EU ACTION PLAN ON AID EFFECTIVENESS
IMPLEMENTATION STATUS

ROOM DOCUMENT 6

DAC Senior Level Meeting, 5-6 December 2006

This room document is presented for INFORMATION by the European Commission under item 2 of the agenda for the SLM [DCD/DACA(2006)15/REV3].

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EUROPEAN COMMISSION

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IMPLEMENTATION STATUS

1. POLITICAL COMMITMENT
The European Commission (EC) took a leading role in the negotiations of the Paris Declaration (PD). Beyond the PD commitments, the European Union (EU) made four additional pledges on improving aid delivery, by ensuring that in the future:
- capacity building assistance will be provided through coordinated programmes and multi-donors arrangements
- government-to-government assistance will be channelled through country systems as well as budget support or sector wide approaches
- the number of un-coordinated missions will be reduced by 50%
- new project implementation units will be avoided

As evidenced by the set of follow-up actions described below, in 2005 the EU reasserted its determination to implement and monitor its commitments on aid effectiveness in all developing countries, including setting concrete targets for 2010.

Aid effectiveness is at the forefront of the European Union’s political agenda and is referred to in all its initiatives in 2006. Both the new Development Policy Statement “European Consensus” for Development and the “New Africa Strategy” emphasized the importance of delivering not just more aid, but better, more effective European aid. Furthermore, the 10th European Development Fund agreement made a clear statement in support aid effectiveness and the Paris Declaration.

2. ACTION PLAN ON AID EFFECTIVENESS
In order to translate these commitments into concrete deeds, an Action Plan (“EU aid: delivering more, faster and better”) was approved in April 2006, with a comprehensive list of nine time-bound concrete deliverables to be implemented by 2010. The Action Plan’s deliverables include (i) the regular mapping of EU aid (Donor Atlas) at global, regional and local levels, as well as (ii) a proposal for an EU Joint Programming Framework (JPF). Today, the Donor Atlas has become a useful tool for monitoring EU aid and enhancing EU aid coordination and division of labour, while the JPF is being introduced in a selected number of countries in the ongoing programming of the 10th EDF.

The EC has also presented Member States with a proposal to adapt the EC financial regulations according to the principles and objectives of enhanced aid effectiveness, still subject to Member States approval. At the Community level, the Commission has also proposed a major simplification, harmonization and reduction of its financial instruments, subject to Member States approval.

In addition to implementing the Paris Declaration, the European Commission is working on two other major elements: (i) how to enhance complementarity and division of labour, as well as (ii) how to use co-financing as an incentive for more joint and effective delivery of development assistance. Adoption of concrete operational principles on the various dimensions of division of labour is scheduled for Spring 2007.

3. ALIGNEMENT, OWNERSHIP & BUDGET SUPPORT
A significant aspect of the strengthening of ownership and alignment, is the move towards providing aid in the form of direct budget support, so that it is administered entirely within the partner country’s own systems. This trend has been officially sanctioned by the European Consensus which identifies general and sectoral budget support as "the preferred modality where conditions allow".

Taking the latter as a reference, it should be noted that the EC has increased its use of country systems through untargeted general or sector budget support, reaching just over 40% of programmed aid between 2003-2005

4. DISSEMINATION
In December 2005, the EC conducted a monitoring survey of its Delegations. It provided a valuable baseline on the four EU commitments. It also highlighted the need to continue raising awareness among partner country, Member State and Commission's officials.
Consequently, aid effectiveness guidelines were adopted and training opportunities are provided. All EC staff are now systematically trained to aid effectiveness issues and actions. The EC has instructed that all field officials take an active part OECD/DAC Survey and process..

5. ORGANISATIONAL SUPPORT

Within the European Commission, each Directorate General in charge of external action (RELEX, DEV and EuropeAid) hosts a dissemination unit. At EuropeAid, a unit is dedicated to implementing aid effectiveness at the operational level. In DG DEV, a new unit is in charge with the monitoring of the aid effectiveness strategy within the European Union.