WORLD BANK OPERATIONS EVALUATION DEPARTMENT

OED

EVALUATION BRIEF

March 10, 1999

Aid Coordination and the CDF

HEADS-UP

Findings with important implications for CDF. Based on SDC-OED workshop on Aid Coordination held in Washington on Feb. 10-11, 1999.

Early results from OED's Aid Coordination workshop have important implications for the implementation of the Comprehensive Development Framework.

Key Finding

Operationalizing partnership in Bank business and making the country the key focus of aid coordination will be a long process unless a "sense of urgency" about the issues is embraced by both Bank operational staff and senior government officials from borrowing countries.

The Workshop

Government officials from 19 borrower countries recently participated in a SDC-OED Workshop on Aid Coordination. Participants included senior officials, several of ministerial rank, with overall responsibility for aid coordination in their respective governments. The overarching purpose was to stimulate dialogue among the participants on what works well and what needs to be improved for more efficient aid coordination.

The Pre-Workshop Questionnaire

Participant responses to the pre-workshop questionnaire revealed reservations:

- While most thought that significant progress has been made in improving aid coordination meetings, more than one-third reported that donors maintain a confrontational attitude vis-à-vis the government.
- Relative to other objectives of aid coordination, the participation of civil society was not regarded as particularly important.
- Only one-third indicated that governments had taken the lead in determining the agendas and directions of aid coordination meetings.

The Post-Workshop Outcome

Post-workshop outcomes revealed possibilities for change. In spite of considerable skepticism, the participants were impressed by the Bank's sense of urgency in these matters. By the end of the workshop, they saw the possibility for significant progress in making partnerships work and demonstrated a renewed willingness to work toward aid coordination:

- Participants stressed their need to shift the aid paradigm from "recipients of aid" to "managers of aid."

- One participant said he had been converted to seeing the possibilities of partnership.
- Another plans to enhance the skills of his staff to make aid coordination more productive.
- Yet another would like to sponsor a similar workshop in his country.
- Participants emphasized, however, that governments *and* donors must both do things differently to realize these gains.

Key Steps

What Donors Could Do Differently

- Consolidate strategies through coordinated commitments in country, regional, and sector assistance.
- Organize multi-donor sectoral aid missions to avoid duplication and overload.
- Work toward better agreement on common international standards for reporting, accounting, and procedures.
- Offer special assistance to transitional countries—including more frequent consultative meetings and assistance in the preparation of long-term development and public investment programs.

What Recipient Governments Could Do Differently

- Present long-term national development plans with clearly articulated priorities. Use the plan (and budget) as the basis for decisions about aid allocation—to tell donors *no* as well as *yes*.
- In consultation with donors, designate lead donor co-coordinators based on their comparative advantage.
- Help donors understand a country's real absorptive capacity and the limits of institutional capacity.
- Be clear and transparent about adequacy and availability of counterpart funds.
- Designate lead coordination responsibility within government.
- Create, institutionalize, and strengthen internal structures for aid coordination.
- Clarify roles and responsibilities of central coordinating ministries.
- Build capacity for aid coordination by fostering skill in negotiation, communication, economic and social analysis, information technology, and diplomacy.

Location of Consultative Group Meetings

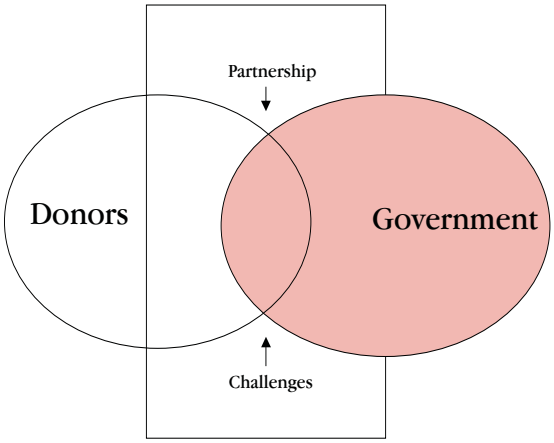
The Bank should be flexible in the siting of consultative meetings. For example, if there is a special need for donors to learn about the country setting, see specific problems, or hear the views of local stakeholders, then in-country meetings might make sense. If the government is at an impasse with donors on specific issues, however, it is often better to hold consultative meetings closer to the donor headquarters. This would provide more opportunities for government officials to make their case to a broader range of donor representatives.

Role of Civil Society

In contrast to questionnaire results, participants engaged in a discussion of civil society. While there are substantial differences among countries, most participants believed that it was important to make an effort to involve civil society more fully in aid coordination activities and national priority setting. Examples include involvement of private sector associations in aid mobilization in Zambia and consultative national priority setting activities in Nicaragua.

Next Steps

OED plans to follow the workshop with brief country visits to three CDF pilot countries: Ghana, Ethiopia, and Vietnam. OED will work with the Bank's Resident Missions, partner governments, donor representatives, and civil society stakeholders in action-learning activities that will build on the February workshop and other components of the ongoing aid review.



Nine Central Issues

- Conflicting goals, stakes, competition at different levels
- Different paradigms about how development should work
- Procedural overload
- Complicated procedures
- Data problems: data is developed by donors
- Conditionality: harmonize conditionalities; tied aid and its implications
- Sustainability of programs: who are winners and losers
- Importance of national capacity
- Importance of qualified people to represent donors and governments

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