



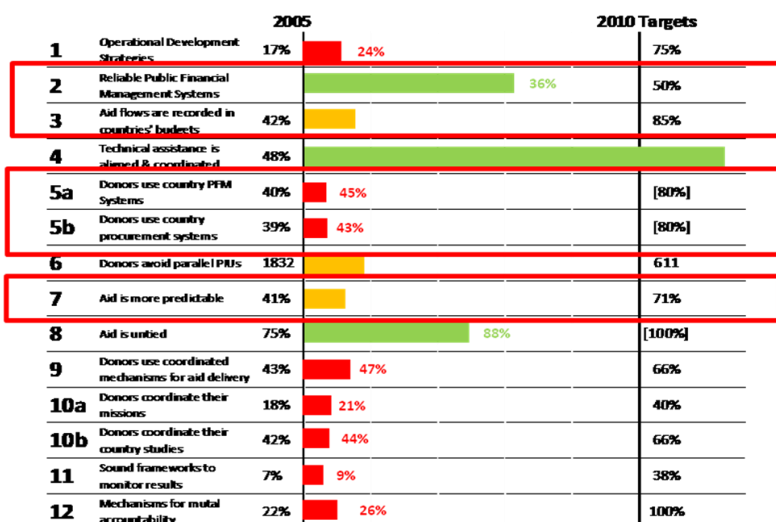
MAKING AID MORE EFFECTIVE THROUGH THE STRENGTHENING AND USE OF NATIONAL SYSTEMS

Why is strengthening and using Country Systems so important for aid effectiveness? Decades of development experience show that when donors consistently bypass country systems and policies the sustainability of their efforts are undermined as well as the ability of the countries receiving aid to manage their own future. When donors and developing countries endorsed the Paris Declaration on Aid Effectiveness in 2005, they were united with a common objective: to build stronger, more effective partnerships for development. As part of these key commitments, countries receiving aid agreed to strengthen their national systems and donors to using them to the maximum extent possible. These commitments were re-iterated and deepened in the Accra Agenda for Action endorsed by over hundred countries and organisations in September 2008 (see commitments below).

PROGRESS IS BEING MADE, BUT NOT ENOUGH

International commitments on Aid effectiveness result from strong evidence that although some progress has been achieved in strengthening country systems (since 2005, 36% of countries have improved their score for public financial management (PFM) against a target of at least 50%), less progress has been achieved on the use of country systems, with only 45% of country systems being used in the countries surveyed in 2008.

The results of the 2008 Survey on Monitoring the Paris Declaration (see below) as they relate to Country Systems show the need for accelerated implementation, analytical and evaluative efforts to reach the endorsed targets in Paris and Accra.



Accra Agenda for Action: Commitments on Country Systems (§15)

- a) "Donors agree to use country systems as the first option [...]"
- b) Should donors choose to use another option [...], they will transparently state the rationale for this [...]. Where use of country systems is not feasible, donors will establish additional safeguards in ways that strengthen rather than undermine country systems and procedures.
- c) Developing countries and donors will jointly assess the quality of country systems in a country-led process [...]. Developing countries will lead in defining reform programmes and priorities. Donors will support these reforms and provide capacity development assistance.
- d) Donors will immediately start working on and sharing transparent plans for undertaking their Paris commitments on using country systems [...].
- e) Donors recollect and reaffirm their Paris Declaration commitment to provide 66% of aid as programme-based approaches. In addition, donors will aim to channel 50% or more of government-to-government assistance through country fiduciary systems [...]"



What are Country Systems?

In the Paris Declaration and the Accra Agenda for Action, 'country systems' are defined as national arrangements and procedures for public financial management, procurement, audit, monitoring and evaluation and social and environmental procedures.

AN URGENT CALL FOR ACTION

To reach the targets they have agreed to, policy makers must step up their efforts to follow through on the Accra Agenda for Action commitments as they relate to Country Systems. In particular, the Accra Agenda for Action urges donors to **immediately** start working on and sharing transparent plans for undertaking their commitments on using country systems in all forms of development assistance and will need to finalise these plans as a matter of urgency.

WHAT CAN POLICY MAKERS DO? THE ROLE OF THE GLOBAL PARTNERSHIP ON COUNTRY SYSTEMS

The Global Partnership on Country Systems, co-ordinated by Ghana and the United States, has been mandated by the Working Party on Aid Effectiveness to facilitate the implementation of the Paris and Accra Commitments as they relate to Strengthening and Using Country Systems. In particular, it aims to:

- Provide the impetus to strengthening country systems and effective locally-rooted capacity to reform systems where deemed necessary;
- Accelerate progress in donors' use of country systems; and
- Better communicate the benefits of using country systems and involve a greater number of stakeholders (parliaments, CSOs) in overseeing the strengthening and use of country systems.

In order to fulfil these objectives, the Global Partnership supports the work of two Task Forces on Public Financial Management and Procurement. The guidance produced under the auspices of these Task Forces are practical in nature and destined for practitioners in donor (headquarters and field) and in partner country organizations, including government and non-government organisations. Examples include Guidance on Using Country Systems for Public Financial Management and Procurement; Guidance on Sequencing Reform; Good Practice on Donor Support to Supreme Audit Institutions and Parliamentary Oversight of the Budget Process.

The Global Partnership also supports a number of on-going country level initiatives in partner countries in Africa, Asia and Latin America to:

- Achieve a common understanding between local donors and countries on priority 'country systems' as well as definitions of 'using country systems' as adapted to the specific country context;
- Identify current opportunities and constraints in the strengthening and use of country systems;
- Define joint Government-Donor next steps and recommendations for achieving progress on strengthening and using country systems;
- Ensure high-level momentum from donor headquarters for this initiative and establish concrete steps towards fulfilling those recommendations; and
- Providing lessons learned to share with other countries and to communicate to the High Level Forum on Aid Effectiveness in Seoul, in December 2011.

WEBSITE AND CONTACT INFORMATION

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