



PACIFIC ISLANDS FORUM SECRETARIAT



PIFS(08)PRWAE.02

**PACIFIC REGIONAL WORKSHOP ON AID EFFECTIVENESS
Nadi, Fiji, 4, 5, & 7 April 2008**

CONCEPT NOTE

Rationale

Over the years, development cooperation has played a crucial role in improving the standard of human development across the world. With the expectation that aid would increase substantially in the wake of the Monterey Conference on Financing for Development (2002), aid management for better development outcomes has emerged as a renewed priority for donors and partner countries alike. The momentum for a new aid architecture was further reinforced in three milestone meetings, namely the High-Level Forum on Aid Effectiveness in Rome in February 2003, the Paris High-Level Meeting in March 2005 and the UN World Summit in New York in September 2005. These meetings urged developed countries to improve people's lives in developing countries through mobilizing additional financing and making more aid available to developing countries. They have also urged developing countries to take greater ownership of and leadership over development interventions at national level, and use aid resources more effectively to produce greater development impact. Clearly, for aid to produce better development results, it requires existing capacities and use of national systems at country level, as well as specific behaviors from donors.

The Paris Principles of ownership, alignment, harmonization, mutual accountability and managing for results place the onus on governments to define their national priorities. These principles also put governments in a lead position to determine how domestic and external resources are used, primarily by aligning these with national priorities through consultations with national and international partners. 5 Pacific Islands Countries have signed up to the Paris Declaration, namely Fiji, Papua New Guinea, Solomon Islands, Cook Islands and Tonga. While the remaining PICs have not formally endorsed the Paris Declaration, capacity building efforts on public financial management by donor partners have addressed the importance of improving aid effectiveness in order to produce better development results.

In 2007, the Pacific Principle on Aid Effectiveness (PPAE), which draw heavily on the Paris Declaration, were adopted by Pacific Island Countries and Development Partners. Planning and Aid Management Units responsible for aid coordination and

management have a critical role in their implementation and therefore must be fully cognizant of they are and the technical support that is available to assist in their implementation.

Furthermore, in adopting the Pacific Plan, which is a significant framework for the region, Pacific Leaders have recognized that aid effectiveness is an imperative in the planning and implementation of the Pacific Plan. There has been recognition in the Asia/Pacific region and globally of the PPAE, which have been introduced at the Asia/Pacific preparatory meeting for the Accra High Level Forum on Aid Effectiveness. But more so, the PPAE's implementation underscores the importance of aid effectiveness due to the fact that PICs are amongst the largest recipients of aid on a per capita basis.

Development assistance plays a key role in the economies of Pacific Island Countries, and available data on aid flows to the Pacific indicate that the region is still a strong beneficiary of donor funding (OECD Database and World Bank Indicators). In aggregate terms, aid flows as a % of GNI are higher in the Pacific than in any other region, even when compared to developing countries as a whole. Even though aid flows to the Pacific have been declining by almost 50% in the last two decades in aggregate amount, ODA is still an important component of government budgets in many Pacific countries (Abbott & Pollard, 2004). The challenge is to ensure that Pacific countries make the most of these resources through better management of aid, donor coordination and harmonization for better development outcomes.

Since Paris, a number of meetings have been organized globally and regionally to support countries to implement and monitor the impact of the Paris Principles. In the Asia/Pacific region, these meetings have also addressed the Pacific Principles on Aid Effectiveness. In the lead-up to the review meeting on the Paris Declaration to be held in Ghana in September 2008, a round of sub-regional preparatory and consultative meetings are being organized by the OECD DAC and ADB. A specific meeting is being organized for Pacific countries.

Overall Workshop Objectives

2. The objectives of the workshop are:
 - a) To further discuss the progress made on the implementation of the Pacific Principles on Aid Effectiveness in particular:
 - Key Paris and Pacific Principles and their linkages including: the status of their implementation; implications on resources, streamlining mechanisms at the country level (FICs);
 - Incorporation of the principles into policies and practices at a country level; and
 - Constraints, good practice, and lessons learnt

- b) To focus on methodologies for the implementation of the “Managing for Development Results” and “Mutual Accountability” elements of the Paris Principles
- c) To facilitate discussions around the preparations and issues for the Accra High Level Forum on Aid Effectiveness and the workshop outcomes to complement on-going regional consultation meetings
- d) Facilitate peer learning and provide a forum at which national coordinators can identify additional support requirements ahead of the HLF, if required, to complement ongoing country level work
- e) To develop clear country level requirements for implementation of the global and regional aid effectiveness principles.

Order of Proceedings

In order to meet at the aforementioned objectives, the workshop will be convened over two and half (2 ½) days from 4, 5 (1/2 day), and 7 April 2008 as follows:

- **Day 1** will provide an overview of the Paris Declaration and the Pacific Principles, highlighting in particular their linkage and the Pacific Principles / Pacific Plan, implementation to date noting the challenges that Members are faced with. To facilitate the discussion a number of country presentations will be delivered based on experiences. Tuvalu, Kiribati (possibly), PNG, and Fiji have been identified as a preliminary step at this point of time. Furthermore, Day 1 will explore implementation challenges relating to the principles of “Managing for Development Results” and “Mutual Accountability”
- **Day 2** (half day only) will focus on preparations for Accra. Member countries who have participated in the recent survey in March 2008 will be asked to make short presentations. Discussions will include whether participating Members would consider doing a lighter version of the survey by June 2008 so that a Pacific Report can be tabled at the Ghana HLF as a side paper.
- **Day 3** will focus on moving forward towards Accra: issues to be discussed, the Roundtable discussions, Pacific positions, support and resources to enable countries to firm up Pacific positions and make substantive contributions to the RT and HLF. It will also agree to key ways forward for the national implementation of aid effectiveness.

Participants

3. The workshop will bring together Senior Officials from Forum Member Countries who are responsible for policy development and the management of development assistance in their respective countries.
4. Specialists on aid effectiveness from UNDP, NZAID, ADB and country presenters will be sourced to help facilitate group discussions as well as deliver key presentations.

Issues

5. The need to maintain attention on the requirement for the effective delivery of development assistance to the region hinges on the following:
 - Lack of country leadership and ownership of development. Where they do exist, they are not strong enough, resulting in a lack of alignment between policy, planning and budgeting, and an inadequate allocation of resources for the development of strong national development planning mechanisms and financial management system/mechanisms;
 - Development partners programmes for respective countries often are not strongly aligned to and do not necessarily address nationally identified priorities. One reason attributed to this is the fact that most often they are non-existent. In cases where national plans exist, often priority initiatives are not clearly articulated and do not link sufficiently with sectoral plans and budgets;
 - There is a lack of coordination in the delivery of development assistance resulting in the duplication of efforts;
 - There are weaknesses in institutional mechanisms and capacity at the national level resulting in local systems not being fully utilised by development partners in the execution of their country programmes; and
 - There are no monitoring and evaluation frameworks in place to enable the proper assessment of agreed commitments undertaken for the implementation of programmes.

Role of key Stakeholder during the workshop

Recipient Countries

6. Participants representing Member countries are expected to share as much as possible constraints, good practice and lessons learnt in the management and coordination of development assistance at the national level, in particular the incorporation of the

Pacific Principles of Aid Effectiveness in national mechanisms. Issues hindering aid effectiveness will also be shared.

Development Partners

7. Partners at the workshop will be represented by individuals with a lot of experience in the effective delivery of development assistance. The sharing of experiences on how to address issues that may be raised by participants during discussions is expected.

Expected Outcomes

- Participants' understanding of aid effectiveness, issues and mechanisms enhanced.
- Country participants have greater awareness of the Paris and Pacific Principles, and increase their skills in leveraging these principles in their consultations with donors.
- Country delegates are better prepared to discuss issues to be raised at the Ghana HLF in September 2008
- Countries are aware of available support and resources to prepare technical positions / technical papers for the Accra HLF.