BUILDING COUNTRY CAPACITY FOR DEVELOPMENT RESULTS:
MULTILATERAL AND BILATERAL APPROACHES TO EFFECTIVE AID MANAGEMENT THROUGH STRENGTHENING NATIONAL SYSTEMS AND INSTITUTIONS

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Session 3: Multilateral Development Cooperation and the Paris Process: The Road to Busan
Why Paris and Accra

• High aid transaction costs

• Development agenda driven by donors

• Growing focus on credible reforms and sustainable results
State of the agenda

• Country ownership has advanced farthest:
  - Improved policies;
  - Country systems reforms (PFM and procurement in particular)

• More collaboration, in particular with budget support and at the sector level

• Managing for results and mutual accountability advancing least

• Country capacity crucial
Capacity gaps

- Implementation gap
- Policy gap
- Resource gap
Addressing the implementation gap

- Key Approach:
  - Integrating aid into national planning and budgeting exercises
  - Use of national systems for aid management and delivery
  - Use of country accountability mechanisms

- Key issues:
  - Leadership for transparency and results
  - Results based management and high quality M&E systems
  - PFM and procurement reforms
  - Integrated project implementation units
Major challenges for multilaterals and other donors

- Risk-avoidance: strengthening internal rules and regulations; more control
- Initiating public sector reforms; providing incentives for civil servants
- Mutual accountability
Addressing the policy gap

Articulation of country led national strategic framework and donor led aid projects at operational level
Addressing the resource gap

**Donors**
- Apply in the field what head offices have agreed upon resource commitments and allocation mechanisms
- Medium term commitments matching MTEF
- Risk management strategy in terms of resource availability
- Reporting on results
- Test innovative joint funding schemes with various actors (donors, government, PPPs)

**Government**
- Enforcing commitment on reforms to build up credibility and attract potential funding
- Medium Term Budgetary Framework to align budgets on results with a medium term perspective
- Risk management strategy in terms of resource mobilization
- Credible financial systems and data on results
- Fiscal policy reform to increase national revenues

**Walk the talk**

**Budget for results**

**Capture risk**

**Demonstrate results**

**Mobilise other funds**
Approaches to bridging the human resources and institutional resources gap

- Joint certification on site: University Certification in Public procurement offered jointly by ENAREF, IDEA and Université Laval in Ouagadougou, Burkina Faso

- Joint Certification on site and at a distance: RBM training for the State of Antioquia, Colombia

- Rapid ToT model: training in public works supervision in Kinshasa, DRC
Conclusion: Major Lessons Learnt so far in bridging the capacity gaps

- Considering interactions among donors, sectors, actors, and regions even when acting specifically and locally.

- Use a stepwise process and look for joint win actions to build up progressively confidence among partners and among partners and government.

- Use a roadmap to have a plan, but be able to pilot its application with flexibility, capturing opportunities and addressing threats.
Conclusion: Major Lessons Learnt so far in bridging the capacity gaps (cont’d)

- Building practical capacities within donors’ staff in the context of the generation gap
- Modifying incentives for government ‘s and donors’ staff to make them more oriented on national results while not hurting beneficiaries
- Systematically include a sensitization and communication component to build momentum for reform and reduce resistance to change
Thank you!