



THE PARIS DECLARATION ON AID EFFECTIVENESS: FIVE PRINCIPLES FOR SMART AID

The Paris Declaration takes its name from a meeting that took place in Paris in 2005, where over 100 developed and developing countries agreed to change the way they do business.

More than a statement of general principles, the Paris Declaration lays out a practical, action-orientated roadmap to improve the quality of aid and its impact on development. It puts in place a series of specific measures for implementation and establishes performance indicators that assess progress. It also calls for an international monitoring system to ensure that donors and recipients hold each other accountable – a feature that is unique among international agreements.

The Paris Declaration contains 56 partnership commitments organised around five principles that make aid more effective:

1. OWNERSHIP	Developing countries set their own development strategies, improve their institutions and tackle corruption.
2. ALIGNMENT	Donor countries and organisations bring their support in line with these strategies and use local systems.
3. HARMONISATION	Donor countries and organisations co-ordinate their actions, simplify procedures and share information to avoid duplication.
4. MANAGING FOR RESULTS	Developing countries and donors focus on producing – and measuring – results.
5. MUTUAL ACCOUNTABILITY	Donors and developing countries are accountable for development results.

By implementing these principles, the countries and organisations that endorsed the Paris Declaration are making major breakthroughs in improving aid effectiveness, tackling issues that have hampered development for decades. Developing country governments and civil society are reaping the rewards in the form of better, more aligned and more predictable donor support.

As part of the Paris agenda for aid effectiveness, donors are working to minimise proliferation, harmonise procedures and align aid by using developing country systems. Donors are also co-ordinating their aid programmes and ensuring coherence by reducing the number of countries and sectors in which they operate and avoiding overlapping actions.

Meanwhile, the development landscape is rapidly changing. Significant new sources of funding are emerging (such as China and India's rapidly growing aid programmes) and new types of donors (such as private foundations and local authorities from industrialised countries) are becoming increasingly important. The lessons of the Paris Declaration and its principles can help encourage better ways of working together – to the benefit of all.

PARIS DECLARATION INDICATORS

OWNERSHIP

1. Countries put in place national development strategies with clear strategic priorities.

ALIGNMENT

2. Countries develop reliable national fiduciary systems or reform programmes to achieve them.
3. Donors align their aid with national priorities and provide the information needed for it to be included in national budgets.
4. Co-ordinated programmes aligned with national development strategies provide support for capacity development.
- 5a. As their first option, donors use fiduciary systems that already exist in recipient countries.
- 5b. As their first option, donors use procurement systems that already exist in recipient countries.
6. Country structures are used to implement aid programmes rather than parallel structures created by donors.
7. Aid is released according to agreed schedules.
8. Bilateral aid is not tied to services supplied by the donor.

HARMONISATION

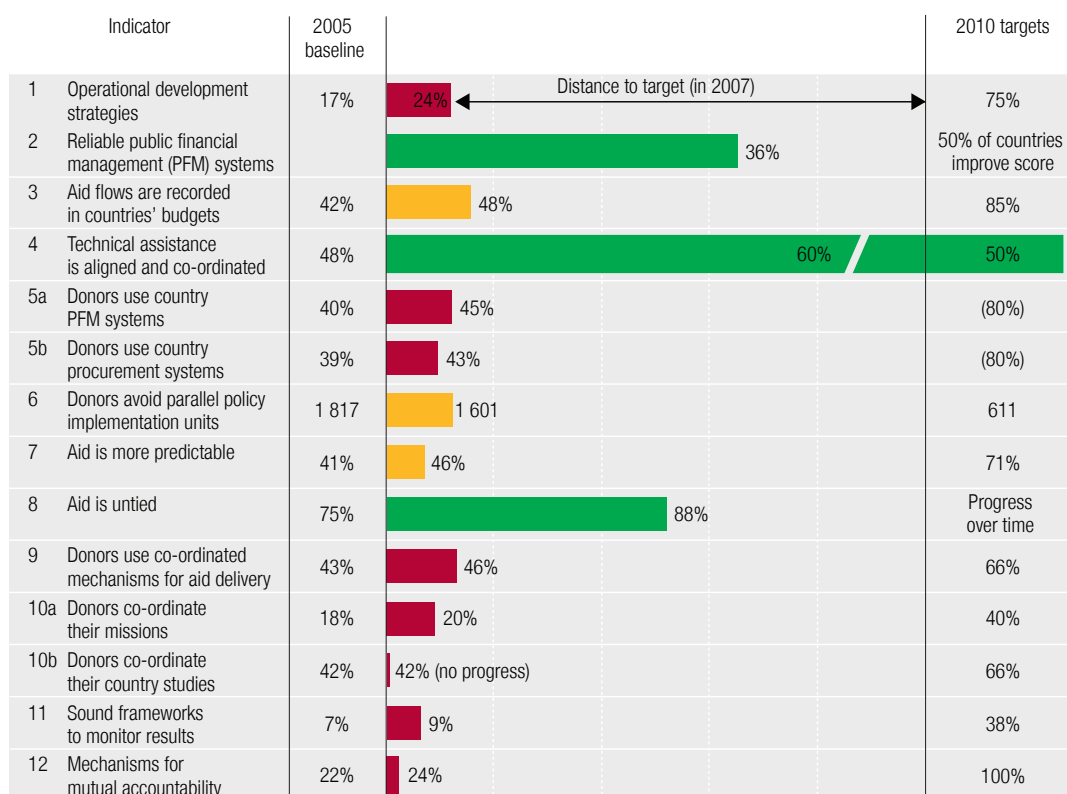
9. Aid is provided through harmonised programmes co-ordinated among donors.
- 10a. Donors conduct their field missions together with recipient countries.
- 10b. Donors conduct their country analytical work together with recipient countries

MANAGING FOR RESULTS

11. Countries have transparent, measurable assessment frameworks to measure progress and assess results.

MUTUAL ACCOUNTABILITY

12. Regular reviews assess progress in implementing aid commitments.



While the 2008 monitoring survey of Paris Declaration principles showed good results in several areas, much remains to be done.