
EXECUTIVE SUMMARY

IN 2005, over 100 donors and developing countries committed to make aid more effective in supporting the achievement of development results when they agreed to the Paris Declaration on Aid Effectiveness. One of the distinguishing features of the Paris Declaration was the commitment to hold each other to account for implementing its principles at the country level through a set of clear indicators, with targets to be achieved by 2010. To what extent have the commitments been realised? Is aid being delivered in a more effective way than five years ago? This report provides some answers to these questions.

Aid Effectiveness 2005-10: Progress in Implementing the Paris Declaration draws on the results of the 2011 Survey on Monitoring the Paris Declaration, building on similar surveys undertaken in 2006 and 2008. A total of 78 countries and territories volunteered to participate in the final round of surveys, which look at the state of play in 2010.

The results are sobering. At the global level, **only one out of the 13 targets established for 2010** – co-ordinated technical co-operation (a measure of the extent to which donors co-ordinate their efforts to support countries' capacity development objectives) – **has been met**, albeit by a narrow margin. Nonetheless, it is important to note that considerable progress has been made towards many of the remaining 12 targets.

Globally, the survey results show considerable variation in the direction and pace of progress across donors and partner countries since 2005. For the indicators where responsibility for change lies primarily with developing country governments, progress has been significant. For example, improvements have been made in the quality of tools and systems for planning and for financial and results management in a number of developing countries, often requiring deep reforms that go beyond aid management to broader aspects of government processes.

While progress against many indicators requires joint efforts by both developing countries and donors, in some areas it depends mainly on donors' efforts (e.g. untying aid; donor co-ordination). Stakeholders at the country level frequently cite constraints imposed by donor headquarters as bottlenecks to further progress, suggesting that many of the challenges are political in nature.

As well as examining progress in implementing the Paris Declaration commitments, this report also looks at many of the recommendations from the Accra Agenda for Action. Based on the progress evidenced by the 2008 Survey, the Accra Agenda for Action set out priorities for accelerating and deepening the implementation of the Paris Declaration principles. It also accorded greater recognition to the role played by a range of stakeholders, beyond donor and developing country governments.

The first chapter of the present report provides an overview of findings on the implementation of the Paris Declaration, drawing extensively on the 2011 Survey (Box). Chapters 2 through 6 examine in more detail, respectively, the progress in implementing commitments related to: developing country ownership of policies and strategies; alignment of aid to developing countries' priorities and systems; efforts among donors to harmonise aid practices; predictability and transparency; and results and mutual accountability. Chapter 7 offers insights and lessons from five years of experience in monitoring the effectiveness of aid. The 78 country chapters – detailing the evidence of progress and challenges from each of the countries and territories participating in the 2011 Survey – are published in Volume 2 of this report.

Aid effectiveness 2005-10: an overview of progress

Substantial progress

- The proportion of developing countries with **sound national development strategies** in place has more than tripled since 2005.
- High-quality **results-oriented frameworks** to monitor progress against national development priorities are in place in one-quarter of the developing countries first surveyed in 2005, with statistics related to the Millennium Development Goals becoming increasingly available.

Moderate or mixed progress

- While non-state actors are more involved in the design of national development strategies in many developing countries, there are still challenges to providing an **enabling environment for civil society** activities in some others.
- Efforts to improve support for **capacity development** have been mixed. While donors met the target on co-ordinated technical co-operation, support for capacity development often remains supply-driven, rather than responding to developing countries' needs.
- Over one-third of all developing countries participating in the 2011 Survey showed an improvement in the **quality of their public financial management systems** over the period 2005-10. At the same time, one-quarter of them saw setbacks in the quality of these systems.
- Donors are using developing country systems more than in 2005, but not to the extent agreed in Paris. In particular, donors are not systematically making greater **use of country systems** where these systems have been made more reliable.
- Overall, donors did not make progress in further **untying aid** across the countries participating in the 2011 Survey.
- There are some promising examples of efforts to improve **transparency** around aid.

Little or no progress

- **Aid for the government sector** is not captured systematically in developing country budgets and public accounts.
- Little progress has been made among donors to implement **common arrangements or procedures** and conduct joint missions and analytic works.
- **Aid is becoming increasingly fragmented**, despite some initiatives that aim to address this challenge.
- The **medium-term predictability of aid** remains a challenge in developing countries because donor communication of information on future aid to individual developing country governments remains isolated rather than being the norm.
- Most developing countries have yet to implement thorough mutual **(government-donor) reviews of performance** that benefit from broad participation.