

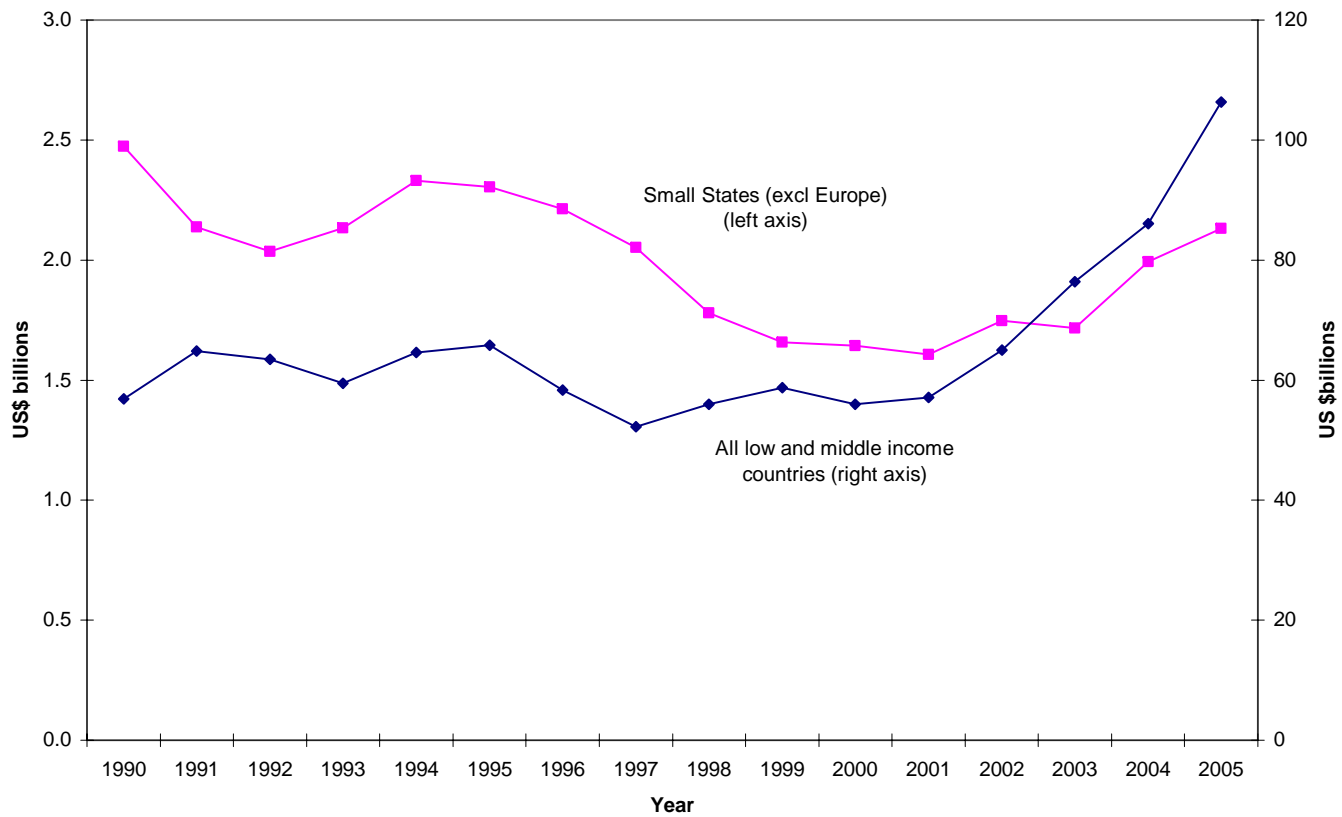
THE INTERNATIONAL DEVELOPMENT ARCHITECTURE FOR ASSISTANCE TO SMALL STATES

A review of development partners'
support for small states

Objectives of Review

- Assess programmes and policies of development partners against the recommendations in the 2006 Review of the 2000 Commonwealth/World Bank Task Force report. Only a short time has passed since the 2006 review, and it is too early to judge its impact, but it seems timely to re-emphasise its messages.
- Examine further options that development partners could adopt and ways in which small states could derive additional benefit from assistance programmes.
- Identify areas where partners can collaborate further in addressing the challenges affecting small states and ways in which the Small States Forum can be better used by development partners.

Aid Flows to Small States



Characteristics of development programmes for small state

- Of 13 agencies reviewed, only 4 have global strategies for small states – Comsec, World Bank, IMF and UN. None have strategies for small states in Africa.
- Of 14 priority areas for assistance identified in 2006 report, most are well covered in most assistance programmes. Importance to avoid overlap and duplication.
- With three exceptions: security and crime; youth unemployment; growing debt problems which are posing a major economic challenge.

Modalities of assistance

- Much support for regional cooperation
- Some steps under way to strengthen quality of technical assistance, but too much use of developed country experts.
- Important role for new Small States Network for Economic Development.
- Disappointing progress on donor coordination/reducing transactions costs.

Main findings and recommendations

- Aid flows
- Focus of assistance programmes
- Regional approaches
- Technical assistance
- Donor coordination/cutting transactions costs
- Knowledge transfer between small states

Recommendation 1: aid flows

- It is welcome that aid flows to continue to grow to small states committed to rigorous development programmes but disappointing that the growth is less than the growth of other aid flows.
- The World Bank and Commonwealth Secretariat should cooperate with OECD DAC to monitor and publish annually the figures for total aid flows to small states.
- Agencies should bring up to date and publish regularly information about the scale of their commitments in small states.

Recommendation 2: Focus of assistance programmes

- Agencies should review and bring up to date more regularly their strategies and programmes for supporting small states, and agencies with significant programmes of support for small states in Africa should consider articulating strategies for this support within their overall strategies for the region.
- Agencies should continue to focus their support in the areas identified as critical in the 2006 review. In doing so it will be important to avoid duplication and overlap.
- Agencies with relevant expertise should consider increasing their advice and assistance to small states facing significant problems of internal or external debt

Recommendation 3: Regional approaches

- There is a welcome willingness of development partners to provide an increasing amount of support for regional approaches. Enhanced regional cooperation remains essential for successful development in small states.
- This willingness needs to be translated into increased aid (and other actions such as regional negotiations on fisheries) to support regional initiatives.
- And matched by an increased willingness of small states themselves to cooperate more closely on those issues that can be tackled most effectively on a regional basis.

Recommendation 4: Technical Assistance

- Agencies providing technical assistance and knowledge support should increase efforts improve its effectiveness and in particular to use experts with existing knowledge of small states issues, and where possible use experts from other small states.
- A flexible and non-bureaucratic Small States Network for Economic Development, when it begins to operate, should provide useful support in this context.

Recommendation 5: Donor coordination/cutting transactions costs

- Progress towards a higher level of donor cooperation in small states appears to have been very limited.
- Development partners should move as quickly as possible to providing budget or programme support in small states.
- Small states should develop realistic and ambitious national strategies and programmes to provide the basis for such support and play a more active role in encouraging donors to align their support behind these strategies.
- Where development partners feel unable to provide budget or programme support they should consider contributing to sectoral baskets of pooled funds to support development in key sectors.

Recommendation 6: Knowledge transfer between small states

- Agencies should do more to exploit opportunities to learn from past experience in small states when designing new support operations.
- All parties, including small states themselves and key development partners should complete the further steps needed, including committing the needed finance, to create a flexible and non-bureaucratic Small States Network for Economic Development that can commence operations as soon as possible.

Recommendation 7

- Small states themselves and the Commonwealth Secretariat should take steps to put all these recommendations into effect: in their own operations, through their relations with development partners, and by promoting them in multilateral fora – particularly at the 2007 Small States Forum.