

## **AID EFFECTIVENESS: A PERSPECTIVE FROM THE SPANISH DEVELOPMENT COOPERATION**

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### **Starting Point, Challenges: The Millennium Development Goals, Aid Increase**

The international community reached a consensus on the Millennium Development Goals (MDGs) in December 1999, indicating the direction of international development aid. The Monterrey Declaration recognised the need to increase aid to tackle the challenges established by these Goals. The next logical step was to make an effort in terms of efficiency, in order to implement a system that permits the decrease of the various dimensions of poverty.

### **The Answer in Terms of Efficiency: Rome and Paris Declarations**

The solution to this challenge is formulated through consensus on efficiency principles that led to Declarations such as that of Rome (2003) on harmonisation or the Marrakech Memorandum (2004) on development results-management that finally took shape in the Paris Declaration (2005). The latter reached a consensus on what aid efficiency should mean. The Declaration insists on the fact that the international community must channel its development aid based on four principles: appropriation, alignment, harmonisation and management aimed towards results and mutual responsibility. The text comes with 12 monitoring indicators for the aforementioned principles and carries out a follow up process with three rounds of supervision (2006, 2008, and 2010).

### **The Implications of the Paris Declaration for the Spanish Development Cooperation Policy at a Strategic Level**

The Paris Declaration establishes a level of commitment for donors and partner countries to be met before the year 2010. It is important to repeat some of the most significant commitments, as well as know the effects that they will have on our development cooperation system and the necessary adaptations that the system must face - some of which are already under way.

The Spanish development cooperation employs and applies the contents of the Paris Declaration on aid efficiency. The five development cooperation commitments that were developed through mutual responsibility should be interpreted in the light of the specific situation of each partner country.

These principles inform about the planning, management and evaluation exercises of the Spanish development cooperation. So, with the approval of the Master Plan,

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substantial advances have been made in all of the commitments of the Paris Declaration. The following stand out:

Spanish development cooperation has made an effort with the design of two tools that unify the methodologies for the elaboration of the Country Strategy Papers, Special Attention Plans and Sectorial Strategy Documents, thus allowing the incorporation of harmonisation, alignment and appropriation commitments as the basic principles that define the priorities and intervention criteria of the Spanish development cooperation in recipient countries.

The approval of the II Master Plan and the development of its priorities, through the Annual Plans for International Development Cooperation (PACI), increase the foreseeability of our aid. The budget framework and the country reports of the PACI 2006 show the real performance provisions in these countries. They improve the estimates given in the previous exercises.

The use of the so-called new instruments offers donors and recipient countries a relationship model based on appropriation, partnership, confidence and the mutual responsibility for the development of the recipient country. Besides, they directly support national priorities, formulated on the basis of participation, dialogue and consensus between State, civil society and the private sector as well as the use of its systems and procedures. For these reasons, it supports the reinforcement of the State's capabilities that already link permanent assistance to the public administrations of the recipient country. In 2006, the Spanish Agency for International Cooperation (AECI) duplicated its budget for these instruments, reaching 46.9 million euros.

The creation of strategic evaluations for Spanish international development cooperation policy, through a clear definition of the objectives that they pursue, the implementation of mechanisms to promote the participation of the different actors and guarantee the quality of their results, and the introduction of harmonisation and alignment criteria all derived from the Declaration on Aid Efficiency.

Spain meets the recommendation of the Organisation for Economic Cooperation and Development (OECD) with regards to the disconnectedness of aid in Less Developed Countries. So, ever since 2002, projects directed at this group of countries are awarded via international bidding. Besides, the increasing usage of other Spanish development cooperation instruments and the capacity of the Ministry of Foreign Affairs and Cooperation's proposal, reduce the weight of interventions connected to the Development Assistance Fund on the total of the Official Development Assistance (ODA).

## **Spain's Contribution to the Paris Declaration**

Spain has found itself in a leading position since the beginning of the aid efficiency process. Its active participation in the Development Assistance Committee's (CAD) Aid Efficiency Group, more specifically in the subgroup on the monitoring of the Paris Declaration, working on the elaboration of indicators and questionnaires on monitoring and commitment-verification included in the Declaration, were significant throughout the entire process.

On the other hand, the Development Aid Committee's evaluation network has begun the process of evaluating the Paris Declaration, where Spain has also been playing an outstanding role right from the beginning, participating in the definition

of the scope of evaluation and closely following the validation of the work being carried out by consultants.

Likewise, Spanish development cooperation leads the follow-up work on the progress and commitment to the Paris Declaration achieved in Latin America. This is done by carrying out a practical exercise that measures the achievement and the advances in the aid efficiency of donors and partner countries. This exercise has been very successfully carried out in Nicaragua, where questionnaires were piloted and coordination mechanisms between donor and partners necessary to advance the Paris Declaration's agenda were set up.

The results of the field tests for this pilot programme, together with five others (South Africa, Ghana, Cambodia, Uganda and Senegal) have served as inputs for drawing up the final version of the survey. On 2 May 2006, the final version of the questionnaires was adopted and participation in the survey was open to any country that had shown interest in completing it. The countries must designate a national coordinator who will propel the process and transmit the information to the OECD Secretariat before 15 August so that it can be analysed and grouped. The results and the key findings will be presented in a final report that will be published in December 2006.

## **The Challenges of Integrating the Principles of the Paris Declaration into the Spanish Development Cooperation System**

On the other hand, we must keep in mind the integration process, the first phase of which we are currently finishing. In this first phase, the majority of efforts have been concentrated on the area of policy consensus and strategy planning. One year and four months after signing the Paris Declaration it is necessary to pass on to a more operative phase, centred on integrating the Paris commitments into all levels of our development cooperation system including all the players who are implicated.

With this goal in mind, the DGPOIDE is preparing an action plan to identify the needs and players that the integration process involves. This plan will have the following minimum guidelines:

### **1. Political Support**

The desirable thing is that the various political levels formally address the social players - Parliament, government, among others - as well as the development cooperation players at all levels - ambassadors, technical cooperation offices (TCOs) and non-governmental organisations (NGOs) - through different kinds of communication channels (letters, circulars, etc.) expressing their support and inviting them to join in the implementation of the action plan to integrate the principles of the Paris Declaration and to join forces to reach the goals stipulated therein.

### **2. Communication and Diffusion**

It would be necessary to design and carry out a communication strategy that includes:

- Operational guidelines aimed at both the central services and development cooperation field managers;
- Briefings and specific seminars for development cooperation managers that transmit how to make the principles of the Paris Declaration operative in their daily dealings;

- Diffusion of documents on aid efficiency (the creation of specific products for the various operators, partner countries); and
- Adaptation and inclusion of the principles of the Paris Declaration into planning and strategic evaluation documents.

### **3. Organisational Support**

- Organisation of the system's available human resources and the increase of efficiency through coordination and division of labour;
- De-centralisation of diffusion responsibilities and integration at ground level; and
- Establishment of a system of incentives to integrate the Paris Declaration into the development cooperation system.

The development of these guidelines will not be free from technical and cultural organisational obstacles. Besides, it will need the mutual effort of the various development cooperation players to carry them out. At the same time, it will be necessary to lend assistance and clearly follow the implementation of the principles of the Paris Declaration process in the partner countries.

The implementation of the Paris Declaration is still underway. Chaotic activity of bilateral and multilateral donors has been reported in international forums such as the OECD, as well as in the partner countries, in order to arrive at the high-level meeting in Ghana in 2008 with significant advances. The Spanish development cooperation is in good shape to continue its leadership role in this area, but it is necessary to reinforce internal capacities and provide a central action plan that puts desired goals into practice.

## **Foroaod – Spanish Development Aid**

FRIDE organised the project "Spanish Development Aid - Mid-term Review and a Proposal for a Participative Consultation" between June 2006 and April 2007. This project aims to develop a consultation process about the current Spanish government's development cooperation policy. We have created a forum for participation and debate, in order to assess the Spanish development cooperation reform agenda and to identify the main achievements and shortcomings in operationalising the initiatives based on the principle of "More Aid, Better Aid". A set of recommendation guidelines were developed, through participative methods, with the objective of putting into practice the aspirations of the Spanish development cooperation policy.

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