

**AUSTRIAN DEVELOPMENT COOPERATION**

**ACTION PLAN WITH REGARD TO THE  
PARIS DECLARATION ON AID EFFECTIVENESS**

**1. STATEMENT OF RESOLVE**

By adopting the Paris Declaration (PD) in March 2005, more than 90 countries, representing both recipients of aid and donors, and over 25 development agencies agreed on specific partnership principles to provide aid more effectively in order to meet the goals of the Millennium Declaration. In doing so, existing commitments (Monterrey - Financing for Development, Rome - Harmonisation and Alignment, and Marrakech - Managing for Development Results) were complemented by a set of qualitative and quantitative indicators. Concretely, 12 indicators of progress were designed as tools for countries and agencies that have agreed on the Declaration to better track progress towards the eradication of poverty. The High-Level-Forum of March 2005 was a critical milestone in the preparations by the international community for the September 2005 review of the MDGs, when the PD was also adopted by the UN member states, a step which will have major implications on the UNDG as a development partner itself.

Further progress in improving development effectiveness was achieved through concrete and mutual efforts by all partners including the World Bank and other multilateral development banks when they endorsed joint efforts aimed at supporting much needed ownership by recipient countries. All partners committed themselves to the five principles of the Declaration: ownership, alignment, harmonisation, results-based-management and mutual accountability. Austria explicitly welcomes and supports this process.

The Austrian Development Cooperation (ADC) will undertake to implement the above principles on basis of a joint Action Plan of the Ministry for Foreign Affairs (MFA) and the Austrian Development Agency (ADA). The principles of the PD are already fully integrated into the strategic Three Year Programme 2005-2008 and will guide ADC development policy. They also serve as entry points for new country programmes with partner countries and future cooperation with multilateral organisations.

Austria fully supports the five principles of the PD and would like to specifically underline the following aspects:

**Ownership**

- Donors respect partner countries' leading role and their national priorities
- Donors actively support the development and implementation of national strategies.

### **Alignment**

- Donors base their overall support on the priorities of partners
- Donors use and strengthen country systems and frameworks where possible
- Donors use and build-up local capacities and use measures and standards developed mutually.

### **Harmonisation**

- Donors endeavour to harmonise their procedures
- Donors implement their programmes at country level on basis of harmonised procedures.

### **Managing for Results**

- Donors support partner countries' performance assessment frameworks and avoid introducing additional indicators
- Donors use partner countries' result-oriented monitoring and reporting frameworks for their own purposes
- Donors enhance cross-regional transfer of good practises.

### **Mutual Accountability**

- Donors support common accountability processes
- Donors support multi-stakeholder processes, i.e. to provide transparent and comprehensive information flow to parliaments, round tables or civil society.

The Austrian implementation plan for the PD ("Action Plan", see below) takes into account also the recommendations made by the OECD - DAC Peer Review of Austria in 2004.

ADC recognises that the delivery of aid needs to become more effective. This means that, amongst other aspects, that partner countries' leadership and priorities have to be guiding principles of development cooperation, while donors should balance their support to sectors well and try to avoid fragmentation. Humanitarian aid and reconstruction activities need to be better coordinated and field missions (e.g. visits of delegations, evaluations) should follow a framework agreed amongst donors and coordinated by partner countries.

Both MFA and ADA are committed to improving aid effectiveness and will continue to disseminate relevant common policy guidelines to embassies and country offices in charge of development cooperation. ADA is responsible for implementing the concrete action plan which will be reviewed every two years. Austrian Coordination Offices are charged with the implementation of the spirit of the PD in the field. Focal points at Headquarters will follow-up on the international agenda, in particular with regard to the monitoring of the PD at the DAC - WP EFF and at the EU level. Further to that, additional coherence efforts with the Ministry of Finance and other actors of Austrian ODA are part of the national coherence strategy. The same principles and guidelines apply to multi-lateral activities and contributions of Austria.

## 2. THE AUSTRIAN ACTION PLAN 2005-2008

The PD, and in particular its five principles and twelve indicators, are acknowledged as a reference framework for Austria's bilateral as well as multilateral policy development. The increase of quality of aid will go hand in hand with an increase of the quantity of official ODA which will reach 0,33% of GNI in 2006, 0,51% in 2010 and 0,7% in 2015.

ADC is adopting the PD principles into its policies and strategies, e.g. into the Three Year Programme, into all sector and thematic policies and into country programming procedures.

With regard to the indicators of the PD, ADC will in particular take the following steps:

- ADC intends to increase ownership (indicator 1) in partner countries where ADA will dynamically support the PRS or other strategic development processes. ADC will share best practise examples within the WB, DAC and EU network;
- ADC will contribute to alignment by making partners' indicative programmes and national systems the basis of its programming (indicator 2). This is intended to be signal towards higher predictability (indicator 7) and a long term allocation scheme;
- ADC will intensify its efforts and means to enhance capacity development and institution building in partner countries (indicator 4);
- ADC intends to increase its means for programme based aid, in particular sector budget support. A respective policy is being developed at the moment and ADC will be involved in SWAp in partner countries in Central America, Southern Africa, Eastern Africa and Western Africa in the near future (indicator 9);
- In line with the new Development Consensus, ADC will continue to better harmonise its own policies and programmes with those of the EU (indicators 9 and 10). Policy guidelines for Africa will also take into consideration recommendations of e.g. AU or NEPAD and future aid flows will be based on capacities, structures and reliable country systems available in partner countries (indicators 2-4);
- ADC will actively cooperate in the implementation of a Joint Monitoring System currently developed by the DAC. ADC will take part in joint evaluations and will support the creation of assessment frameworks to monitor progress of implementation and success of national development plans (indicator 11);

- Management for Results promotes better evidence of the reduction of poverty and inequity and shows how national capacities could be used best in order to meet the Millennium Development Goals. Based on the DAC guidelines and on the recommendations of the last peer review, ADC will undertake poverty assessments for all new programmes and follow up on them by including specific poverty indicators into its monitoring and evaluation systems (indicator 11);
- ADC will promote and support ownership of and decision-making by development partners in order to achieve sustainable development results. Results will be mutually reviewed and reported and are hoped to reflect endogenous and sustainable progress in poverty reduction (indicator 12);
- Regarding the 50 partnership commitments, ADC will, within its capacities, support partners with regard to challenges and possible risks. ADC reaffirms its commitment to the work of the DAC- FSG by supporting the principles of good international engagement in fragile states and by serving partner countries in conflict or under weak governance conditions in their struggle against poverty;
- With regard to cross-cutting-issues, for instance integrating gender perspectives and women's empowerment, a step by step approach is needed to support partners' own efforts. Proper participation of women at all levels of decision-making is to be ensured already at an early stage of planning. ADC will support women's organisations and networks as well as gender focal points in ministries, female parliamentarians' caucuses and gender equality commissions. To strengthen the voice of female stakeholders also contributes to mutual accountability.

Gender planning and monitoring cannot be done without data and statistics. ADC therefore supports data collection for the African Gender and Development Index (AGDI), which is a comprehensive instrument that focuses on social, economic and political power in quantitative and qualitative terms.

### 3. REVIEW OF THE AUSTRIAN ACTION PLAN 2005-2008

The Action Plan will be reviewed in late 2006 and again in 2008 in line with the international agenda. The ensuing progress report will combine both interim Peer Reviews and ADC's own evaluation and assessment.