

A Short Introduction to the Guide to Donors

What is the Guide to Donors?

The Guide to Donors is a key tool assisting low-income country (LIC) governments in designing an external financing strategy which keeps their debt sustainable. It does this by providing a comprehensive overview of the key policies and procedures of all the major aid donors, including bilaterals, multilaterals and so-called global funds.

Objectives

The objectives of the Guide to Donors can be summarised as follows (these general principles are taken up in more detail in the next section):

1. Strengthen upward accountability within the aid community – to ensure that recipients are informed of donors’ stated policies, actual implementation patterns and best practices in different aid environments, so they can hold donors to account for their actions at country level.
2. Stimulate demand-driven development assistance – to redefine the donor-recipient relationship by providing recipients with information to diversify/rationalise their donor community according to strict performance criteria.
3. Provide a platform for information sharing – to create an objective source of information for donors, recipients and civil society to act as a platform for further information sharing on practical issues amongst development professionals.
4. Encourage demand-driven reform – to encourage recipients to design formal aid strategies and to assist donors in aligning behind partner countries’ development financing needs and wants.

How can the Guide assist Low-Income Countries?

The Guide to Donors can assist aid recipient low-income countries in two main ways:

1. Taking decisions to diversify or rationalise their aid portfolios. By analysing donor behaviour an individual government can identify potential donors they have not previously worked with, the factors which are likely to attract them to their country, and the type of aid they are likely to provide. It can also identify those donors which are not aligning their assistance with their country’s policies and procedures and are therefore less of a priority for scaling up future relations.
2. Improving donor performance in their own country, by comparing donors’ declared best practice intentions, and how these are implemented in their own and other countries. Donor behaviour varies substantially across different Low-Income Countries, for two main reasons:
 - a) Reasons linked to factors such as recipient policies or procedures (or the donor’s perceptions of these). In this case, where the donor gives a logical explanation for why its practices vary among recipients, the profiles report on

such explanations, assisting countries to identify what they need to do in order to benefit from the donor's best practice.

- b) Reasons linked to less objective or country performance-related factors. E.g. geopolitical issues or bureaucratic problems in translating quickly evolving headquarter practices into country level performance. In this case the profiles can be useful in providing countries with evidence to cite on donor performance in other countries, to try to overcome political and bureaucratic factors that might hinder the application of the respective donor's 'best practice'.

The Guide will therefore be an important tool for recipient governments to hold donors to account, as well as to improving the overall quality and effectiveness of global aid flows.

Overview Chapter

The overview chapter compares information on donors across the profiles and indicates which donors are performing best on the various criteria covered.

Content of Individual Donor Profiles

Each donor profile contains an analysis of 19 features of donors' policies and procedures. The areas covered are those for which 35 low-income governments have indicated they are most concerned about donor behaviour. The analysis is based on intended best practice as publicly declared at headquarter level, but also on publicly available information on actual performance at the country level. It includes all the criteria which low-income countries analyse in the HIPC-CBP donor evaluation methodology, as well as multi-country aspects such as aid quantity intentions, or procedures for allocating resources across countries. Profiles are between 5 and 15 pages long, depending on the importance of the donor and the availability of information.

Bibliography and Data Sources

The data used in the profiles rely on four main sources:

1. Data and information published by the OECD's Development Assistance Committee, and individual donors themselves, as well as peer reviews or assessments by other donors.
2. Information collected from several LIC experts who have been HIPC-CBP resource people on donor policies and procedures.
3. Data from the 2005 Paris Declaration survey of donor performance in individual countries.
4. Assessments of donor performance by 30 HIPCs using the HIPC-CBP assessment methodology.

Current Status of the Guide to Donors and Next Steps

As of October 2009, 48 donor profiles are available: 34 bilateral donors, 11 multilaterals and 3 Global Funds. Of the bilaterals, 24 are members of the DAC, 2 are Non-DAC OECD, and 8 are Non-DAC Non-OECD. All profiles are available in 4 languages: English, French, Spanish and Portuguese. A system is being established to update the profiles regularly (and to expand the analysis to smaller donors), based on continuing input from HIPC experts and other sources.