Working Party on Aid Effectiveness

PRESS RELEASE - Making Aid a Difference

Lessons from Sectors and Thematic Areas

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PRESS RELEASE

MAKING AID MAKE A DIFFERENCE – LESSONS FROM SECTORS AND THEMATIC AREAS

1. A dramatic increase in aid to health in developing countries, from USD 5 billion in 1990 to USD 21.8 billion in 2007 is featured by an in-depth study released today by the OECD (“Aid to better health – what are we learning about what works and what we still have to do”).

2. The report, prepared by a group of senior health experts from developing countries, international and bilateral donor organisations and Civil Society Organisations, says that this dramatic increase was propelled by the growing perception that health is critical to human development and economic growth. The commitment to achieving the Millennium Development Goals adopted in 2000 - which include commitments to reducing malnutrition, child and maternal mortality and the impact of communicable diseases in poor countries – helped to channel this perception into strong political momentum for new funding.

3. The fourfold increase in aid for health contributed to a 28% reduction of child mortality rate in developing countries rate between 1990 and 2008 and access to Anti Retroviral Treatment for more than three Million people now. Results are not all positive however. Maternal mortality rates remain stubbornly high in many developing countries.

4. The report highlights the very important changes in patterns of aid funding for health. The share contributed by traditional bilateral and multilateral organisations has decreased as new actors such as the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM), and the GAVI Alliance have entered the scene. Their contribution significantly increased from less than 1% of health assistance in 2002 to 8% and 4.2%, respectively in 2007. The contribution from the private sector also increased, including philanthropy. The Gates Foundation alone accounted for 3.9% of health assistance in 2007.

5. While the new channels and forms of aid for health have produced some major results, they have also generated more complexity. “Improvements in aid management, both generally and in relation to health, are slower than they should be, and are uneven”, say the authors. The key challenges are: health aid is not always aligned with government health priorities; it is still not sufficiently predictable; and support to health information systems remains insufficient despite increased pressure to demonstrate results. At the same time, the donor demand for results information leads to a proliferation of indicators which can undermine local health management information systems.
But there is also important news and positive lessons.

6. Some countries have developed robust, results oriented national strategies for better health outcomes. Mali, which co-chairs the working group that produced the report, is a good example of a country where strong leadership helps to make the most out of the expanding donor effort. Mali recently signed a compact with the International Health Partnership (IHP+), an initiative which was launched in 2007 to achieve better health results through more harmonised donor support to a single country-led national health strategy.

7. Global programmes like the Global Fund and the GAVI Alliance, which have been criticised for setting up parallel health delivery systems, now take aid effectiveness very seriously. They contribute to more predictable funding through innovative financing (such as UNITAID, the International Finance Facility for Immunisation and Advanced Market Commitments). And they regularly monitor their own progress for implementing the 2005 Paris Declaration on Aid Effectiveness, including alignment within country priorities and systems.

8. In fact, the report provides concrete and useful lessons beyond health, feeding into the ongoing international effort to carry forward the Paris Declaration and Accra Action Agenda on aid effectiveness.

9. A special event today in Paris – “Making aid make a difference: lessons from sectors and thematic areas” - brings together representatives from developing countries, donor agencies, international organisations and CSOs to discuss progress in making aid more effective in health, education, environment, agriculture, aid for trade and gender equality.

10. This event, and the release of the health report, will feed into the OECD-hosted global partnership on aid effectiveness which meets throughout this week. The lessons from the health sector regarding new funding and donor arrangements for channelling aid are especially timely against the background of Copenhagen, which is expected to produce new commitments and arrangements for financing adaptation to climate change in developing countries.

11. As a new aid architecture emerges, featuring a growing number of special and thematic funds, the meeting in Paris will serve to reinforce the primary importance of country ownership, the first principle of the Paris Declaration on Aid Effectiveness.

12. The full report “Aid to better health: what are we learning about what works and what we still have to do” (in PDF) and information on the OECD meeting at which it was launched - “Making aid make a difference: lessons from sectors and thematic areas” - are available at www.oecd.org/dac/effectiveness/health.