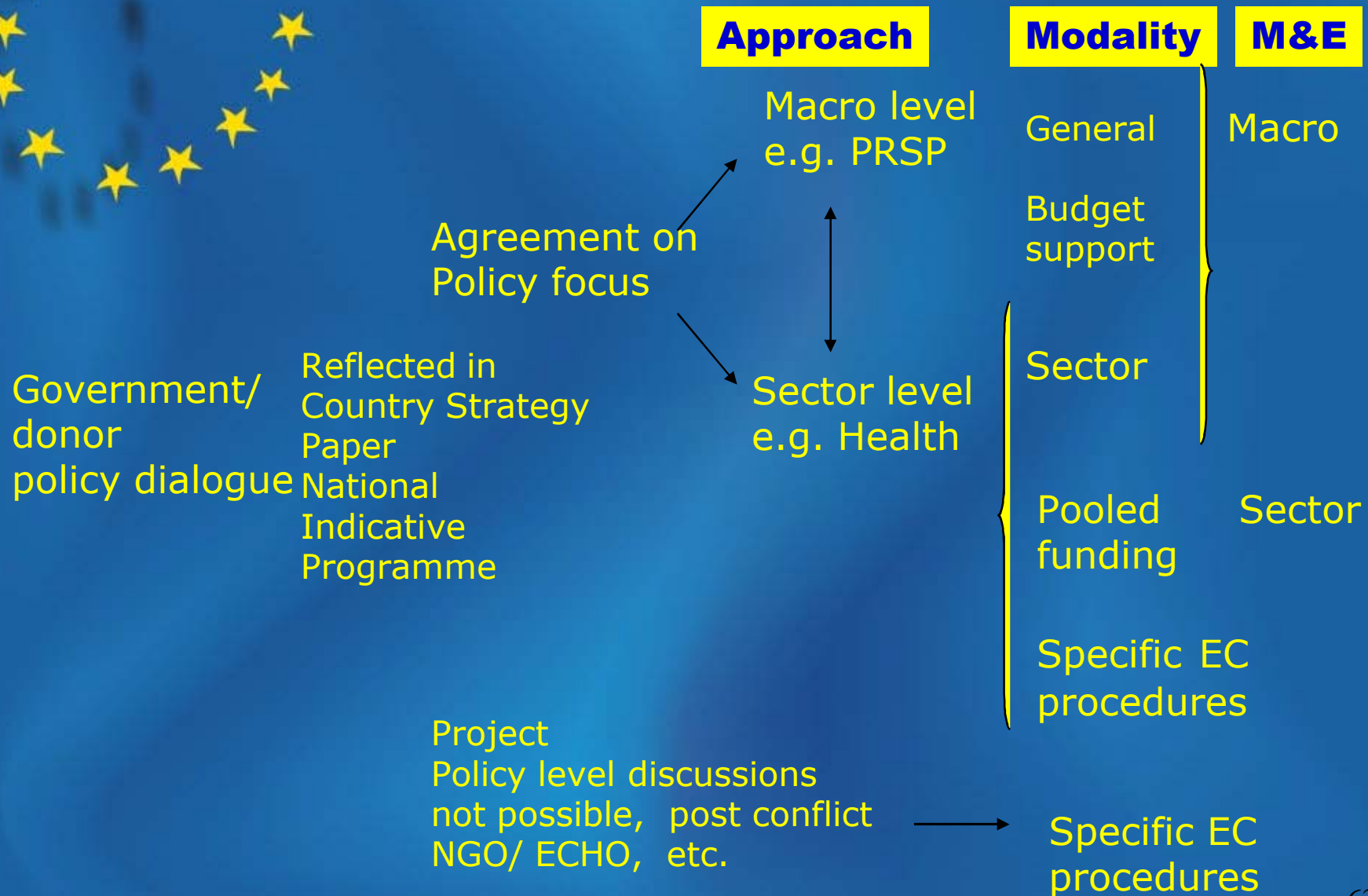


# The European Consensus Principles

- Aid effectiveness : **Paris Declaration**
- **Additional EU commitments** on aid effectiveness (2 of 4):
  - to channel 50% of government-to-government assistance through country systems, **budget support** or **sector-wide approaches**;
  - to provide all **capacity building** assistance through **multi-donors arrangements**;



# The context





# DC Implementation

## Approach

## Financing Mechanism

**Project**

**EC Procedures  
(or delegated)**

**Sector**

**Pooled or Basket Funds**

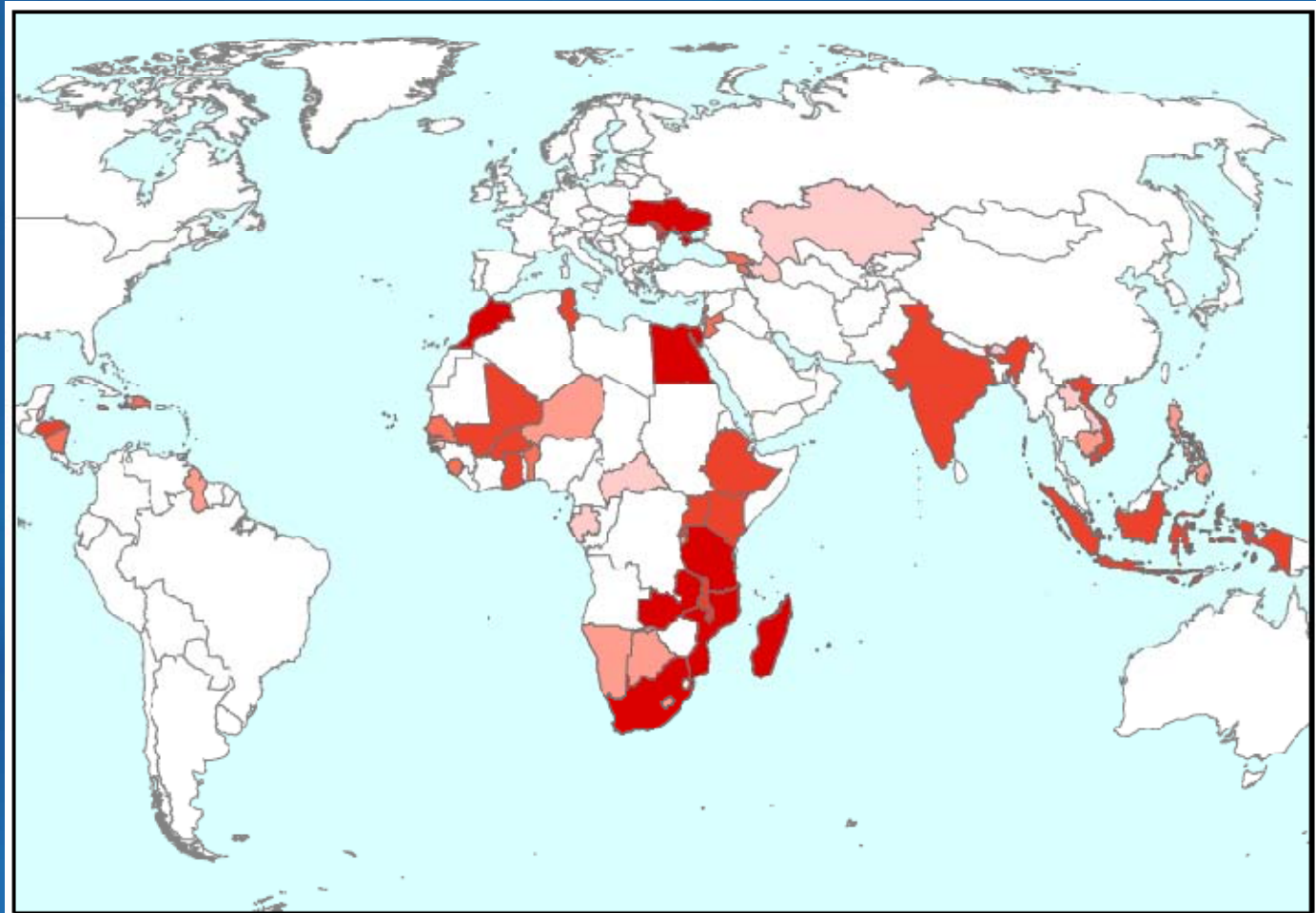
**Global/Macro**

**Global or Sector  
Budget Support**





## General & sector budget support (programmed for 2008-2013)



**Darker shades: more budget support  
(up to €125 million)**





# GENERAL BUDGET SUPPORT



## Aid Delivery Methods

Guidelines on the Programming, Design &  
Management of General Budget Support

AIDCO DEV RELEX

January 2007

[http://ec.europa.eu/europeaid/multimedia/publications/publications/manuals-tools/t102\\_en.htm](http://ec.europa.eu/europeaid/multimedia/publications/publications/manuals-tools/t102_en.htm)



# When do we do BS?

## Eligibility criteria

### **1. Having a PRSP or equivalent national (or sector) strategy**

Commitment to poverty reduction and to monitoring improvements in people's lives

### **2. Implementing stability-oriented macro policies**

Key to ensure proper budget implementation as well as the sustainability of policies supported and their results

### **3. Quality PFM and commitment to reform**

Key to ensure effectiveness of budgetary expenditures  
No threshold set but dynamic approach to support reform.  
Puts comprehensive reform PFM system at the centre of the debate.

Accepted by European Court of Auditors but needs rigorous application

# Enhancing predictability and reducing volatility

Graduate response partial disbursements in cases of partial fulfilment

The diagram illustrates a transition from a 'Fixed tranche' to a 'Variable Tranche'. On the left, a solid blue rectangle is labeled 'Fixed tranche' and sits on a base labeled 'General conditions'. On the right, a blue rectangle is labeled 'Variable Tranche' and sits on a base labeled 'Performance assessment'. This right rectangle is divided into two parts: a smaller light blue top section and a larger blue bottom section. A vertical double-headed arrow connects the top of the 'Fixed tranche' box to the top of the 'Variable Tranche' box. Above the 'Variable Tranche' box, a text box specifies: 'VT on average: 35% BS amount, 15 indicators, 70% disbursed'. A long orange arrow at the bottom points from the 'General conditions' base towards the right.

**Fixed tranche**

VT on average:  
**35% BS amount**  
**15 indicators**  
**70% disbursed**

**Variable Tranche**

General conditions

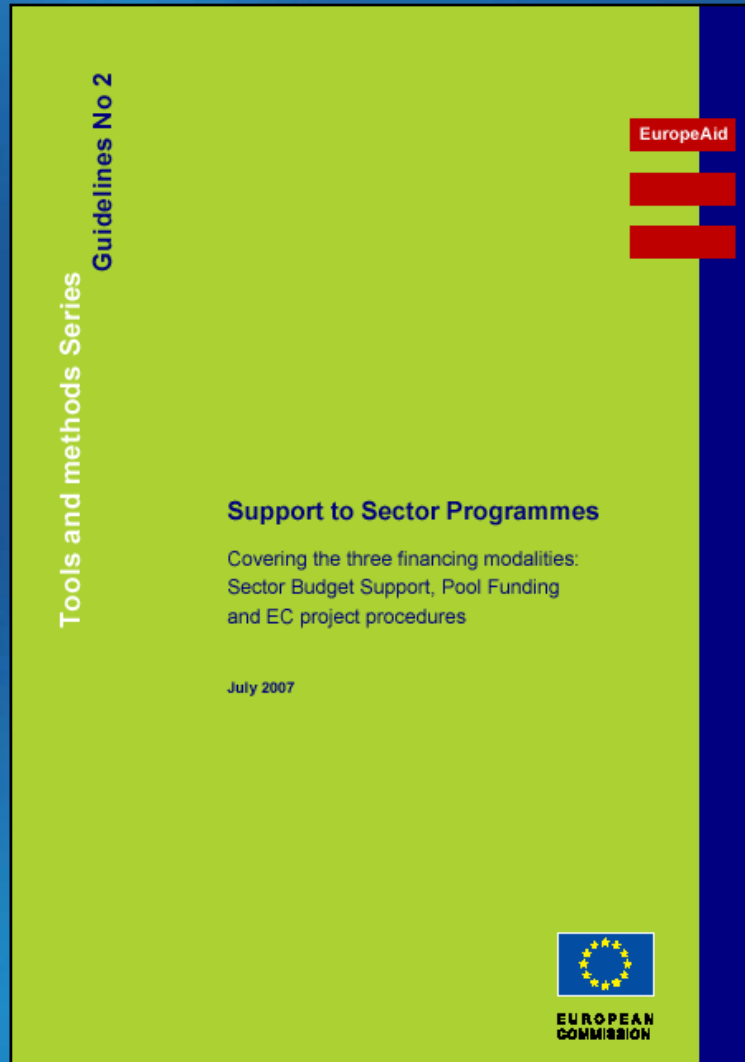
Performance assessment



## Variable Tranche: the link to the sector

- The triggers for variable tranche are **sector indicators** (e.g. MDG/health or health sector reform milestones)
- Need for **sector policy dialogue** on their selection and joint follow-up

# SECTOR SUPPORT



[http:// ec.europa.eu/europeaid/multimedia/publications/publications/manuals-tools/t107\\_en.htm](http://ec.europa.eu/europeaid/multimedia/publications/publications/manuals-tools/t107_en.htm)



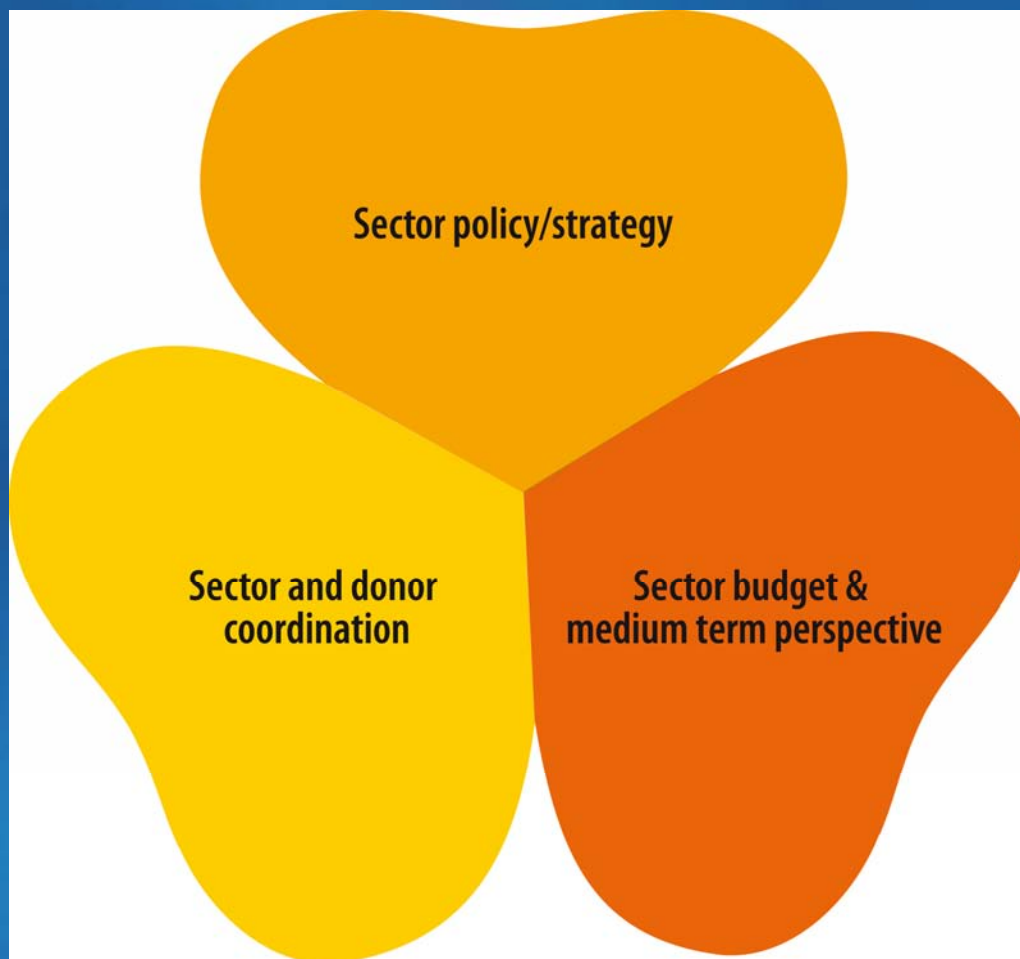
## Sector Support –definitions

- **Sector approach** = way of working together between governments, development partners and other key sector stakeholders to support the sector
- **Sector programme** = as a result of following the sector approach, governments in consultation with national stakeholders and other donors may develop a sector programme
- **Sector Policy Support Programme (SPSP)** = is the EC programme by which financial support is provided to the government's sector programme



# **Sector Programmes**

## **3 building blocks**



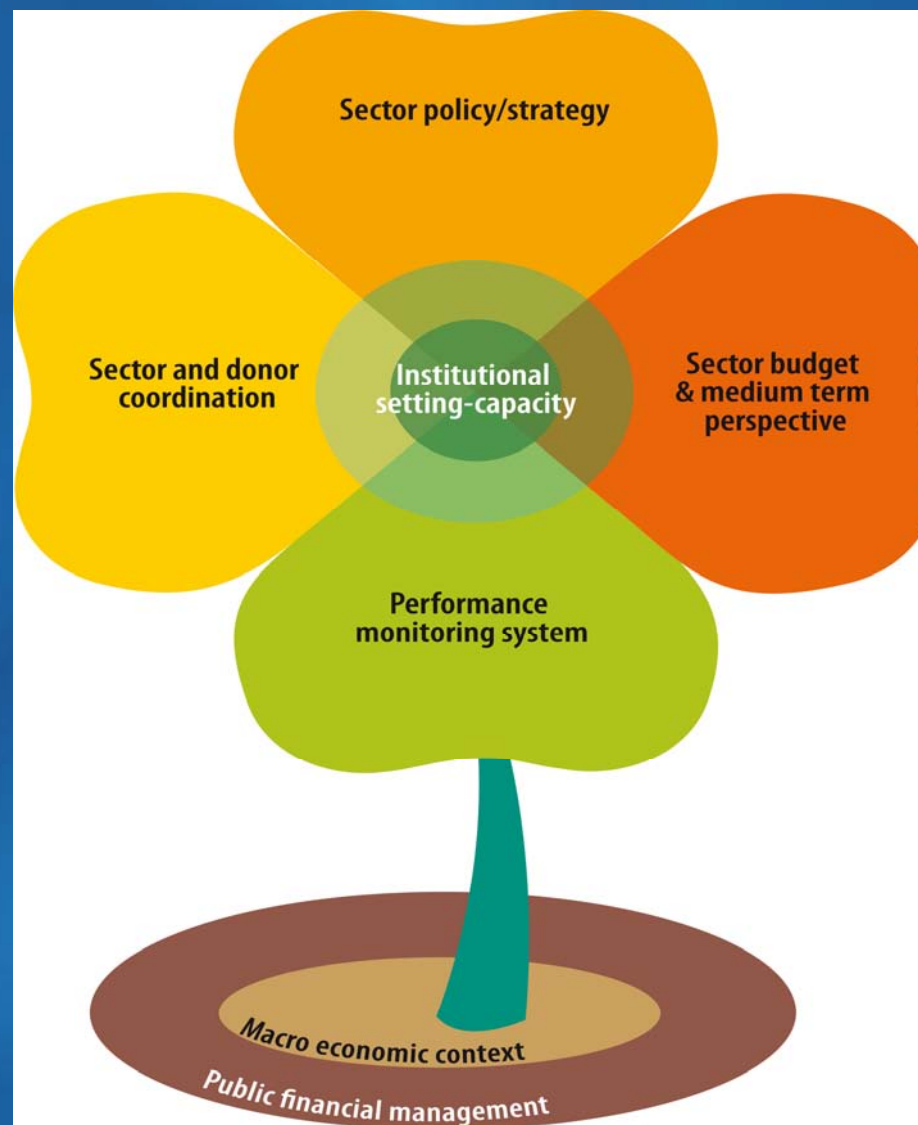




## **Definition of sector programme**

- *A properly formulated sector policy and strategy*
- *An annual budget and its medium term financial perspectives*
- *A sector co-ordination process including important national stakeholders and donors, led by Government.*

# 7 areas of assessment





*Aid Delivery Methods* Concept Paper  
a contribution to development thinking

# Institutional Assessment and Capacity Development

Why, what and how?



## **Towards EU guidelines on Technical Cooperation and PIUs**

### Objectives of the strategy

- **Improve the overall quality of TC/ TA in line with aid effectiveness principles, capacity development issues and good practice in this area;**
- **Address the Paris and EU targets on TC, with emphasis on the provision of "coordinated support" through multi-donor arrangements;**
- **Promote an approach towards PIUs consistent with aid effectiveness principles and that addresses the Paris Declaration and EU targets in this area.**



# The Paris Declaration and EU targets

- **Paris Indicator 4** requires that 50% of TC flows are implemented through coordinated programmes consistent with national development strategies by 2010.
- **Paris Indicator 6** calls on development partners to "reduce by two-thirds the stock of parallel implementation PIUs" by 2010 and thereby help to strengthen national structures, institutions and procedures
- **EU target no. 2** is to "provide all capacity building assistance through coordinated programmes with an increasing use of multi-donor arrangements."
- The corresponding **EU target no. 3** is to "avoid the establishment of new PIUs" altogether



# technical assistance in the context of capacity development



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 IL-QORTI EUROPEA TA' L-AMTURI  
 EUROPESE REKENKAMER  
 HOLLANDSKE REKENKAMER  
 TRIBUNAL DE CONTAS EUROPEU  
 CURTEA DE CONTURI EUROPEANĂ  
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## The effectiveness of technical assistance in the context of capacity development

- COM to **develop guidelines** on TA defining its role in the area of capacity development
- Design of capacity development projects should be improved facilitating **effective ownership** and national leadership
- Procedures for preparation to be reviewed, in order to create more time for implementation, **more flexibility** to adjust the project design and/or ToR for TA to changes in circumstances.
- Evaluation criteria in TA tenders should be reviewed, in order to better **reflect the quality and previous experience of the experts and the consultancy company.**





## The effectiveness of technical assistance in the context of capacity development

- More options to be considered regarding procurement to allow the best possible choice of technical expertise, including expertise from **public institutions** and expertise available **in the beneficiary country or the region.**
- In line with the **Paris Declaration commitments**, COM should increase technical assistance through **coordinated programmes**, which encourage local ownership.
- Technical assistance **performance by companies and experts should be assessed systematically** and a management information system for recording, reporting and consulting this performance should be developed.



## **Towards EU guidelines** **on Technical Cooperation and PIUs:** **Elements of an EC VISION**

- **Focus on Capacity Development**
- **Demand-Driven TC**
- **A Country-Managed Process**
- **Harmonised and Aligned Provision** - At least half of all TC resourcing, allocation and planning should be implemented through **pooled arrangements (sector programmes, budget support)** or other harmonised approaches such as **delegated cooperation/ division of labour**, while all TC provision should be aligned behind country strategies.



## **Towards EU guidelines on Technical Cooperation and PIUs: Elements of an EC VISION**

- **Use of more Innovative forms of TC** - innovative ways of developing capacity and sharing knowledge through technical cooperation instead of the traditional expert-led approach).
- **Better Quality and Appropriate TC**
- **Greater Use of National TC providers**
- A substantial **reduction of parallel PIU** integrating tasks into government administration.
- **EU should to go beyond its stated objective of not creating new PIUs: abolish all Parallel PIUs by 2010.**
- **Mutual Accountability for TC Results** - regularly monitored and included in high level policy dialogues.



***Thank you!***