

Providing Budget Aid in Situations of Fragility:

A World Bank–African Development Bank Common Approach Paper

Joint paperback publication (81 pages). Published January 2011. Available in English and French in print or online on the websites of the World Bank (Fragile and Conflict-Affected Countries Group) and the African Development Bank.



This new publication has emerged from discussions dating back to 2008 among some of the key actors in the provision of budget aid in situations of fragility. At the core of these discussions is a belief that improving the coordination and pooling of risk management in providing budget aid in these environments strengthens the transition from fragility to resilience. The key premise behind this publication is a need for more predictable and targeted budget aid aimed at addressing the root causes of fragility and conflict.

This is a joint publication of the World Bank and the African Development Bank. The International Monetary Fund was an important consultative partner, and the European Commission provided valuable guidance and support to the publication.

The publication has seven major recommendations:

- Improve donor coordination at both HQ and country levels
- Reinforce the rationale of budget aid toward resilience
- Improve knowledge of the political economy involved in budget aid, managing risk and focusing policy dialogue
- Undertake a more comprehensive analysis of risk to improve the coordination of approaches in the provision of budget aid
- Consider non-traditional focus areas to foster stability and the legitimacy of the state
- Address issues of aid predictability and effectiveness by achieving a balanced mix of budget financing instruments
- Improve monitoring and evaluation (M&E) systems to measure progress towards these long-term goals

“...budget aid can be at the core of an aid delivery package that is deployed in situations of fragility to strengthen the transition toward resilience...”

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