PARIS DECLARATION
ON
AID EFFECTIVENESS

Ownership, Harmonization, Alignment, Results and Mutual Accountability

Based on High Level Forum, Paris Feb. 28 – Mar. 2, 2005
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I. Statement of Resolve

• Introduction
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• Adapt & apply to differing country situations
• Specify indicators, timetable & targets
• Monitor & evaluation implementation
Introduction

• Ministers from developed & developing countries resolve to take far-reaching and monitorable actions to reform the ways aid is delivered & managed to achieve the Millennium Declaration & the MDGs
• Volumes of aid & other development resources must increase AND aid effectiveness must increase significantly
Scale up for more effective aid
Commitments

- Harmonize & align aid delivery
- Priority to aid effectiveness
- Accelerated Implementation

By donors & partner countries
Accelerated Implementation

i. Strengthening partner countries’ national development strategies & associated operational frameworks

ii. Increasing alignment of aid with partner countries priorities, systems & procedures and *strengthen their capacities*

iii. Enhancing accountability of donors and partner countries

iv. Elimination duplication and rationalizing donor activities

v. Reforming & simplifying donor policies and procedures

vi. Defining measures and standards of performance and accountability of partner country systems
Address the remaining challenges

- Weaknesses in partner countries institutional capacities
- Failure to provide more predictable & multi-year commitment to aid flows
- Insufficient delegation of authority to donors’ field staff
- Inadequate attention to incentives for effective partnerships between donors & partner countries
- Insufficient integration of global programmes & initiatives into partner countries’ broader development agenda
- Corruption & lack of transparency
Adapt and apply to differing country situations

- Enhancing aid effectiveness also needed in challenging & complex situations
- Worldwide humanitarian & development assistance must be harmonized within the growth & poverty reduction agendas of partner countries
- In fragile states, principles of harmonization, alignment & managing for results must be adapted to deal with weak governance & capacity
Specify indicators, timetable & targets

• High-level political support, peer pressure & coordinated actions are needed at the global, regional & country levels to implement the reforms suggested in the Paris Declaration.
• Targets are set for the year 2010 with 12 specific indicators to monitor & encourage progress.
• They involve both donors and partner countries.
• They are not intended to prejudge or substitute for any targets set by individual partner countries.
• Five preliminary targets are set against indicators, and these will be reviewed and the remaining targets will be adopted before September 2005.
• (See Section III for the description of the targets & indicators.)
Monitor & evaluate implementation

- Appropriate country level mechanisms will be used to periodically assess, qualitatively & quantitatively, mutual progress at the country level.
- At the international level, donors and partners countries should propose arrangements for medium term monitoring of the commitments in this Declaration.
- In 2008, a meeting will be held in a developing country and two rounds of monitoring will be conducted before then to review progress.
II. Partnership Commitments

1. OWNERSHIP
2. ALIGNMENT
3. HARMONIZATION
4. MANAGING FOR RESULTS
5. MUTUAL ACCOUNTABILITY
1. Ownership

Partner countries
- Exercise leadership in developing & implementing national development strategies through broad consultative processes
- Translate the strategies into prioritized results-oriented programmes (Indicator 1)
- Lead in coordinating aid at all levels

Donors
- Respect partner country leadership & help strengthen their capacity to exercise it
2. Alignment

- Strengthen national procurement systems
- United Aid
- Donors align with partners’ strategies
- Donors use strengthened country systems
- Partner countries strengthen development capacity
- Strengthen public financial management capacity
2. Alignment: *Donors align with partners’ strategies*

**Donors**

- Based their support on partners’ national development strategies & periodic review of progress *(Indicator 3)*
- Draw conditions, whenever possible from a partner’s national development strategy or its annual review of progress
- Link funding to a single framework of conditions and/or a manageable set of indicators derived from national development strategies
2. Alignment: *Donors use strengthened country systems*

**Partner countries**
- Diagnostic reviews for assessing systems and procedures
- Undertake necessary reforms, including public management reform

**Partner countries & Donors**
- Work together to establish mutually agreed frameworks *(Indicator 2)*
- Integrate diagnostic reviews & performance assessment frameworks

**Donors**
- Use country systems and procedures to the maximum extent possible *(Indicator 5)*
- Avoid creating dedicated structures for day-to-day management & implementation of aid-financed projects and programmes *(Indicator 6)*
- Adopt harmonized performance assessment frameworks
2. Alignment: *Partner countries strengthen development capacity with support from donors*

**Partner countries**
- Integrate specific capacity strengthening objectives in national development strategies
- Pursue their implementation through country-led capacity development strategies

**Donors**
- Align their analytic & financial support with partners’ capacity development objectives & strategies
- Make effective use of existing capacities
- Harmonize support for capacity development (Indicator 4)
2. Alignment: **Strengthen public financial management capacity**

**Partner countries**
- Intensify efforts to mobilize domestic resources, strengthen financial sustainability & create an enabling environment
- Publish timely, transparent & reliable reporting on budget execution
- Take leadership of the public financial management reform process

**Donors**
- Provide reliable indicative commitments of aid over a multi-year framework
- Distribute aid in a timely & predictable fashion (Indicator 7)
- Rely on transparent partner government budget & accounting mechanisms (Indicator 5)

**Partner countries & Donors**
- Implement harmonized diagnostic reviews & performance assessment frameworks
2. Alignment: *Strengthen national procurement systems*

**Partner countries**
- Take leadership & implement the procurement reform process

**Donors**
- Progressively rely on partner country systems
- Adopt harmonized approaches

**Partner countries & Donors**
- Use mutually agreed standards & processes
- Commit sufficient resources
- Share feedback
2. Alignment: *Untie aid: getting better value for money*

**Donors**

- Untie aid as encouraged by the 2001 DAC Recommendations on Untying Official Development Assistance to the LDCs (Indicator 8)
3. Harmonization: *Donors implement common arrangements & simplify procedures*

**Donors**
- Implement the donor action plans as a follow up to the Rome High-Level Forum
- Implement common arrangements at country level for planning, funding, disbursement, monitoring, evaluating and reporting to government on donor activity & aid flows
- Increase use of programme-aid modalities (Indicator 9)
- Coordinate to reduce the number of separate duplicative field missions (indicator 10)
- Promote joint training to share lessons learnt
3. Harmonization: \textit{Complementarity} \\More effective division of labour \\

Partner countries
- Provide clear views on donors’ comparative advantage
- Achieve donor complementarity at country or sector level

Donors
- Make full use of their comparative advantage at sector or country level
- Coordinate to harmonize separate procedures
3. Harmonization: *Incentives for collaborative behaviour*

**Partner countries & Donors**
- Reform procedures & strengthen incentives for recruitment, appraisal & training, for management & staff
3. Harmonization: Delivering effective aid on fragile states

Partner countries

- Build institutions & establish governance structures for effective governance, public safety, security & equitable access to basic social services
- Dialogue with donors on developing simple planning tools
- Encourage broad participation of national actors in setting development priorities

Donors

- Harmonized their activities
- Align behind central government-led strategies
- Avoid activities that undermine national institution building
- Use an appropriate mix of aid instruments
3. Harmonization: *Promoting a harmonized approach to environmental assessments*

**Partner countries & Donors**
- Strengthen the application of environmental impact assessment (EIA)
- Develop specialized technical & policy capacity necessary
- *Similar harmonization efforts required on other cross-cutting issues such as gender equality & other thematic issues*
4. Managing for Results

Partner countries
• Strengthen linkages between national development strategies & budget processes
• Establish results-oriented reporting & assessment frameworks (Indicator 11)

Donors
• Link country programming & resources to results
• Rely on partner countries’ results-oriented reporting & monitoring frameworks

Partner countries & Donors
• Work together in a participatory manner to strengthen country capacities & demand for results-based management
5. Mutual Accountability

Partner countries
- Strengthen the parliamentary role in national development strategies and/or budgets
- Reinforce participatory approaches

Donors
- Provide timely, transparent & comprehensive information on aid flows

Partner countries & Donors
- Jointly assess mutual progress in implementing agreed commitments on aid effectiveness, including partnership Commitments (Indicator 12)
III. Indicators of Progress

To be measured nationally & monitored internationally
# Partnership Commitments

<table>
<thead>
<tr>
<th>1. OWNERSHIP</th>
<th>2. ALIGNMENT</th>
<th>TARGETS FOR 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong></td>
<td>Partners have operational development strategies – number of countries with national development strategies (including PRSs) that have clear strategic priorities linked to a medium-term expenditure framework &amp; reflected in annual budgets</td>
<td>At least 75%* of partner countries</td>
</tr>
<tr>
<td><strong>2</strong></td>
<td>Reliable country systems – number of partner countries that have procurement &amp; public financial management systems that either (a) adhere to broadly accepted good practices or (b) have a reform programme in place to achieve these</td>
<td>Target for improvement to be set by September 2005</td>
</tr>
<tr>
<td><strong>3</strong></td>
<td>Aid flows are aligned on national priorities – Percent of aid flows to the government sector that is reported on partners’ national budgets</td>
<td>85%* of aid flows reported on budgets</td>
</tr>
<tr>
<td><strong>4</strong></td>
<td>Strengthen capacity by coordinated support – Percent of donor capacity-development support provided through coordinated programmes consistent with partners’ national development strategies</td>
<td>Target for improvement to be set by September 2005</td>
</tr>
<tr>
<td><strong>5</strong></td>
<td>Use of country systems – Percent of donors and of aid flows that use partner country procurement and/or public financial management systems in partner countries which either (a) adhere to broadly accepted good practices or (b) have a reform programme in place to achieve these</td>
<td>Target for improvement to be set by September 2005</td>
</tr>
<tr>
<td><strong>6</strong></td>
<td>Strengthen capacity by avoiding parallel implementation structures – number of parallel project implementation units (PIUs) per country</td>
<td>Target for improvement to be set by September 2005</td>
</tr>
<tr>
<td><strong>7</strong></td>
<td>Aid is more predictable – Percent of aid disbursements released according to agreed schedules in annual or multi-year frameworks</td>
<td>At 75%* of such aid released on schedule</td>
</tr>
<tr>
<td><strong>8</strong></td>
<td>Aid is untied – Percent of bilateral aid that is untied</td>
<td>Continued progress</td>
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*These figures will be confirmed or amended by September 2005
## Partnership Commitments

### 3. HARMONIZATION

<table>
<thead>
<tr>
<th>Target</th>
<th>2010</th>
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<tbody>
<tr>
<td><strong>9</strong></td>
<td>Use of common arrangements or procedures – Percent of aid provided as programme-based approaches**&lt;br&gt;At least 75%* of partner countries</td>
</tr>
<tr>
<td><strong>10</strong></td>
<td>Encouraged shared analysis – Percent of (a) field missions and/or (b) country analytic work, including diagnostic reviews that are joint&lt;br&gt;Target for improvement to be set by September 2005</td>
</tr>
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### 4. MANAGING FOR RESULTS

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<tr>
<th>Target</th>
<th>2010</th>
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<tbody>
<tr>
<td><strong>11</strong></td>
<td>Results-oriented frameworks – Number of countries with transparent &amp; monitorable performance assessment frameworks to assess progress against (a) the national development strategies and (b) sector programmes&lt;br&gt;75%* of partner countries</td>
</tr>
</tbody>
</table>

### 5. MUTUAL ACCOUNTABILITY

<table>
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<tr>
<th>Target</th>
<th>FPOR 2010</th>
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<tbody>
<tr>
<td><strong>12</strong></td>
<td>Mutual accountability – Number of partner countries that undertake mutual assessments of progress in implementing agreed commitments on aid effectiveness including those in this Declaration&lt;br&gt;Target for improvement to be set by September 2005</td>
</tr>
</tbody>
</table>

*These figures will be confirmed or amended by September 2005<br>**Defined in Vol.2 of Harmonizing Donor Practices for Effective Aid Delivery (OECD, 2005) Box 3.1