



ISLAMIC DEVELOPMENT BANK

## **Regional Workshop on Aid Effectiveness**

(Jeddah, 24-25 June 2008)

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### **FINAL REPORT**

As part of the process of preparation for the Third High Level Forum on Aid Effectiveness to be held in Accra on 2-4 September 2008 (HLF-3), a regional workshop was organized by the Islamic Development Bank (IDB) at its headquarters in Jeddah, Saudi Arabia, on 24-25 June 2008. The workshop involved representatives of some countries of the Middle East and Europe and institutions of the Coordination Group<sup>1</sup>. Representatives of the World Bank and OECD-DAC playing a key role in the Aid Effectiveness agenda also participated in the workshop. Moreover, an African Development Bank delegation which was visiting IDB at the time of the workshop contributed through a presentation on aid effectiveness *from an MDB perspective*.

The full list of participants is given in Annex 1 while the agenda of the workshop is presented in Annex 2.

#### **A - Introductory Session**

A.1 In his opening statement, the Vice President (Trade and Policy) of the IDB emphasized the importance of the aid effectiveness approach to all donors and all recipients. He also observed that, although the aid effectiveness agenda has been formalized only recently with the Paris Declaration, the concern about this matter has always been there, as illustrated by the efforts of the Coordination Group since 1975.

A.2 Subsequently, Mr. Ennifar (IDB) gave the background of the workshop, indicating that it was in the same framework as other workshops organized by other multilateral development banks (African Development Bank, Asian Development Bank and Inter-American Development Bank). He however underlined that the subject event had two distinguishing features: it involved both donor and recipient countries and it is designed to have an active participation of financing institutions in the discussions, which was not the case in some other workshops. The objective is to ensure that all participants had a good understanding of the core issues, as seen under the Paris Declaration (PD) but also from the perspective of countries and institutions which may not have been actively involved in the international debate around the Declaration.

A.3 During the presentation on the Paris Declaration, Mr. Demilly (OECD-DAC) gave a brief introduction on the OECD-DAC role in the context of the Declaration. He thereafter explained its contents, its originality as compared to previous approaches and how it

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<sup>1</sup> The Coordination Group is a gathering of development financing institutions owned, in totality or in majority, by Arab countries. The Group which has been operating since 1975 currently comprises Abu Dhabi Fund for Development, Kuwait Fund for Arab Economic Development, Saudi Fund for Development, Arab Fund for Economic and Social Development, Arab Monetary Fund, Arab Bank for Economic Development in Africa (BADEA), Arab Gulf Programme for United Nations Development Organizations (AGFund), OPEC Fund for International Development (OFID) and IDB.

is being monitored. He finally presented the preliminary results of the Survey undertaken in 2008 on the implementation of the Declaration (with the participation of 54 countries), noting that these results were generally positive, with good progress on all key indicators (particularly the untying of aid, the alignment and harmonization of technical assistance, and the reliability of public financial systems). However, reform takes time to materialize and further efforts are required, particularly for alignment, strategy-budget linkages, results orientation and mutual accountability.

Several questions were posed thereafter by the workshop participants, specifically on the relevance of the indicators and the way they are being reported upon. Various views were expressed on the issues related to parallel PIUs, program assistance, etc. A remark was also made that the PD should be dealt with as only an instrument and not as a result in itself.

## **B - First Session** (*chaired by Mr. Ahmad M. Al Hawyan/Jordan*)

B.1 Mr. AlBassam (OFID) made a comprehensive presentation on the Coordination Group, its objectives, modus operandi and achievements. He emphasized the commitment of the Coordination Group to ensure "aid effectiveness". In fact, the Group could even be considered a pioneer as far as certain aspects of aid effectiveness are concerned (e.g. use of country systems), even though the Group approach was not formulated the same way. He also mentioned a new "Project Management Information System – PROMIS" that the Coordination Group was preparing to facilitate information recording and sharing during project implementation, particularly projects with multiple donors.

In the discussion that followed, a point was made by several participants that the Coordination Group was not well known and needed to exert extra effort to publicize its activities and correct that situation. It was noticed that the recording and reporting of Arab Aid in general left much to be desired. A remark was made that, in some projects, the use of different procurement procedures have led to some difficulties in project implementation.

B.2 Mr. Kirk (AfDB) presented the topic of *Evaluation, Aid Effectiveness and Development results from AfDB's Perspective* whereby he explained the way the African Development Bank was addressing aid effectiveness. He shed light on the challenges met in measuring development effectiveness and, recognizing the importance of issues "beyond aid" for such effectiveness, he concluded by underlining the importance of harmonization and partnership (as illustrated by the Evaluation Cooperation Group that gathers several MDBs and of which he is currently the Chairman).

The presentation drew particular interest, being the point of view of a "practitioner". Several questions were asked about the methodology used, the problems met and the validity of the lessons learned.

## **C - Second Session** (*chaired by Mr. Zakaria A. El Hashim/Kuwait Fund*)

C.1 The session was essentially dedicated to the presentation of the Accra High Level Forum, made by Mr. Demilly (it was actually a continuation of his earlier presentation on the PD). After indicating that the HLF3 would be basically a mid-term stocktaking exercise to review the implementation of the PD, he elaborated on the format of the Forum (Market Place + Round Table + Ministerial Segment) of which the outcome would be the Accra Agenda for Action (AAA). He stated that the latter is not expected to constitute a new "Paris Declaration" but would address the constraints and the emerging issues. Themes such as predictability and capacity development would have a marked attention. Mr. Demilly further indicated that Accra

HLF is expected to attract a higher number of countries than Paris HLF and a more important role would be given to Civil Society Organizations.

In the subsequent discussions, questions were raised on the possible impact of the AAA on the Paris Declaration and the way it is implemented. The possible role of the Coordination Group Institutions at the HLF3 was also discussed. These institutions were encouraged to present success cases at the Market Place and be active in the Round Tables (RT), especially RT-9. They might also have the opportunity to organize a specific side event.

C.2 At the end of the session, the participants attended the ceremony that was organized by IDB on the occasion of launching the Arabic version of the glossary of key terms in evaluation and results-based management (prepared through a collaborative effort of the IDB, the AfDB and OECD-DAC).

#### **D - Third Session** (*chaired by Mr. Mehmet A. Batur/Turkey*)

D.1 In his presentation on *The Changing Aid Architecture*, Mr. Pakulski (World Bank) illustrated the increasing number of donors and the parallel fragmentation of aid flows. He also mentioned the rising trend of aid “verticality” and the possible impact on aid effectiveness. He finally drew attention to Round Table 9 of the HLF-3 which will be devoted to Aid Architecture and which will focus on the vertical aid delivery mechanisms and the non-DAC providers of development assistance.

A lively discussion followed the presentation. It was underlined that the Coordination Group institutions should not be considered as *emerging* donors, most of them having been aid providers for more than thirty years. The importance of their active participation in Round Table 9 was again stressed upon.

D.2 The presentation by Mr. Eklof (OECD-DAC) dealt with the role of civil society organizations (CSO). After having defined the CSOs (which are not only NGOs) and their “representation” dimension, Mr. Eklof shed light on their importance in handling and managing aid flows, and their actual role in grass-root development and aid effectiveness, stemming from the perception that aid effectiveness was basically a political matter. He also explained their activities before and during the HLF-3 where they are expected to be more prominent than in HLF-2. He also provided information on the consultation process that had been put in place with the CSOs under the OECD-DAC umbrella.

During discussions, participants highlighted the importance of adapting the approach with CSOs to suit the specific conditions of the regions/countries. A point was made by a country representative that the “over-importance” given by some donors to CSOs in aid delivery might, to some extent, undermine the role of the State. This being said, it was recognized that many development financing institutions have been formulating and implementing projects to make them closer to grass-roots to ensure better development results, especially in poverty-reduction programs.

#### **E - Fourth Session** (*chaired by Mr. Fouad AlBassam/OFID*)

E.1 The two presentations made under this session by the IDB (Mr. Abdelwahab and Mr. Ennifar) went in some details over four pillars of the aid effectiveness agenda (harmonization, alignment, ownership and managing for development results), giving definitions and explaining the instruments used under each theme.

E.2 In the final discussions, several points were raised relating to the need of adopting a more comprehensive terminology of *development* effectiveness as against *aid* effectiveness; the capacity of partner countries and the difficulties of enhancing it; and the opportunity, or not, of commenting on the draft AAA. On this last point, the workshop organizers explained that, given time constraints, they had preferred to orient the workshop to discussing the concepts and approaches rather than the document itself, it being understood that everyone had the possibility of communicating directly his comments on the draft AAA to the Working Party on Aid Effectiveness.

E.3 In conclusion, it was found that the workshop was quite useful and offered an excellent opportunity to exchange information on a very important subject. On the one hand, the input provided by the OECD-DAC and the World Bank which are key parties in the current thinking and activities related to aid effectiveness was found very valuable. On the other hand, the information provided on the role and initiatives of the Coordination Group was very illuminating for many participants.

Eventually, it was suggested that the institutions of the Coordination Group, and in general, the Arab donors, should strive to provide more information on the assistance they are extending. Specifically, it would be important that they are better represented and more active in international fora addressing development issues and development financing.

In particular, as regards the Accra HLF-3, it was strongly suggested for the Coordination Group to consider having a specific contribution in the Market Place segment. It was also advised to be active in the various Round Tables, including but not limited to, Round Table 9 dedicated to the new Aid Architecture. The Coordination Group may, for instance, contact in advance the Chairs of some Round Tables to assess the possibility of having a specific role in such Round Tables. It was even suggested that it would be possible for the Coordination Group to propose organizing a side event on a topic to be selected.

As regards the various themes under the aid effectiveness agenda, the participants agreed that there was no major objection on the approach adopted so far. They also concurred on the importance of building the necessary capacity, both at the level of the donors and of the recipients, so that they are equipped to address the various challenges.

As far as civil society organizations are concerned, there was a consensus on the importance of the role they could play in certain cases but the matter needed to be addressed in consideration of local conditions.

Finally, a point was made that HLF 3 is only one step in a long process in which donor countries, development institutions and partner countries should continue to collaborate to ensure better development effectiveness. Participants also emphasized the importance of sustaining the momentum gained in the process and the need of collective efforts towards Accra and beyond.

As regards the outcome of the workshop, it was agreed that IDB would prepare a short draft report that would be distributed to the participants within one week, for their comments prior to finalization.

## Annex 1

Regional Workshop on Aid Effectiveness  
(Jeddah, 24-25 June 2008)

### **LIST OF PARTICIPANTS**

- 1 **JORDAN**  
Ahmad Mohamad Al Hawyan,  
Head of European Relations Division and Microfinance Sector Coordinator –  
International Cooperation Department - Ministry of Planning and International Cooperation
- 2 **LEBANON**  
Ibrahim Chahrour,  
Director, Planning & Programming Department, Council for Development & Reconstruction
- 3 **OMAN**  
Rashid Mohamed Al Maktoumi,  
Director, Loan Dept., Ministry of Finance
- 4 **QATAR**  
Hamed Majed Al Marzouqi,  
Financial Expert, Ministry of Finance
- 5 **SAUDI ARABIA**  
Abdullah Ali Al Sugair,  
Senior Expert (Int'l Relations), Ministry of Finance
- 6 **SYRIA**  
Marouf Taoufiq Al Hafez,  
Director, Public Debt, Ministry of Finance
- 7 **TURKEY**  
Mehmet Alper Batur  
Advisor to the Undersecretary of Treasury,
- 8 **ARAB FUND FOR ECONOMIC AND SOCIAL DEVELOPMENT**  
Mondher El Gargouri  
Adviser
- 9 **ARAB MONETARY FUND**  
El Bachir El Haskouri  
Senior Economist
- 10 **ARAB BANK FOR ECONOMIC DEVELOPMENT IN AFRICA (BADEA)**  
Amr Mostafa Gobba  
Civil Engineer
- 11 **KUWAIT FUND FOR ARAB ECONOMIC DEVELOPMENT**  
- Tarik Yusuf Al Manees  
Economic Adviser  
- Zakaria Ahmed Al Hachem  
Legal Adviser
- 12 **OPEC FUND FOR INTERNATIONAL DEVELOPMENT (OFID)**  
Fuad AlBassam  
Director, Asia and Middle East Region

**13 SAUDI FUND FOR DEVELOPMENT**

- Mansour Al Zgheibi  
Senior Engineer, Technical Dept.
- Eid Salih Eid  
Economic Researcher

**14 OECD - DAC**

- Hubert Demilly  
Senior Policy Adviser
- Goran Erik Eklof  
CSO Adviser

**15 WORLD BANK**

- Jan Pakulski  
Senior Social Development and Civil Society Specialist

**16 AFRICAN DEVELOPMENT BANK**

- Colin Kirk  
Director, Operations Evaluation Department
- Mohamed Mannai,  
Chief Evaluation Officer

**17 ISLAMIC DEVELOPMENT BANK**

- Mohamed Ennifar, Senior Advisor to the Vice President (Operations)
- Walid Abdelwahab, Director, Country Operations Department 1 (COD1)
- Farrukh Mahmood Mian, Division Chief, Infrastructure & Finance, COD1
- Mamoud Kamara, Country Officer, COD1
- Issahaq Umar Iddrisu, Country Officer, COD2
- Salem Mohamed Sassi, Division Chief, Country Programming, COD3
- Mohamed Abdallah Moctar Salem, Country Officer, COD3
- Hussam Morad, Senior Economist, Country Program Manager, COD3
- Nosratollah Farajoiilah Nafar, Senior Economist, Economic Policy and Statistics Dept
- Majid S. Kermani, Senior Economic Advisor, Islamic Corp. for the Devlt of the Private Sector
- Kayvon Khashayar, Lawyer, Legal Department
- Djelloul Saci, Head, Operations Evaluation Office (OEO)
- Abdel-Hameed M. Bashir, Senior Evaluation Officer (OEO)
- Zaher Rebai, Operation Evaluation Officer (OEO)
- Abdallah Kiliaki, Division Chief, Operations Planning and Services Dept (OPSD)
- Mahir Chekkoury Idrissi, Business Information Officer (OPSD)
- Siddig Salih, Deputy Director, Strategic Planning Office
- Mohamad Abdelaziz Al-Nujaiifi, Head, NGOs & WiD, Technical Cooperation Office
- Moncef Soudani, Operations Officer, Technical Cooperation Office

**Annex 2**  
Regional Workshop on Aid Effectiveness  
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**AGENDA**

Introductory session    Opening statement by the Vice President (Trade and Policy)

Setting the scene and adoption of Agenda

*Presenter:    Mohamed Ennifar/Islamic Development Bank*

Designation of Chairpersons for the various sessions

Overview of Paris Declaration

*Presenter:    Hubert Demilly/OECD-DAC*

First session

Chairman:    Ahmad M. Al Hawyan/Jordan

Coordination Group Approach on Aid Effectiveness

*Presenter:    Fuad Al-Bassam/OPEC Fund for International  
Development (OFID)*

Aid Effectiveness from an MDB's Perspective

*Presenter:    Colin Kirk/African Development Bank*

Second session

Chairman:    Zakaria A. El Hashim/Kuwait Fund for Arab Economic  
Development

Accra High-level Forum

*Presenter:    Huber Demilly/OECD-DAC*

**LAUNCH CEREMONY OF  
THE ARABIC GLOSSARY OF KEY TERMS IN EVALUATION AND  
RESULTS BASED MANAGEMENT**

Third session

Chairman:    Mehmet A. Batur/Turkey

New Aid Architecture

*Presenter:    Jan Pakulski/World Bank*

Role of Civil Society Organizations

*Presenter:    Goran Eklof/OECD-DAC*

Fourth session

Chairman: Fouad Al Bassam/OPEC Fund for International Development (OFID)

Ownership, Alignment and Harmonization

*Presenter: Walid Abdelwahab/Islamic Development Bank*

Managing for Results and Development Impact

*Presenter: Mohamed Ennifar/Islamic Development Bank*

Summary and Closing

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