

Division of Labor

The Paris Declaration recognizes that fragmentation of aid impairs aid effectiveness, whereas a pragmatic approach to burden sharing increases complementarity and can reduce transaction costs.

In the aid effectiveness context, *division of labor* refers to the fact that different donors have different strengths, and not all donors can be – or should be – involved in all sectors in a given country. Ideally, the country assesses the comparative advantages of all donors and decides which should be involved in which sectors; donors may delegate authority to one or more lead donors in a sector for the execution of programs, activities, and tasks. However, while reducing the number of donors can improve the situation, it is important to guard against reducing the volume of aid flows. Moreover, the degree of fragmentation varies by country, sector, and region. In some sectors, like infrastructure and agriculture, there may be a need to diversify the number of donors.

In endorsing the Paris Declaration, partner countries and donors pledged to work together to improve the division of labor at the country or sector level. However, this task is not always easy: promoting improved complementarity requires both donors and countries to change attitudes. It can affect the planning processes and long-term partnerships in countries and sectors. Division of labor does not occur overnight; a long-term perspective and a multistage approach are needed.

Evaluation and Survey Findings

The 2008 survey provided greater guidance to set clearer boundaries around the concepts of mission, analytic work, and joint work. This may have contributed to putting downward pressure on the reported proportion of joint activities. The survey found that there was some improvement in the precision of reporting, and a modest positive trend in joint missions and joint analytic work. Notably, an increase in the frequency of joint missions in Malawi was consistent with the fact that the development assistance strategy lay down specific timings and procedures for sectorwide missions. In Rwanda, several “like-minded donors have been making particular efforts to undertake joint activities.” Benin and Kenya have both secured agreements with donors on mission-free periods during the year. In some countries an improvement in the proportion of joint missions has occurred along with a reduction in the total number of missions, whereas in others, the improvement has been associated with a large increase in the total number of missions (e.g., Bangladesh). An important policy implication is the need to keep a close watch on the absolute numbers as well as the proportion of joint activities, while continuing to increase the proportion overall.

Recent studies covering all DAC members and major multilaterals found that in 2005–2006, 38 recipient countries were host to 25 donors or more. The DAC estimates that donor fragmentation was present in 24 of these countries. Fragmentation was also found



to be an issue in certain sectors, including health, where 80 percent of donors provide only 10 percent of total aid.

Recent evaluations also reaffirm the difficulty of moving towards greater complementarity. In particular, while sectoral concentration is accepted as an objective, it has proven difficult to implement in part because negotiations over division of labor can become contentious. Nonetheless, DAC Peer Reviews found, many donors are increasingly seeking an improved division of labor with others and have initiated a number of pilots to engage in delegated cooperation and joint approaches. The evaluation of the Paris Declaration also found that while there is not yet a strong expansion in the use of silent partnerships and lead donor arrangements, some countries and donor agencies are taking measures to improve the division of labor. And in a number of countries, donors and partners have agreed on or signed joint assistance strategies and harmonization and alignment action plans. However, in spite of these examples of good practice, traditional engagements and links remain prevalent.

An important milestone in this area came in 2007, with the signing of the European Union Code of Conduct on Complementarity and Division of Labor in Development Policy. While implementation is still in the early stages, the Code of Conduct is expected to promote better division of labor.

Accra Agenda for Action

Developing countries and donors at Accra will work towards better understanding of the operational implications of division of labor and will work to identify approaches, determine procedures, and find solutions to make progress in this area. The Accra Agenda for Action calls on both countries and donors to continue their efforts to reduce fragmentation and improve the division of labor.

