

PAKISTAN DEVELOPMENT FORUM: AID EFFECTIVENESS SESSION
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(on behalf of ADB, IDB, JICA)

- The **core principles of AE** have evolved from an emphasis on donor harmonization to focus on country ownership, country-led processes and systems; from donor inputs to development results.
- Development partners have sought to **implement AE commitments** through collaborative strategies, financing arrangements, and analytical work.
- Also, through increasing use of country systems and strengthening of systems by building capacity where necessary.
- **Examples** of country systems strengthening:
 - ✓ Partners have been working with government institutions at all levels for several years on improving Pakistan's public accountability systems—public expenditure reporting, accounting, auditing and the public accounts committees in assemblies. Examples are Public Financial Management and Accountability Assessments jointly commissioned by WB, ADB, DFID & EU; Pakistan Project to Improve Financial Reporting and Auditing (PIFRA)
 - ✓ In the last ten years the World Bank has worked to help establish improved procurement procedures and institutions.
 - ✓ UK's DFID has worked over the past five years on introducing Medium-term Expenditure Frameworks (MTEFs) at all levels of government. Increasing use of results based financing by the WB and other partners is fully consistent with MTEFs.
 - ✓ The World Bank, DFID and the Federal Bureau of Revenue have worked together over the past decade on improving tax administration.
 - ✓ The World Bank, ADB, the UK, US and other donors have transferred resources to Pakistan using budget supporting close alignment with IMF programs.
- **Other joint work:**
 - ✓ Post Crises Needs Assessment (PCNA): ADB, WB, UN, EU and post-floods Damages and Needs Assessment (DNA): ADB, WB with support of other partners
 - ✓ Pakistan Transport Infrastructure Program: Japan, IDB, ADB and WB
 - ✓ FoDP's Pakistan Energy Sector Task Force: led by ADB and with other partners coordinating and aligning behind the recommendations and common sector priorities coming out of this process.
 - ✓ Punjab and Sindh Education SWAs with results-based financing: WB, DFID, USAID, CIDA in Punjab and WB, EU in Sindh. Here donors pool their resources for a common set of objectives and to support governments in their efforts to measure and report on development results.
 - ✓ Joint reviews (missions; portfolio)
- **Multi-donor Trust Funds (MDTFs)** have evolved to be viable mechanisms to coordinate donor financing, particularly in post-crises situation:
 - ✓ MDTFs in Afghanistan, Bangladesh, Indonesia, and Sudan
 - ✓ MDTF for KP, FATA and Balochistan: became operational in July 2010, ten development partners pledging an initial amount of \$135 m

- Employs global good practice principles: an inclusive governance mechanism; clear delineation of policy and technical roles; financing framework and allocation criteria; and speed and visibility in project approvals, implementation and results delivery.
- **Process forward:**
 - ✓ Regular development dialogue between the donors and the Government; annual PDFs in Islamabad
 - ✓ Support the governance reforms of the type Senator Imam introduced
 - Streamlining Pakistan's institutional set-up
 - Reforming its civil service
 - Renewing its public service academies
 - ✓ Focus on policy and results rather than inputs and procedures; further strengthen M & E of development results & AE
 - ✓ Strengthen public disclosure of performance results for public accountability
 - ✓ Help further strengthen government systems
 - ✓ Move more assistance through government systems using results based funding, sector investment lending that is transformative or bring innovation, and budget support
 - ✓ Focused Analytical work to underpin donor engagement & coordinated interventions