

# Budget Support Workshop

5. December 2006

## Risks and Opportunities



# Starting Point

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➤ **Double challenge for ADC:**

**a) Increase effectiveness**

**b) Scaling – Up of aid**

# **Advantages**

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- **Capacity Building**
- **Ownership**
- **Accountability**
- **Dialogue**
- **Transaction costs**
- **...**

# **Challenges and risks**

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- **Corruption**
- **Absorption capacity**
- **Efficiency of Allocation**
- **Political Conditionality**
- **Dilemma of double ownership**
- **Cross Cutting issues**
- **Exit strategy**

## **Challenges for small donors**

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- **Size Matters - economies of scale**
- **Transactions costs**
- **Voice**

# The End

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