

A Cairo Agenda for Action on Aid Effectiveness: A Mutual Strategy for Development Cooperation

“We will be judged by the impacts that our collective efforts have on the lives of poor people”.
(Accra Agenda for Action, paragraph 22)

I. Context and rationale

1. Egypt has come far in terms of economic, social and developmental achievements over the past three decades, with many Egyptians experiencing tremendous improvements in their health, education, and general quality of life. Building on these achievements, more work is required to address a number of significant remaining human development challenges. These include:
 - ensuring that recent high levels of economic growth translate into improved equity, poverty reduction, and an expansion in employment opportunities, especially for youth;
 - addressing Egypt’s population growth, which remains stubbornly high;
 - advancing on education issues, including illiteracy, school dropouts, the quality of education in public schools, and better connecting research and development with industry;
 - reducing the high incidence of hepatitis C, upgrading sanitation services, improving nutrition, combating water-borne diseases, and reducing air and water pollution;
 - advancing on long-standing challenges such as gender equality, political participation, transparency and public accountability, and strengthening the respect for human rights; and
 - responding to a new set of issues that have surfaced on the domestic development agenda in the past few years, including pandemic influenza, climate change, high international food and fuel prices, and the global economic recession, all of which have a disproportionate impact on the poor.
2. The international development community has contributed to Egypt’s development process over the past 50 years. While the level of development aid is still impressive in absolute terms, Egypt’s graduation to the status of “middle-income country” (MIC) has coincided with a reduction in aid by a number of traditional donors. In part, this reflects a tendency by some international partners to shift their aid from MICs towards a more limited set of countries, typically “least developed countries” and/or “countries in crisis”. However, another reason that is contributing to this trend is the perception among partners that Egypt may not be taking full advantage of the development cooperation currently available as a result of:
 - a lack of clarity on national development priorities and strategies, and thus the “country ownership” of aid;
 - a need for better coordination within government, and between government and its national and international development partners; and
 - insufficient attention to monitoring and reporting on development results to demonstrate that development efforts can, in fact, translate into positive impacts on people’s lives.
3. Addressing these issues will help to ensure that development aid is used effectively and efficiently in Egypt.¹ Moreover, in light of the current global economic recession, it is important that Egypt and the

¹ It also places a premium on taking advantage of the full set of development cooperation instruments, both from traditional “donors” and newer partners. These instruments, which range from twinning arrangements between national and international institutions, “match-making” between domestic and international private enterprises, and “South-South Cooperation”, can contribute to Egypt’s development process and further strengthen the country’s capacity to provide development cooperation to other countries. (Recent examples of how Egypt’s capacity as a “development provider” is expanding include the cooperation from

other 94 MICs² demonstrate that this cooperation can be instrumental for achieving development goals so as to at least maintain the current level of aid. In this regard, in light of Egypt's traditional influence in international arenas, making the case that development cooperation "works" in Egypt will no doubt strengthen the argument for continued international engagement with the broader MIC community.

4. The Development Partners Group (DPG)³ in Egypt has indicated that it would welcome steps to improve the coherence, effectiveness and efficiency of development cooperation to achieve sustainable development results and improve the lives of the poor.⁴ In particular, it would support measures to:

- provide greater clarity on national priorities, especially in light of the significant international developments of the past year;
- broaden the participation of national development actors in defining and implementing development priorities through an increasingly inclusive process, in line with the Accra Agenda for Action on Aid Effectiveness (September 2008);
- introduce results-based management, monitoring, evaluation and reporting arrangements in national institutions to better engage partners in supporting Egypt's development priorities; and
- strengthen the coordination of development cooperation.

5. At the same time, and taking into account that the Paris and Accra principles on aid effectiveness stress that development cooperation is a "two-way street" with mutual responsibilities, international development partners in Egypt have indicated that they are prepared to commit themselves to:

- be responsive to national priorities, in line with their comparative advantages, and less driven by pre-determined policies and mandates that may not fully align with these priorities;
- engage in capacity development of Government and non-Government partners on both technical and management issues in a more systematic manner, given that capacity development is at the heart of development. This includes strengthening national capacity to manage development cooperation and strengthening country systems to deliver development assistance;
- support the setting up of results-based management arrangements embedded in national institutions to better deliver and account for development results;
- adhere to mutual accountability in the use of development resources; and
- improve the coherence and harmonization of development projects and programmes by avoiding aid fragmentation, overlap and duplication, and helping to define respective and complementary roles.

Japan/UNDP to strengthen and expand the Ministry of Foreign Affairs' training for African Peace-Keeping forces, and the cooperation with Italy to support Egypt's provision of health and agricultural services to Sudan and Ethiopia, respectively).

² According to World Bank classification, there are a total of 95 MICs of which 54 are considered as Low MICs and 41 as High MICs. A country is considered as a Low MIC if the GNI per capita is between 936 USD and 3,705 USD. It is considered to be a High MIC if the GNI per capita is between 3,706 USD and 11,455 USD. Egypt is one of the 54 low MICs.

³ The Development Partners Group (DPG) in Egypt is comprised of 24 bilateral partners and 8 multilateral agencies, including the UN family and the World Bank. Traditional "donors" include USA, the EU, Germany, Italy, Spain, Canada, France, Finland, Denmark, Belgium, the Netherlands, Norway, Sweden and Switzerland, as well as new partners such as Argentina, Brazil, India, Indonesia, Korea, Mexico, Russia, and Turkey. The UN System includes UNDP, UNICEF, UNFPA, WFP, UNIDO, UNODC, ILO and the World Bank. For the period 2009-2010, the DPG is chaired by the UN Resident Coordinator and co-chaired by the Head of the Economic Cooperation and Development Sector, German Embassy.

⁴ This would be very much in accordance with both the UN General Assembly Triennial Comprehensive Policy Review (TCPR) exercise (2008) and the Accra Agenda for Action (2008).

II. A Proposed Mutual Agenda for Action

In response to the above, and to accelerate progress on Egypt's development agenda, especially as it relates to the more vulnerable segments of the society, the following four "deliverables" would be produced from September 2009 to June 2011.

A. **Undertaking a Situation Analysis** (from September 2009 to February 2010)

1. The first deliverable would be the preparation of a **situation analysis**. This exercise would assess recent development trends, taking into account Egypt's commitment to the Millennium Declaration (signed in September 2000), the Millennium Development Goals (MDGs) and other international development goals, as well human rights standards and principles, and environmental conventions and agreements. It would also identify key challenges that Egypt needs to overcome to accelerate progress on its human development and human rights agenda, applying a human-centered approach. This analysis would draw primarily on existing documentation, to be supplemented by a limited number of new studies to "fill gaps".⁵
2. The situation analysis would be undertaken through a government-led consultative process among national partners, including senior figures in key ministries, select development practitioners, and relevant stakeholders from civil society, with the UN and other international partners, including the DPG, playing a supporting role in the analytical and priority-setting process. It would serve as a common assessment for the entire development community. As a result, development partners would no longer need to carry out their own country assessments, thus improving coherence and reducing duplication of efforts.⁶
3. This document would also refer to the various non-aid contributions to Egypt from international partners, including those in the South, to both recognize these valuable forms of solidarity and to promote a more inclusive form of development cooperation.⁷ Finally, the "situation analysis" would include a chapter that assesses the experience of development aid and aid coordination so that the lessons learned will contribute to the application of the Paris and Accra principles on aid effectiveness.

B. **Identifying Priority Development Areas and Strategic Planning** (from March to December 2010)

1. Based on the situation analysis, a second deliverable would set forth **Egypt's priority development areas (for example the "top 10"⁸)**. This process of prioritization would identify those key areas where the Government wishes the international development community to focus its cooperation for the foreseeable future. It is important that participation in this process be broadened to embrace all relevant actors from local governments, civil society organizations (CSOs), research institutes, media and the private sector⁹ and endorsed by ministers and other senior officials from key ministries.

⁵ The analysis would take into account the many existing government documents (e.g., plans, statements by senior leaders, policy papers from the National Democratic Party) and non-government documents (e.g., national human development reports and studies by research institutes) prepared in recent years. It would also draw on a limited number of papers to be prepared by Government and/or development partners to fill "gaps" in the "situation analysis".

⁶ In the case of the UN, this implies that there would no longer be a need to prepare a UN Common Country Assessment (CCA), which is typically undertaken every five years.

⁷ These contributions include experience sharing in such areas as anti-poverty policies and social programmes, statistics, disaster management, environment and energy, electoral assistance, and infrastructure development.

⁸ These top priority development areas should duly consider crosscutting issues such as human rights, environmental sustainability, and capacity development needs.

⁹ This is in line with the definition of "partner country" in the Accra Agenda for Action.

2. For each priority area chosen, a national institution (typically a ministry or council) would be selected to assume the responsibility of leading the coordination process with the other national and international development partners that are helping to achieve the required development results.
3. Moreover, within each lead institution, a national “focal point” would be identified – an individual who is widely recognized as being substantively strong in the field, highly committed, possessing good inter-personal and team building skills, empowered to convene other national and international partners, and with access to key decision-makers.
4. The designation of the development area and the associated lead institution and focal point would be followed by a **strategic planning** exercise to address the key root causes impeding progress, the results that are required to overcome these obstacles, and a limited set of indicators to measure progress.¹⁰ This exercise should be conducted in a participatory manner to ensure that all national and international partners are involved in the decision-making process, and to help define the future roles and responsibilities of all actors in the development process.
5. This exercise would be an opportunity for development partners to think strategically in support of Government priorities, in order to bring forth greater strategic alignment in their cooperation with Egypt. The role of international partners would be to help accelerate progress in priority areas, by contributing to the achievement of a specific set of results identified in the strategic planning exercise, focusing on capacity development via technical support, policy advice, sharing of best practices etc., as well as in some cases budget support.
6. All participating national and international partners would agree to be held accountable for contributing to results in these areas, vis-à-vis the results-based management monitoring, evaluation, and reporting arrangements described below.
7. These development priorities would be supported by the international community for the coming years, bearing in mind that attaining significant outcomes would likely require the realization of a set of results that could easily take five to ten years.

C. Introducing Results-based Management Arrangements (from January to June 2011)

1. A third deliverable would be to set up rigorous **results-based management (RBM) monitoring, evaluation, reporting and communication arrangements for each priority development area**. For each priority area, these arrangements would be embedded in the national institution selected to lead the coordination process in close consultation with the other national and international development partners working in that particular priority area.
2. The lead national institution would be supported by an international partner chosen by consensus due to its “comparative advantage” in a particular priority area. This partner would help set up the RBM coordination and communication arrangements, thus contributing to the capacity of these institutions to lead and manage the development process in the priority area, in close coordination with a vibrant network of partners.¹¹

¹⁰ Members of the DPG might also help support the strategic planning exercise and engage in discussions with Government on addressing cross-cutting issues such as human rights, environmental sustainability, and priority capacity development needs.

¹¹ International partners may wish to consider co-funding an “aid effectiveness capacity building programme” to provide a variety of support services through an appropriate national institution including for: strategic planning; setting-up results-based management arrangements; preparing periodic progress reports for each priority area as well as a consolidated annual report that describes progress on Egypt’s development priorities; and communicating with the public on development results.

3. The proposed management system described above - comprising priority areas, lead institutions, and focal points working with development partners through results-based management arrangements – would constitute the basis for joint planning, monitoring, evaluation, and reporting. This system should also encourage development partners to work more closely together, for example to organize joint missions and joint analytical work, which would have the added benefit of reducing the administrative burden on Government.
4. Once phased in, this management system would replace existing mechanisms, such as the DPG thematic sub-Groups, thus simplifying coordination arrangements, reinforcing alignment, expanding participation, and resulting in a better division of labor among development partners.

D. Drafting the Cairo Agenda for Action on Aid Effectiveness (from June to December 2010)

1. Drawing on the first two deliverables, namely the situation analysis and Egypt’s priority development areas, a fourth and final deliverable would be the formulation of a **“Cairo Agenda for Action on Aid Effectiveness”**.¹²
2. This document would be based on the Paris Declaration on Aid Effectiveness (March 2005) and, in particular, on the Accra Agenda for Action (September 2008), which “encourage developing countries to design – with active support from donors – country-based action plans that set out time-bound and monitorable proposals to implement the Paris Declaration and Accra Agenda for Action”.¹³
3. The Cairo Agenda would refer to the following principles of development effectiveness:
 - strengthening national ownership (and clarifying national development priorities);
 - achieving greater alignment between national priorities and the priorities of development partners;
 - building more inclusive partnerships among national partners such as civil society and the private sector as well as international partners, including countries in the South;
 - bolstering national capacity to manage development, with partners assuming a supporting role;
 - focusing on delivering results by applying results-based management arrangements;
 - strengthening accountability among all development partners;
 - further untying aid; and
 - increasing the medium-term predictability of aid.
4. The Cairo Agenda would also specify measures whereby Government and its development partners would put these principles into practice in Egypt. It would be discussed and then formally agreed upon by Government and development partners. And there would be yearly reporting on its implementation, to be undertaken jointly by Government and the DPG, thus strengthening mutual accountability.¹⁴

¹² The Agenda for Action could be prepared prior to setting-up the RBM arrangements.

¹³ Accra Agenda for Action, 4 September 2008, paragraph 28.

¹⁴ The preparation of a “Cairo Agenda” and its follow-up might be entrusted to a focal point such as Dr. Talaat Abdel-Malek who, in addition to serving as the economic adviser to the Minister of International Cooperation, is also the co-chair of the OECD/Development Assistance Committee (DAC) on Aid Effectiveness. The DPG would also participate in this exercise.

III. Summary and Conclusion



The Four-Step Mutual Agenda for Action proposed above represents a strategic opportunity for Egypt, as well as the broader international community, for two reasons.

First, progress on this agenda would significantly improve coherence among national and international development partners, and enhance development effectiveness, efficiency and impact in Egypt. This would help Government and development partners to better account for development results so that citizens here and abroad can more easily see the tangible results of development efforts. Increasing the transparency and predictability of aid, as well as enhanced mutual accountability, are other advantages that can be expected from progress on this Agenda for Action.



Second, by demonstrating that the coordinated actions of committed national and international development actors can translate into positive impacts on people's lives, Egypt will strengthen the case for the continued engagement of traditional development partners in middle-income countries (MICs), as well as for the expansion of other forms of cooperation, including South-South and "triangular" cooperation. In this way Egypt can provide an important reference point within the international community (including the G77), in favor of continued and more effective international engagement in MICs.

The proposed four deliverables would be completed as follows:

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| • Situation Analysis | September 2009 to February 2010 (six months) |
| • Priority Development Areas | March to December 2010 (ten months) |
| • Results-Based Management Arrangements | January to June 2011 (six months) |
| • Cairo Agenda for Action on Aid Effectiveness | June to December 2010 (six months) |

Annex: Egypt's Four-Step Mutual Agenda for Action on Aid Effectiveness:
Timeline

	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	
Elaboration Concept Paper	process	process																							
Agreement on Concept Paper			decision point																						
Elaboration of the Situation analysis			process	process	process	process	process	process	process																
Agreement on the situation analysis									decision point																
Priority setting exercise based on Situation Analysis									process	process	process	process	process	process	process	process	process	process	process						
Final agreement on the Development Priorities ("Top 10")																		decision point							
Development and implementation of RBM arrangements																			process	process	process	process	process	process	process
Formulation of the Cairo Agenda for Action			process	process	process	process	process	process	process	process	process	process													
Signature of the Cairo Agenda for action													decision point												

 process
 decision point