

A Call to Action: Ministry of Finance and Donors Meet at the 8th High Level Committee on Aid Effectiveness

Ministers, Donors and Ministry of Finance officials came together at the 8th High Level Committee Meeting on Aid Effectiveness (HLCAE) on Saturday October 1, 2011 at the Ministry of Finance.

The HLCAE was chaired by H.E. Omar Zakhilwal, Minister of Finance, who conveyed a sense of urgency and drive to push development forward in the spirit of partnership. He shared that we must continue to keep our promises regarding Overseas Development Assistance while sharpening our focus on the quality of policies and partnerships that impact growth and development. The Government of Afghanistan, through MoF, is a key promoter of the Paris Declaration and Afghanistan Compact and stands ready to take the final step to meet the collective commitments ahead of the MDGs.



Among issues discussed was the roadmap for the upcoming 4th High Level Forum on Aid Effectiveness (HLF4) in Busan, Republic of Korea, from 29 November to 1 December 2011. Approximately 2000 delegates will review global progress in improving the impact and effectiveness of aid. The HLF4 follows previous forums in Rome in 2003, Paris in 2005 and Accra in 2008 that helped transform aid relationships between donors and partners into true vehicles for development cooperation. The upcoming Busan event will be a key opportunity to galvanize political action for a new consensus on development cooperation and partnership and updates on the work that has been done on aid effectiveness to date.

The HLCAE being a technical meeting raised key aid Afghanistan-specific issues for the consideration of the Standing Committees and the Joint Coordination and Monitoring Board (JCMB). In addition this platform was also used to spur dialogue on a new role for global development co-operation, one that employs inclusive and innovative approaches for tackling contemporary development problems and that leverages the resources of donors.



MoF shared its agenda for the Busan event which included topics such as results-based management for aid effectiveness, accountability, aid transparency and predictability. Hamid Jalil (Director, Aid Management Directorate (AMD)) said that specific attention is needed for the

event because Aid Effectiveness principles are yet to be achieved. From the thirteen key global indicators only one indicator was achieved in the last five years. In an effort to ensure the PD indicators are met, MoF will work towards developing an effective M&E mechanism for measuring progress.

In line with the above messages, one of the important topics discussed was the proposal for Development Framework Agreements (DFAs). H.E. Mustafa Mastoor, Deputy Minister for Finance, shared that DFAs are crucial to recognize the type of partnership, establish division of labor, create review mechanisms, funding envelope, and modality for delivery of our partners assistance to deliver on the PD principles.

Additionally, the updates on the 1391 Budget Process and the implementation of Provincial Budgeting were also shared with participants. All donors welcomed the new provincial budgeting approach and confirmed to help reach their aid targets in commitments and disbursements.

Decisions and actions reached at the HLCAE will form the agenda for the upcoming Standing Committees and the Joint Coordination and Management Board (JCMB).

One of the core objectives of the UNDP Making Budgets and Aid Work Project (MBAWP) is to support the Ministry of Finance, Government of Afghanistan to ensure that external assistance is better aligned to GoA's development priorities and results and to promote the principles of aid effectiveness.