

# Session 1: What are the facts on aid fragmentation?

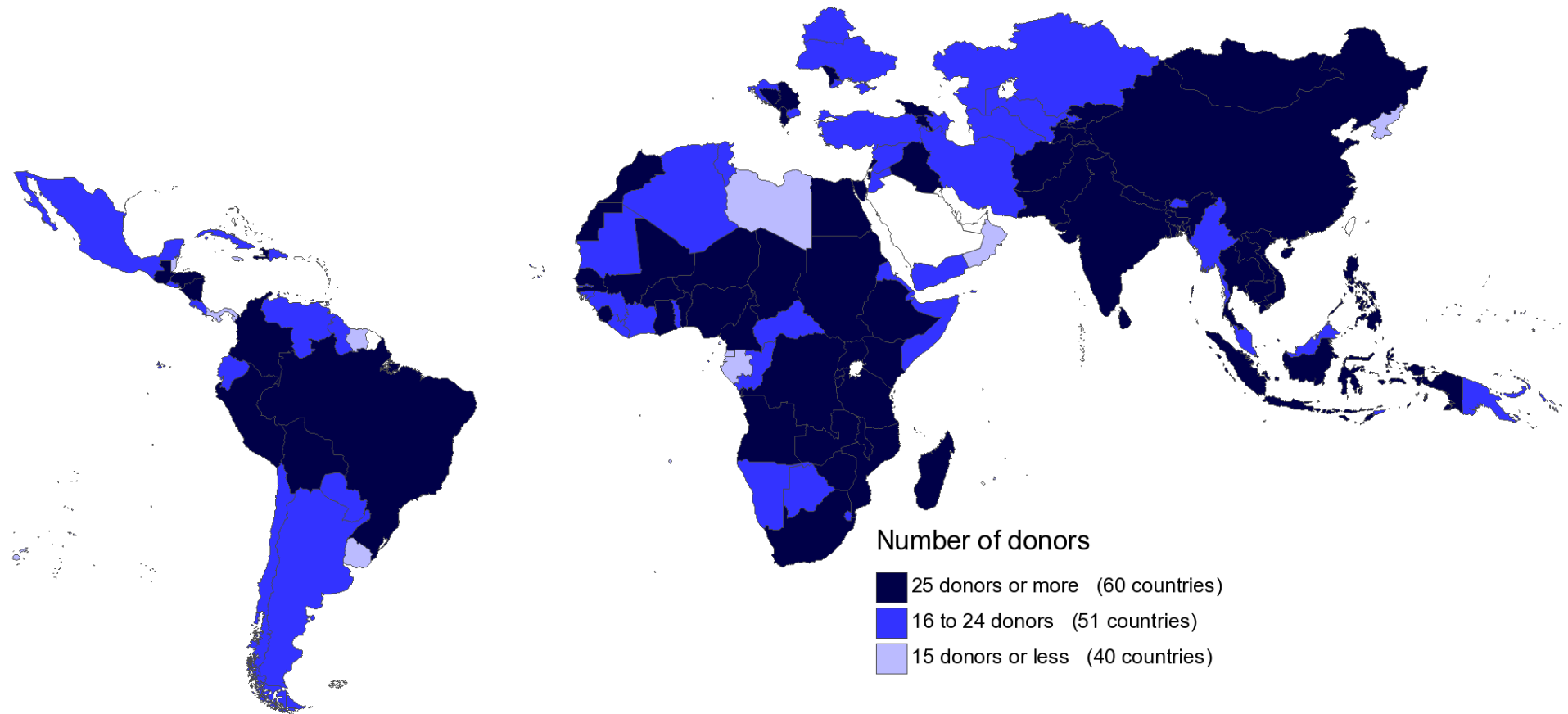
**Results of the 2009 Report on Division of Labour:  
Addressing global fragmentation and concentration**



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# What is the situation?

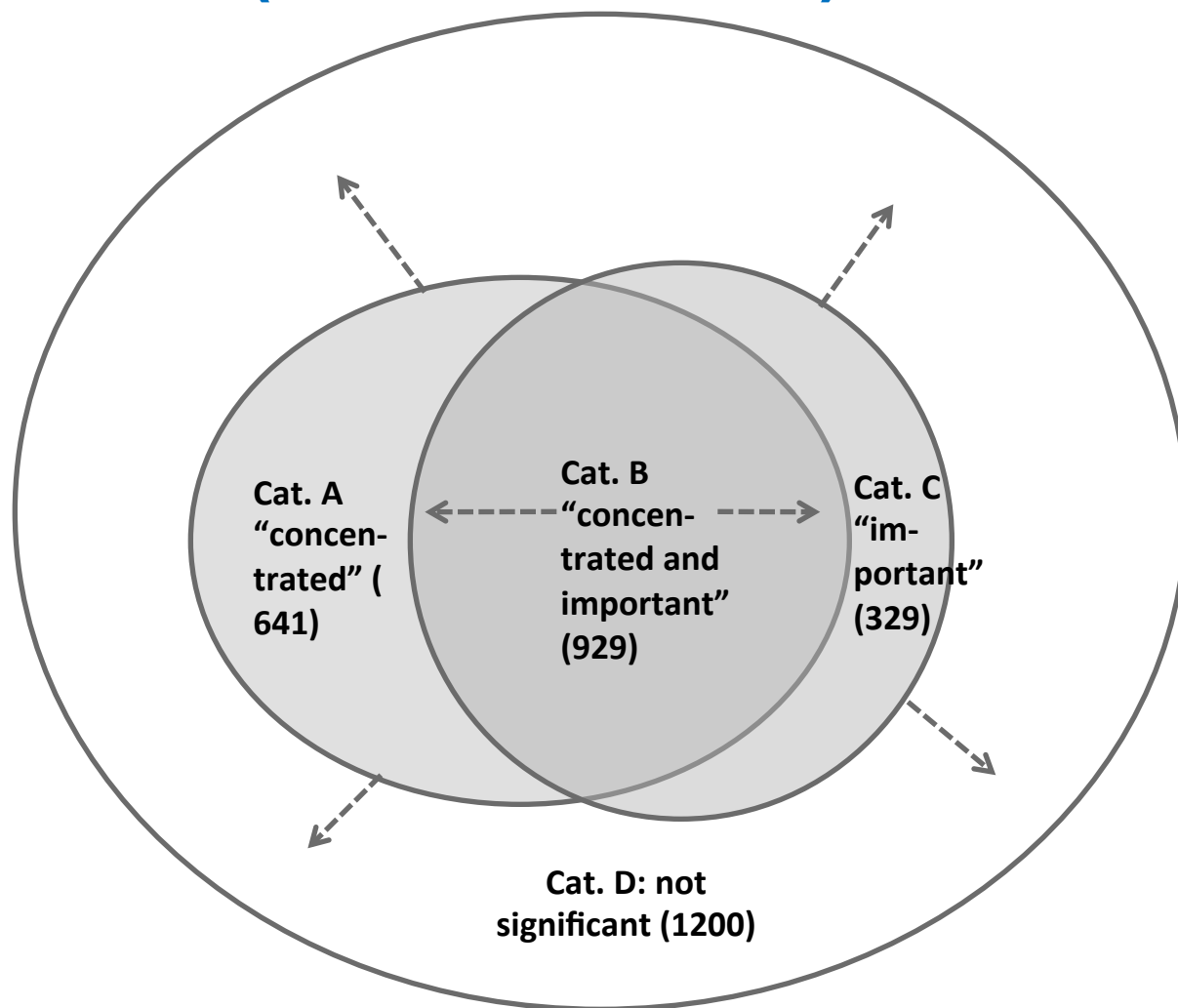


# Grouping donors/partners relations (Recipient view – Donors' relative presence)

- **Category A “concentrated”**: Recipient countries to which the donor provides more than its global share of core aid.
- **Category B “concentrated and important”**: Recipient countries where the donor is above its global share and also among the top donors that cumulatively represent 90% of country core aid (A and C both apply)
- **Category C “important”**: Recipient countries, where the donor is among top 90% donors (but A does not apply).
- **Category D “not significant”**: recipient countries which are in none of the categories mentioned above, also denoted “non-significant” relations.

# Grouping donor/partner relations (an illustration)

Globally:  
3,099  
Donor/partner  
relationships



-----> Ideal movement direction

# Proposing concentration/fragmentation measures

- Donor's view point:
  - Concentration measures:
    - Narrow :  $B$  divided by all relationships:
      - average 30%, Bilaterals 33%, Multilaterals 26%
    - Broad :  $(A+B+C)$  divided by all relationships:
      - average 62%, Bilaterals 58% , Multilaterals 65%
- Partner country's view point:
  - Fragmentation measure:  $D/(\text{total number of donors at country level})$ 
    - average 39%, LICs 35%, LMICs 46% and UMICs 36%

A = “Concentrated”

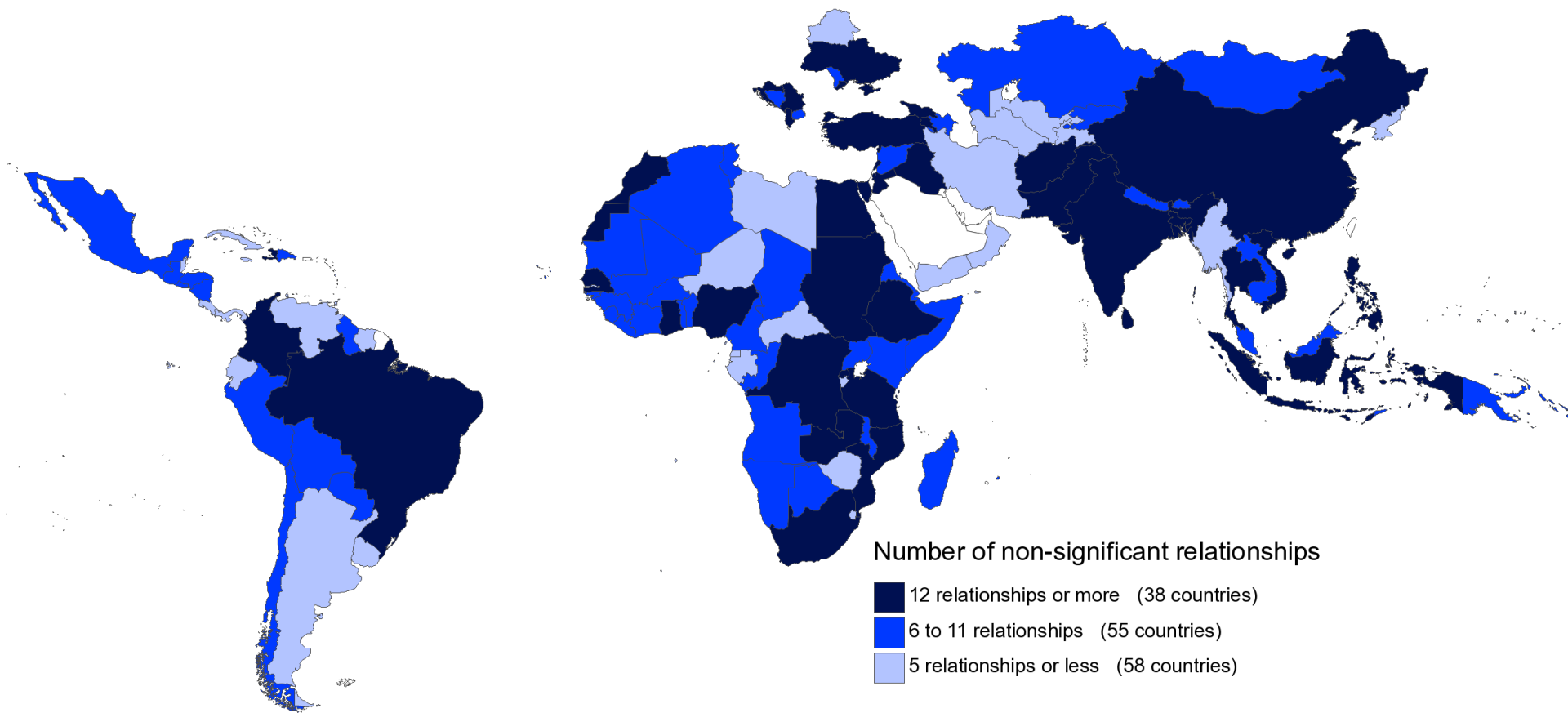
B = “Concentrated and Important”

C = “Important”

D = “Not Significant”



# Opportunities for concentration (Ds)



- Fragmentation ratio: D/all relationships: on average 39%
- Countries with more than 12 non significant relationships: 59%

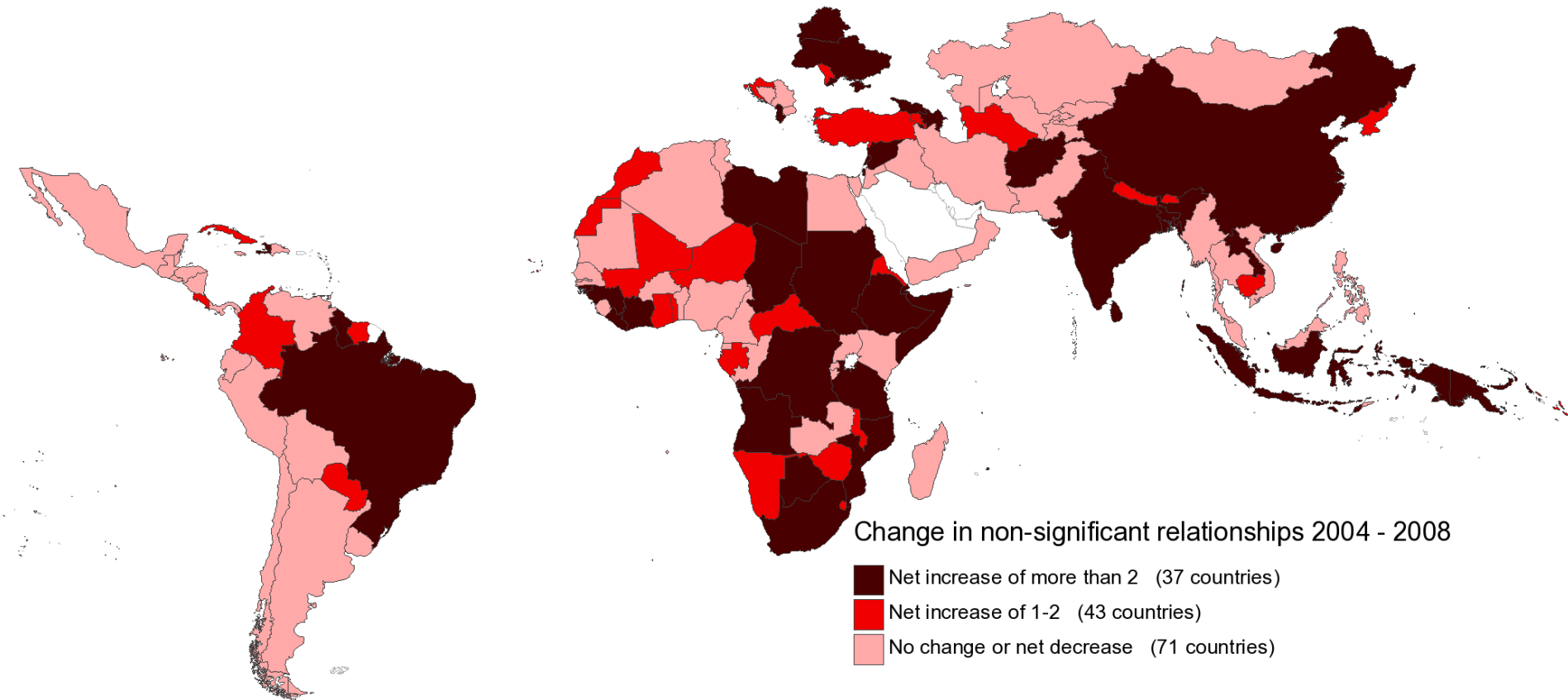
# What has happened since 2004?

- Both concentration ratios declining slightly over time.
  - Basically the trend is that
    - For Bilateral donors A, B, C is down but D is up
    - For multilaterals: A,B,C,D is up
    - (note Micro-aid relations are constant)
- Fragmentation is up in particular for LICs

A = “Concentrated”  
B = “Concentrated and Important”  
C = “Important”  
D = “Not Significant”



# Change in non-significant relationships





# Remedies

1. Scaling up: Political willingness
  2. Reallocation from non-significant to significant (49 countries will see their aid reduced but average net loss of 2% mostly LMICs and UMICs)
  3. Leave funding unchanged, channel through other agencies (net effect: channel resources through multilaterals)
- ⇒ **Impact:** Decrease of 23% in the number of relationships when only 4% of aid reorganised to increase the amount of the average relationship by 30%.
- ⇒ **(Assumptions:** Only covers bilateral (DAC) and no-reallocation if 15 donors or fewer).

# Issues for discussions

- Usefulness of the measures ? And possible improvements?
- Concerned with the lack of progress since 2004? Integration of accountability for such results in the WP-EFF?
- Scope for donors to focus their aid relationships?



**Thank you for your kind attention.**