

# The Evaluation of the Paris Declaration

Phase 2

Annexes



# ANNEXES



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# Evaluation of the Implementation of the Paris Declaration

## Country Evaluation

### AFGHANISTAN

## Executive Summary

This report is the Afghanistan country level study, as a component of a larger study of the second phase evaluation of the Paris Declaration (PD) of 2005 on Aid Effectiveness. The second phase is a follow up to the first phase evaluation that reviewed the efficiency of the implementation process of the Paris Declaration, taking stock of progress made at the input-output levels and attempted to measure the changes induced by the Paris Declaration. The second phase focuses on the outcome results at the country level. Thus the report attempts to assess the changes in the effectiveness of (a) delivery of aid donors, as per the PD principles and their indicators; (b) utilization of aid by donors and local (Afghan) stakeholders, focusing on results in selected sectors; and (c) the partnerships promoted.

In all developing countries, and especially in situations of fragility, a straight track of advances in Paris Declaration implementation is difficult to say the least. PD requires cooperation between a variety of donors with various interests, not all altruistic, and the local partner governments at all levels, civil society organisations, parliamentarians and the private sector, all representing various interest groups. Evaluation of PD thus is severely limited by the impediments in the country context; the most significant of these among many are insecurity; incapacity of ministries and civil servants; inadequate and weak state structures at all levels, national and sub-national; competing interests (of persons and organisations) and the politicized and militarized character of foreign aid. Appraisal of the PD in Afghanistan is placed within this context; and the issues that tend to impede or promote application of PD are woven into the architecture of this report.

In addition, the inter-linkages of the basic concepts of the principles and Accra, that constitute the soul of Aid Effectiveness, are the basis of the analysis of all issues throughout the report. That the principles cannot be untied from each other and must be pursued in unison to achieve improved delivery and utilization of aid lies at the core of this report.

With respect to intermediate outcomes of PD implementation, while some progress is made, strengthening of all areas by both donors and partner government is a requirement if higher rating of progress in each of the principles is to be heightened. The true spirit of alignment demands better articulation of need-based development programs by the government and results identification with which the donors would align and harmonise. The donors cannot claim to contribute to Afghanistan's needs when a large number of the donor countries, especially the troops-contributing countries, are driven by political and military interests. Mutual accountability requires a well established system of accounting for development results – a Monitoring and Evaluation system – which is currently close to non-existent. Not much can be expected either for promotion of mutual accountability or managing for development results in the absence of the government's commitment to a robust monitoring and evaluation (M&E) system. Donors are failing to meet needs for untying, better coordination amongst donors and rooting out wastages and duplications through practicing of division of labour and following harmonisation with Afghan government established systems, such as public performance management system (well reformed), procurement system etc. Cooperation in some of these areas is dependent on delivery from the Afghan government, for instance, control of corruption.

But in other areas goodwill from the donors is inadequate, at best.

The presence of the Provincial Reconstruction Teams (PRTs) and the enormous impact of security on PD implementation was studied. Doubtlessly, allocation of aid resources, over the past years has been driven by security considerations although security has not improved. It is correct that the amounts of funds invested and the activities undertaken by the PRTs (either through embedded civilian structures or through the military apparatus) vary. Thus, some PRTs might be more successful in undertaking needs-based albeit short-term projects than others. But in the absence of any accounting, understanding of the results which the investments achieve is unclear as well. Improved accountability and better cooperation of the PRTs with authorities at sub-national levels are the first requirements.

With respect to development results, two (health and education) of the three sectors selected have better performance record in the country. The research on the third sector – water – was focused narrowly on trans-boundary water system development potentials. Water and sanitation, constituting the most important life needs of the poor, could not be studied due to constraint of time.

Both in health and education sectors, developments results are better achieved than in many other areas. Although both these sectors exemplify improved donor coordination, alignment and harmonisation with government programs, it is difficult to see an application of the PD principles in these areas as the major causes of success although these were contributory factors. Yet, one cannot deny the influence of reform-minded ministers and exemplary leadership was displayed both in developing needs-based programs and directed donor attention to the requirements for coordination, alignment and harmonisation.

An analysis of the interview results raises the issue of the need for systems development instead of leadership-led development. No doubt, for sustainability purposes, systems development is essential but without leadership, no system can take roots, especially in the beginning period of state building. With billions of dollars of investment in technical assistance, Afghanistan's state's legitimacy is still at stake. Partially, this might have resulted from poor quality and unplanned technical assistance delivery by donors, yet, undeniably, quality of leadership influenced utilization of assistance.

The conclusion chapter of this report measures progress against each PD principles and raises interesting questions about the degree to which these principles are relevant for fragile states. Questions raised and discussed address issues such as: *Is ownership illusory and alignment a myth?* What evidences exist to prove harmonisation is real? *Is managing for results* only a paper concept in the absence of a robust national M&E system? Does *predictability of commitments* remain a dream? Who ensures that *Aid is untied and for whose benefit?* *Is capacity building through technical assistance* getting the value for money? Do Afghanistan and its international partners realize the extent to which they are missing the opportunity of being *mutually accountable* to each other and to their own public by not taking more stringent measures in improving *aid delivery mechanisms* and *aid utilization* for producing better *development results* to benefit the people? Readers must take a critical look at these issues and determine if pursuit of Paris Principles of Aid Effectiveness is realistic in fragile situations and to what extent?

In the light of the nature of the study and the findings, briefly reflected above, a number of recommendations are offered, some of which are innovative in terms of setting "to do" tasks for both the donors and the government. The recommendations are practical. The pursuit of these would require planning and determination to follow up, if PD implementation is to obtain the desired results.

# Evaluation of the Implementation of the Paris Declaration

## Country Evaluation

### BANGLADESH

## Executive Summary

### Introduction

The Paris Declaration (PD) on Aid Effectiveness is a landmark international agreement intended to improve the quality of aid and its impact on development. Bangladesh has been committed to the implementation of the PD since signing of the Declaration in March, 2005 and also reaffirmed its commitment as a signatory to the 2008 Accra Agenda for Action (AAA). Bangladesh developed a strategy and an action plan to implement the PD. As part of the strategy, Bangladesh took part in the OECD-DAC (Development Assistance Committee of the Organisation for Economic Co-operation and Development) surveys 2006 and 2008. Besides, Bangladesh took part in the country level evaluation of the PD (Phase 1) in 2008, aiming mainly to assess the utility of the PD as a tool for aid effectiveness and evaluate the change of behaviour of Development Partners (DPs) and Government of Bangladesh (GoB) in relation to implementation of the PD. To make further progress on the implementation of the strategy, GoB has volunteered to conduct the Phase 2 of the country level evaluation of the implementation of the PD in Bangladesh. The purpose of the Phase 2 evaluation is to document, analyse and report on the relevance of the PD in Bangladesh, progress of the PD implementation towards attaining the expected intermediate outcomes since signing of the Declaration in 2005 and PD's influence on strengthening contribution of aid to sustainable development results. The evaluation also includes studies on the implementation of the PD in three selected sectors namely, Health, Transport, and Power & Energy and a cross cutting issue: Climate Changes.

### Findings

#### a. Context of the PD Implementation

- I. **Bangladesh's dependence on aid**, in recent years, in terms of a number of indicators has declined. Nevertheless, aid continues to account for a high proportion of the country's development expenditure. The GoB therefore duly recognizes the importance of aid and its effectiveness and is committed to implement the PD in Bangladesh. Almost all donors operating in Bangladesh have also started paying increasing attention to the implementation of the PD principles.
- II. Bangladesh's **engagement with Aid Effectiveness** agenda started when OECD-DAC took initiative to harmonise donor practices in 2001 and since then it has remained committed to enhance aid effectiveness. This is reflected in the country's active participation in global decisions (Rome, Paris, Accra), as well as in national actions such as formulation and implementation of a National Development Strategy, introduction of an action plan to implement the PD and establishment of an Aid Effectiveness Unit (AEU) in the Economic Relations Division (ERD), the central agency responsible for coordinating aid management.
- III. Other notable activities in respect of **implementation of the PD** in Bangladesh are efforts to disseminate PD commitments to the officials of line ministries, participation in the DAC Surveys 2006 and 2008 and Phase 1

evaluation of the implementation of the PD. Bangladesh also regularly participates in international meetings in connection with the implementation of the PD. However, all activities relating to the implementation of the PD are concentrated in the ERD, more specifically in AEU. Despite ERD's effort to disseminate, there exists a serious lack of awareness and ownership of the commitments of the PD and AAA amongst line ministry officials. There is also no dedicated outfit or desk in the line ministries to implement the PD.

- IV. The **PD implementation** efforts gained significant momentum in 2008 when the GoB and the DPs in Bangladesh signed a statement of intent to develop a **Joint Cooperation Strategy (JCS)** for working together. The JCS which was made operational in June, 2010, provides a partnership framework for GoB-DP cooperation and collective dialogue. It also provides a mechanism for aid coordination and an annual rolling action plan to implement the commitments of the PD and AAA.
- V. GoB and DPs have jointly established a multi-tier structure for GoB-DP dialogue and coordination. The apex tier is the high level forum for dialogue and coordination called **Bangladesh Development Forum (BDF)**. There was ministerial-level representation from GoB and high level participation from donor HQs in the two BDF meetings held so far in 2005 and 2010. Aid Effectiveness was an important agenda for discussion in BDF meetings. The other important tier for aid coordination is the **Local Consultative Group (LCG)** and its working groups. It is stipulated that the plenary as well as the working groups of the LCG, will be co-chaired by GoB and DP representatives and will meet regularly for review of progress and coordination. However, functioning of LCG working groups is yet to gain momentum.
- VI. The country has not formulated an **Aid Policy** yet and has not set any target of preferred mix of modalities. Programme-based (including budget support) aid in Bangladesh remains far below 66% target.
- VII. A substantial portion of donors' assistance is channelled through **NGOs**. They operate completely outside the GoB-DP official collective dialogue structure and the JCS framework, leaving scope for potential overlap and duplication with the development programmes of the government.

#### b. Implementation of the PD and AAA Commitments

- VIII. The **GoB's leadership** in aid coordination in recent years has increased. Since the signing of the PD in 2005, there has been a growing awareness in the country that the GoB should take lead role in aid coordination. GoB is increasingly playing a lead role in LCG and BDF meet-

ings. However, GoB is yet to fully assume the driving seat in matters of aid coordination.

- IX. **Country ownership** in the formulation of national development strategy has been established. Bangladesh has been preparing its National Development Strategy in the form of Poverty Reduction Strategy (PRS) called National Strategy for Accelerated Poverty Reduction (NSAPR) since 2003. The current NSAPR-II (Revised) was launched in 2009 for three years, FY 2009-11. NSAPR-II (Revised), developed through a country led process, sets out clear strategic priorities. However, there is no framework for translating those priorities into result oriented operational programmes with effective linkages to Medium-Term Budget Framework (MTBF) and annual budget. Extensive consultations have been made with various stakeholders in the preparation of NSAPR.
- X. The engagement of the **Parliament** in the preparation of National Development Strategy (NDS) has slightly increased. For the first time a NDS, the NSAPR-II (Revised) was up in the parliament in 2009 for discussion before its finalization. In the absence of properly functioning local government institutions, the role of local bodies in the planning process remains limited.
- XI. Insufficient **capacity** to plan and manage development projects continues to remain a major challenge to improve aid effectiveness. A comprehensive strategy for capacity development around which all donors can coordinate is yet to be developed. As a result, individual donor support is often narrowly focused on project based, fragmented capacity development initiatives with little impact on overall capacity development. GoB's practice of frequent transfer of officials has also not helped to utilize the skills of trained officials efficiently.
- XII. DPs are increasingly basing their **support** on the strategic priorities of NSAPR. This is evident from recently formulated Country Assistance Strategies/programmes of several DPs. Despite progress in aligning with NSAPR priorities, use of country system by DPs in Bangladesh remains limited. Use of Public Financial Management systems remains confined to some sectoral programs only. DPs use country procurement systems only in respect of local purchases. International procurements following DP's procedures are often cumbersome and time consuming, leading to delay in project implementation. Donors attribute their reluctance to use the country systems to fiduciary risks and lack of trust in the implementation of the system.
- XIII. GoB has been implementing reform programmes to improve **Public Financial Management (PFM)** since 1992. These reforms have contributed to strengthen substantially the capacity of the Finance Division and



other related agencies, but financial management in line ministries remains weak. Similarly a major reform programme has been implemented to improve the **procurement system** which has led to significant improvement in legal and policy framework and to an extent transparency of the procurement process without much impact on the overall efficiency of the system.

- XIV. Many donors have closed their parallel **Project Implementation Units (PIUs)**, but there is an overall increase in the number of PIUs. A few such PIUs play key role in implementing aided projects in many important programmes, e.g. in health and education sectors.
- XV. There has been some progress in **harmonisation** in terms of, (i) increased number of joint arrangements in the form of SWAPs and partnerships under multi-donor trust fund; (ii) Use of common procedures in planning, financial management and procurement in case of partnership under joint arrangements and (iii) Increase in the division of labour. Other elements of notable progress in respect of harmonisation are: agreement to prepare a concept note on division of labour, conducting joint assessments and reaching a consensus to practice more collaborative behaviour under JCS. However, the progress is still lacking in the use of donor comparative advantage and complementarities under GoB led initiative.
- XVI. **Aid predictability** in Bangladesh has recently improved significantly. Almost all the donors are indicating, through country assistance programmes, their multi-year commitments. Despite progress in predictability, the **rate of disbursement** against commitment has not shown much improvement. On an average, around 20% of the aid remains undisbursed yearly, resulting in the accumulation of over US\$ 9 billion in the pipeline. GoB's capacity constraints, project implementation bottlenecks, complicated donor procedures (particularly procurement procedures) and conditionalities are considered as major causes for slow disbursement.
- XVII. Most of the DP country offices in Bangladesh reported **enhancement of their decision making authority** since 2005. A few DP offices have established dedicated desk for implementing the PD. However, country offices still need more authority to resolve expeditiously many matters relating to procurement and other project implementation issues. Many GoB officials and Civil Society members feel that there has been a positive change of DP behaviour since 2005 in respecting country ownership and mutual accountability, despite limited incentive for promoting such change.
- XVIII. **Global programmes** operating in Bangladesh have not been sufficiently integrated into national planning and budgeting system though they are making useful con-

tribution in important areas such as child immunization and preventing AIDS, malaria and tuberculosis. However, there is a limited integration of such programmes at sector level.

- XIX. Progress in the area of **managing for results** is little. Except MDG progress report, there is hardly any reporting on results. A national development result framework is being drafted under GoB-DP partnership arrangement through JCS. MTBF provides a framework for linking expenditure and results but its application is still very limited.
- XX. An effort is being made to enhance **mutual accountability** through operationalization of the JCS. Providing information on aid flows by DPs has improved and the annual report on aid flows compiled by the ERD on the basis of such information is now available on the website for public use. However, national aid information management system needs further improvement and modernization to generate information on a more comprehensive basis.
- XXI. Certain measures including establishment of an independent Anti Corruption Commission and enactment of a number of legislations have been made in recent years to **combat corruption**. Despite these measures taken by the GoB and some initiatives from DPs, corruption remains a formidable challenge.

### c. The PD and Development Results

- XXII. In Bangladesh, aid has helped to accelerate growth, reduce poverty and achieve progress in MDGs by financing public expenditure in some key physical and social infrastructure sectors such as power, transport, health and education. Aid has also financed some social safety net and income generating programmes for the poor and has facilitated policy reforms in macroeconomic and financial sector management, foreign trade and key areas of governance. Taking note of the fact that it would not be easy for the government to replace aid with domestically raised resources, it can be hypothesized that aid has made contribution to development results. The PD has brought the aid effectiveness agenda in the forefront of aid management and motivated initiation of processes like, strengthening NDS, developing a GoB-DP joint cooperation strategy, greater focus on result-oriented aid delivery and improving transparency and mutual accountability. These processes are expected to enhance contribution of aid to development results. However, at this stage it is difficult to judge the extent to which the contribution of aid to development results can be attributed to the PD. The Declaration also does not provide any explicit guidelines as to how aid should be delivered and managed to attain desired development results.

## Recommendations

- I. ERD should continue the on-going initiatives to disseminate the commitments of the PD and AAA to the officials of the line ministries and other relevant GoB agencies. The dissemination should be targeted to reach all relevant levels in the government.
- II. Engagement of line ministries in the implementation of the PD and related activities should be enhanced by GoB. A dedicated aid effectiveness outfit or a desk in the planning/development wing should be established in the major aid utilizing line ministries for implementation of the PD.
- III. The Aid Effectiveness Unit in ERD should be further strengthened and a plan should be developed to sustain the unit when the donor support expires.
- IV. An Aid Policy should be formulated by GoB in consultation with DPs and other relevant stakeholders without further delay.
- V. National Aid Information Management Systems should be improved to include information on aid disbursed through all channels including NGOs and distribution amongst different aid modalities. Mutually agreed result-based reporting system should be developed.
- VI. The GoB and DPs should engage in a dialogue to find ways to bring aided programmes of NGOs under JCS framework for better coordination and improving aid effectiveness.
- VII. Upcoming 6<sup>th</sup> five-year plan should explicitly provide a framework to translate its strategies into operational programmes and linking them explicitly to MTBF and annual budget.
- VIII. The aid financed projects should be demand driven, prepared and designed through a country led process. Local level development plans at Upazila level should be developed and those plans should be prepared in consultation with local stakeholders. DPs should provide additional aid resources to finance their implementation.
- IX. GoB should introduce a more decentralized system of decision making in the management of aided projects.
- X. GoB and DPs should engage in a dialogue for developing a comprehensive government-wide capacity development strategy for managing development programmes/projects. Such strategy should aim to develop individual as well as institutional/organisational capacity to conceive, prepare, implement and monitor bankable projects. All DP support for capacity building should be aligned to this comprehensive strategy.
- XI. A GoB-DP dialogue should be arranged on the use of country systems/procedures. A mutually agreed realistic action plan should be developed to enhance the use of country systems particularly in respect of PFM and procurement. Pending full use of the country system, DPs should simplify their approval procedures by delegating more authority to country offices for expeditious disposal of procurement proposals.
- XII. Preparation of the concept note on division of labour among DPs, as indicated in the JCS action plan, need to be completed.
- XIII. Disbursement and utilization of aid should be improved by removing project implementation bottlenecks. GoB and DPs should engage in a dialogue to find a way out for utilization of the undisbursed aid that has accumulated in the pipeline over the years.
- XIV. GoB and administrators of global programmes which are in operation in Bangladesh should take steps to integrate those programmes into national planning and budgeting system.
- XV. GoB in collaboration with DPs and other relevant stakeholders should prepare a national development results framework with specific and measurable indicators to assess the impact of development programmes.
- XVI. GoB and DPs should mutually strengthen efforts to improve transparency and take measures to prevent any corruption in the delivery and management of aid.
- XVII. In the upcoming HLF in Busan, South Korea in 2011, the participating countries and agencies should formulate clear guidelines as to how aid should be delivered and managed to attain better development results.

# Evaluation of the Implementation of the Paris Declaration

## Country Evaluation

### BENIN

## Executive Summary

**Paris Declaration in context:** The way Official Development Assistance has evolved in Benin was influenced by factors associated with policy priorities and various reforms, the country's economic situation, natural disasters, etc.

In terms of policy priorities and the various reforms, Benin is characterised by a climate of peace associated with a good practice of democracy since 1990.

In terms of the economy, Benin has been engaged in the implementation of each generation of the Poverty Reduction Strategy Papers (PRSP) since 2000. These documents, which have served as the frame of reference for economic policy for each political regime, are also the preferred and only framework for dialogue between government and partners.

As regards social measures, a factor that has a significant influence on aid flows, the Benin government resolutely included the areas of education, health and access to drinking water in its priorities, in keeping with the Millennium Development Goals (MDGs). This particular focus on these various sectors and the encouraging results observed in these areas have had a great impact on aid to the country and continue to be the concern of donors and development partners.

Unlike these factors that have had or continue to have a positive impact on aid to Benin, there are also internal and external facts and elements that have not fostered or that do not have a positive impact on aid. Internally, these include successive approvals of finance laws by executive decree between 2007 and 2009. By undermining credibility in the way public

funds are managed, this situation would significantly curb the fulfilment of commitments by donors. Externally, they concern, in particular, the international economic environment, marked by relatively stable growth in most zones between 2005 and 2007, which should help increase aid to Developing Countries in this period. However, the Benin economy was not spared the effects of the global economic and financial crisis that came in the following period.

### Processes and intermediate results

**Ownership:** In terms of ownership of the national development process, the evaluation revealed the existence of a national development strategy with a long- and medium-term focus but with a few consistency issues with regard to sectoral strategies. As well, at the sectoral level, there are sometimes programme budgets, that is sectoral programmes without any associated strategies. This observation is linked to the delayed updating of strategies in certain sectors, which temporarily reveals this gap in consistency between sectoral strategies and the sectoral programmes aimed at ensuring their operationalisation.

**Alignment:** The results of the investigations showed that more and more, aid is aligned with national priorities, even though obstacles resulting from the mandate given to the Technical and Financial Partners (TFPs) and a priority deficit in the operationalisation of the Growth Strategy for Poverty Reduction (GSPR) were noted by all parties. This alignment has translated into relatively high budgetary supports starting in 2005 and consideration for the government priorities set out in the

Growth Strategy for Poverty Reduction and in the Strategic Development Orientations of donors' assistance strategies. It is the case of the World Bank's Country Assistance Strategy and of the European Union's Indicative Programme.

The results in the management of public funds and government contracts between 2006 and 2007 support the government's commitment to bring national systems up to current standards. But since that time, efforts to clean up the country's finances have slackened, severely strained as a result of the global economic and financial crisis that prevailed between 2007 and 2008. The country's economy is still showing the effects of that crisis.

**Harmonisation:** Notable advances have been made with regard to the efficient and optimal use of common arrangements and procedures to reduce or eliminate overlaps and reduce transaction costs. Most TFPs working in Benin are stakeholders in shared cooperation initiatives involving multiple donors: (i) Budgetary Support, (ii) Common Education Fund, (iii) Water, (iv) Health. In addition, as part of the reform of United Nations System agencies, "One UN – Uni dans l'action," a joint action programme is planned that does not, however, hamper their autonomy.

**Results-based management:** The establishment of programme budgets – made possible with the support of a new loan mechanism from the World Bank – led to the creation of the Public Expenditure Reform Adjustment Credit. The introduction of programme budgets in Benin made it possible to introduce the evaluation of performance. Follow-up/evaluation units were established in government departments within the Planning and Prospective Directorate. These units are tasked with producing an annual performance report, which must include a performance evaluation for each programme based on indicators and comparing results against objectives. In terms of policy, the government has undertaken the systemisation and legalisation of the results-based management approach. To this end, the draft Organic Law on Finance Laws was finalised and validated in February 2009. It was aligned with the new directives of the West African Economic and Monetary Union adopted in June 2009. This new version will be validated in 2010, then transmitted to the government for approval before the National Assembly convenes for its adoption. Most of the progress made is at the institutional level. Conversely, the results-based management approach has trouble finding root in the day-to-day practice of the public administration, which means that results are associated with spending credits.

**Mutual accountability:** The government has deployed considerable efforts to involve parliamentarians and non-government players in the development and evaluation of development strategies. But missing from this approach are (i) the effective participation by members of parliament, often represented by the Assembly's evaluation units; and (ii) the involvement of umbrella organisations of Civil Society Organisations at the local level. Donors still do not provide informa-

tion on the aid granted in a timely manner, which makes it more difficult to track aid in Benin. As regards both parties, major progress has been made in government-TFP dialogue, joint evaluations, the joint drafting of fact books, etc. However, schedules still need to be reorganised to make the dialogue less restrictive for the government, and conditions for budgetary support to Benin still need to be lessened.

**Development results:** The implementation of the Paris Declaration contributed to making aid more effective by further reinforcing the harmonisation of procedures and the use of joint arrangements between TFPs. For example, the poverty rate dropped 3.9%, and the Gini index of inequality was decreased by 0.06 between 2006 and 2007. In addition, the growth rate rose from 3.8% in 2006 to 4.8% in 2007, and then to 5.0% in 2008. However, this growth was slowed in 2009 due to the rebound effects of the global financial crisis (drop in exports and consumption) and the measures taken by Nigeria in response to the food crisis. Thus, the growth rate for 2009 fell back down to 2.7%. Laudable efforts were made by the government with technical and financial support in the large-scale collection of data, providing development results in favour of women, men and excluded groups. The Integrated Survey on Household Living Conditions of 2006 and 2007 illustrates this perfectly.

## Key lessons on common issues

### Processes and intermediate results

**Ownership:** Beyond the institutional framework, proper aid coordination presupposes the existence of a reliable aid information system and the proper clarification of the roles and responsibilities of each player. Moreover, data on public development aid are not centralised, despite the existence of a dedicated structure intended for that very purpose.<sup>1</sup> The data tracked at the national level often do not correspond with those collected directly from donors by the OECD Development Assistance Committee. The data on budgetary support seem to be the best tracked by the government.

**Alignment:** All of the partners with whom we met deemed the national public financial administration and contracting system rather ineffective and susceptible to corruption. This state of affairs would, in fact, explain the weakness of certain levels of budgetary support and the conditions that TFPs impose on some of their support. It is accordingly important that initiatives taken by the government and supported by TFPs to reverse this trend – the implementation of the Public Financial Management Reform Programme and the adoption of enforcement decrees for the new government contracting code – are completed.

**Harmonisation:** Work remains to be done to internalise donor comparative benefits as part of aid partnerships. In the long run, this should make it possible to develop strategies to improve and optimise donor complementarity and lead to

<sup>1</sup> Outside the capacity issues facing this structure (DGIFD), the database devoted to this aspect is obsolete.

greater effectiveness by reprogramming aid based on the relative capacities of donors. As a result, complementarity between donors was not much developed, as mentioned by the OECD. It was mostly limited to coordination efforts. Another key limitation cited to justify this low level of complementarity between donors is the non-harmonisation of their funding planning activities. To this end, it would be important to revisit the pending national aid policy by building in the comparative advantage of donors. It would be equally important that donors work to coordinate their funding planning mechanisms.

**Results-based management:** At the organisational level, the necessary strengthening of the results culture requires a series of internal reforms, and in particular the development of human resources, the development of the capacities of partner countries (including with respect to statistics), the strengthening of the evaluation process, the strengthening of the links between results and the planning and budgeting process, and, above all, the promotion of leadership and accountability.

**Mutual accountability:** The government should get members of parliament directly involved through parliamentary commissions that could take stock of the situation and propose measures to be taken into account in the development of national development strategies. Furthermore, the aid information system should be completely reorganised. Finally, it is important that both parties agree on the schedules for missions to make them more manageable by the government, as well as on the relaxation of the conditions attached to budgetary support.

## Key recommendations

As regards the general overview of the implementation of the five principles of the Paris Declaration at the national level, recommendations need to be made to all development players, particularly the government, non-government players and donors. The following is accordingly recommended:

### To the Government of Benin

- Designate, through an administrative act, the Lead Minister in charge of Development Assistance Coordination
- Update decrees relating to the operation and responsibilities of aid chain structures
- Integrate strategies to improve and optimise donor complementarity in the National Policy on Development Aid document
- Improve administrative governance to strengthen the institutional mechanism for the management and coordination of development aid
- Identify priority actions that should benefit from outside resources in local communities and non-government

players with a view to achieving the Millennium Development Goals by 2015

- Take administrative and institutional measures to encourage parliamentarians to vote on finance and regulatory legislation in a timely manner to improve the administration of public funds
- Establish enforcement decrees for the new public contracting code
- Revitalise public-private partnerships
- Step up the transfer of skills and resources to local communities
- Strengthen the relation between results and the planning and budgeting process
- Consolidate the links between Communal Development Plans, Sectoral Strategies and National Development Strategies
- Develop and implement a plan to build capacities and develop the human resources of the structures responsible for coordinating aid

### To the Technical and Financial Partners

- Expand the establishment of common procedures and arrangements to reduce or eliminate overlaps
- Harmonise funding planning mechanisms taking into account various comparative advantages and the sound occupancy of the national area
- Unify operational programmes and plans between agencies
- Reduce the volume of operations not using national procedures
- Ensure greater predictability regarding time and volume in the granting of aid
- Strengthen the capacities of local offices and make them more autonomous
- Ensure better consideration for national development strategies in the development and implementation of country assistance strategies
- Encourage emerging donors and Chinese/Arabic funds to adopt the Paris Declaration process

### To parliamentarians and non-government players

- Increase the involvement of Civil Society Organisations in the establishment of development policies and in citizen control
- Step up the regulatory legislation voting process in the National Assembly
- Step up the voting process for laws and other legislative texts aiming to bring public funding and contracting channels up to current standards
- Strengthen parliamentary control through the creation of control commissions and the questioning of government

# Evaluation of the Implementation of the Paris Declaration

## Country Evaluation

### BOLIVIA

## Executive Summary

DISCLAIMER: The content and views expressed herein are those of the authors and do not necessarily represent those of the Ministry of Development Planning or the Vice Ministry of Public Investment and External Financing. Pursuant to the terms of reference and guidelines for countries participating in National Evaluations of the Paris Declaration, Phase 2, the elaboration of the reports was carried out by independent consulting firms, with the financial support of the Dutch Government.

## 1 Context

The evaluation of the Paris Declaration in its second phase in Bolivia has been prepared during a period of important changes in the architecture of the Bolivian State, changes that appeared after the emergence of the Movement Toward Socialism (MAS, for its name in Spanish "*Movimiento al Socialismo*") as the leader of the transition from a State that implemented several reforms with a market approach towards a State that functions with a Social Communitarian approach.

The profound transformations generated by the process of nationalization of strategic enterprises, the policies of austerity, fiscal discipline, coupled with a favorable international context with an unsurpassable situation in terms of trade due to an increase in demand for gas and minerals have led Bolivia to stand in a stable macroeconomic framework. The levels of foreign international reserves of the Central Bank and fiscal surpluses are very different from those levels seen before 2005, in which period Bolivia had to face a fragile fiscal environment and dependence on international aid. Consequently, Bolivia has financed with internal resources more than two thirds of its public investment in 2007. In this sense, the country was able to exercise effective sovereignty in its relations with the donor community.

The evaluation of the Paris Declaration comprises two phases. Bolivia is the only Latin American country who undertook the first phase of the evaluation in order to assess the implementation of the Paris Declaration, analysing the change in the behavior of donors and government arising from its commitments and the application of its principles as well as the implementation of its pledges under the assumption that progress related to these will lead to more effective development assistance.

### National Evaluation, 2<sup>nd</sup> Phase

The Bolivian evaluation included the following activities: i) elaboration of a National Evaluation in accordance with international guidelines, and ii) elaboration of a thematic study "Technical Assistance in Bolivia: Results and Perspectives in the Development Agenda". The National Evaluation was carried out by "Strategy Advisors for Government Reform" and the Technical Assistance thematic study was undertaken by "Corporación Calidad S.R.L.", both independent consulting firms based in La Paz, Bolivia.

A National Reference Group was defined comprising representatives from government, donors, non-governmental organisations, academia and civil society. The national coordination was in charge of the Ministry of Development Planning

through the Vice Ministry of Public Investment and External Financing.

## Scope of the Evaluations

### A. National Evaluation

The thematic extent of the evaluation was determined by the operational matrix: i) the Paris Declaration within the context; ii) processes and intermediate effects; and, iii) impacts on development. The evaluation also considered specific issues for Bolivia, defined by the National Reference Group: i) Role and implications of implementing agencies for aid effectiveness; ii) Relationship between government and international cooperation: retrospective and outlook; iii) South-South Cooperation: impact on aid effectiveness; iv) Assistance for programs versus Assistance for projects; v) Financial operations and use of national systems; and vi) Social control mechanisms and accountability schemes.

The evaluation included review of secondary information, processing of data related to external financing provided, and the application of 90 questionnaires and 15 vouchers to donors, governmental institutions that receive assistance, non-governmental organisations and civil society. Approximately 51 percent of all donor countries and agencies operating in Bolivia registered at the Ministry of Development Planning database were contacted; they represent 54 percent of the financing contracted between 2000 and 2009.

The evaluation analysed the effects of Paris Declaration at three levels of government: national, departmental (Departmental governments of La Paz and Santa Cruz) and municipal (Municipal Governments of La Paz, Sucre and Cobija). The selection of sub-national scenarios sought to balance: i) regional (East and West); ii) population size (large, medium and small municipalities) and iii) volume of aid commitments recorded for departmental governments. The extent of the time period for the evaluation includes the years 2005 to 2010. However, for comparative purposes, historical information was used in order to characterize the period prior to the approval of the PD (2000-2004).

### B. Thematic Study on Technical Assistance

The study on technical assistance was chosen because of its relevance in the context on official development assistance in Bolivia and the necessity of assessing its results in light of the commitments established in the Paris Declaration and the Accra Agenda for Action.

Nineteen donor offices participated in the study. The extent of the time period included the years 2007 to 2010, covering only activities that started in these years. The analysis excluded technical assistance activities provided through private sector and civil society entities (i.e. non-governmental organisations).

## 2 Main findings

### 2.1 National evaluation

- The principle of **ownership** had a moderate progress during the past five years period in which construction of leaderships within the framework of the current process of change was observed. In the late 1990s and at the beginning of the last decade, Bolivia was a diligent student of the exercises to improve the effectiveness of official development assistance; however, fiscal fragility and political instability did not allow the continuation of such exercises. The National Development Plan is a broad planning instrument that has limitations when there is the need to put into operation its strategic lines, and its framework of indicators is limited, as well. Sub-national levels perceive little progress in the ownership of development processes undertaken by the central government. In recent years, the high turnover of technical staff in the ministries, the changes in institutional structures and the lack of clear sector strategies limit the exercise of real leadership in the implementation of development processes, and the inclusive approach is lagging behind even more when confronting the new challenges of local autonomies.
- In terms of **alignment**, the progress observed, on average, is moderate. In the past, international cooperation was reluctant to use national administrative and control systems. This reserve is diminishing, and the bilateral cooperation for the most part uses national procurement and financial systems. Multilateral agencies prefer to use their own financial and procurement systems, due to the slow pace of the national systems and the lack of confidence in the adjustments that are being applied to the rules of the governing Law. The greater use of programmatic approaches (especially at the sector level), and the degree of decentralization of the international cooperation seem to favor the use of national systems.
- There is significant progress concerning reduction of the conditions and requirements that the government must meet to receive foreign assistance. Moreover, the number of operations that do not require matching funds is increasing. Progress of alignment is possible because decentralization processes are gaining ground due to a greater delegation of authority from Headquarters to Country Offices.
- “Donor-driven” practices have declined substantially, perhaps not due to the Paris Declaration per se, but due to the fiscal capacity that Bolivia has at the present time, which allows the country to be more selective in the cooperation that it receives, exercising the principle of sovereignty. In this regard, several donors who traditionally supported strategic areas such as institutional support, justice and governance withdrew their help at the request of government.

- Official Development Assistance channeled through non-governmental organisation is substantial – in the case of some bilateral donors – responding to policies defined at headquarters. The government has stated the necessity to address this situation, considering that the current applicable legislation is subject to improvements.
- Progress concerning **harmonisation** is also considered moderate, because there is no mapping of comparative advantage of donors led by the government. After a period of uncertainty in the relations between the government and the donor community, in 2006, the Group of Partners for Development of Bolivia (GRUS, for its name in Spanish), emerged in order to improve aid effectiveness in achieving the objectives of the National Development Plan and the Millennium Development Goals following the Paris Declaration. This forum has several sector committees; however, there is a perception on the part of the government that the work of GRUS is not operational as of today.
- The European Union is promoting a process of harmonisation in the GRUS within the framework of the implementation of its Code of Conduct on Complementarity and Division of Labour. However, the division of labour is not clear yet and the agencies tend to concentrate their efforts in sectors where there are management skills that ensure the implementation of programs; therefore, these agencies can show the benefits from the aid provided to their headquarters at the expense of weaker sectors within institutions that do not have implementation capacity, sectors that donors try to avoid with regards to new programs.
- On the part of the government, the most noteworthy action is the approval of Supreme Decree 29308, which establishes the regulatory framework for the implementation of external resources that are received as donation.
- Bolivia is moving towards aid modalities such as basket funds and budget support. Despite the interest that different sectors have in participating in such initiatives, one of the main constraints for implementing these modalities is the institutional weakness at the ministries. The absence of implementing units has generated a workload that can hardly be handled, because of the limited capabilities with regard to management of trust funds.
- The fragmentation of external financing has not changed substantially. In 2005-2009, the top five donors accounted for 65 percent of disbursements while the top ten represented 81 percent. In 2000-2004, the top five donors represented 68 percent while the top 10 represented 84 percent.
- There is no significant progress in terms of **management for results**. There is no culture regarding management for results in the State and this weakness is attributable not only to governmental agencies, but also to donor agencies, who have indicated the difficulties they have when they need to harmonise common evaluation standards across agencies. Traditionally, program evaluation was based on the analysis of the levels of financial implementation, which may lead to erroneous results regarding the effectiveness of aid.
- In the area of **mutual accountability** between donors and the government there is little progress. There are scattered efforts of various actors, which could eventually become a structured and effective system of accountability of the government towards the general public. The application of this principle involves the development of actions to add more transparency to public management. Although a new anti-corruption law is achieving improved levels of transparency, it has generated a series of delays in several processes because of the fear that public officials have concerning their responsibilities set out for them in this new legislation. The government is promoting Public Hearings so the Ministers of State can present their reports to the public.

#### **Witness Sector: Health**

- The Ministry of Health recently presented its Sector Development Plan 2010-2020; this exercise is considered useful for aligning the International Cooperation with regard to the priorities of the sector.
- The Health Sector shows a relatively favorable performance in achieving the Millennium Development Goals, with significant progress in reducing chronic malnutrition and child mortality, but limited progress in the reduction of maternal mortality.
- The Ministry of Health has implemented public insurance schemes prioritizing vulnerable groups, particularly for single mothers' and the elderly. In the same way, programs related to public issues such as the Expanded Program on Immunization and other programs of disease control (chagas, malaria and tuberculosis, among others) were supported by the donor community. Currently, the Zero Malnutrition Multi-Sector Program, whose funding includes resources from a basket fund, is succeeding in the reduction of the prevalence of chronic malnutrition in the population of children under two years who live in municipalities that are highly vulnerable with regards to food insecurity.
- Although challenges remain, development cooperation has helped improving the leadership role of the Ministry of Health in the past years by strengthening the strategic planning area in terms of negotiating skills with international cooperation agencies, and by improving the decision making skills of the network of services through technical assistance services and provision of equipment and infrastructure.



## 2.2 Thematic study on technical assistance

- The Paris Declaration has a significant change in terms of leadership by the Bolivian government in defining its priorities for Technical Assistance. The Bolivian government has made the priorities established in the National Development Plan the guidelines under which donors based and aligned its technical cooperation programs.
- There appears to be changes in the form of provision of technical assistance after the Paris Declaration, but it is necessary to make operational the strategic guidelines laid out in the Declaration, which establish indicators for the short and long term.
- A major challenge of the current state of technical assistance provision will be to articulate the planning and management stages in order to keep priorities at the executing level, introduce staff permanence, organise the demand for technical assistance and to establish a results-based management.

### Ownership

- The planning in Bolivia was developed at a macro level, and therefore the planning process in most public institutions is not structured so that the operational level to perform an adequate monitoring and evaluation for technical assistance projects is possible.
- The best management structure for technical assistance is in those institutions where there is a strategic planning system and in institutions with experience in technical assistance.

### Alignment

- Donors seek to align with national priorities by supporting lines of cooperation with the guidelines established in the National Development Plan.
- The dynamism of national priorities, sub-national, local and institutional coordination make coordination difficult within sectors.
- There are no regulations and procedures specifically governing Technical Assistance, and the existing regulations and procedures are geared towards public investment.

### Harmonisation

- There has been an improvement in the level of coordination of international cooperation, which is reflected in the implementation of basket funds and the GRUS.

### Management for Results and Mutual Accountability

- Bolivian institutions do not have an administrative model of management for results, and therefore its application is limited.

- There is not a shared assessment between recipients and donors. Specifications are needed in order to measure capacity development.
- It is important to distinguish between mutual accountability and co-management, since mutual accountability is a joint process ranging from planning, execution, evaluation and monitoring.

## 3 Recommendations

- With the substantial change in Bolivia's fiscal capabilities during the second half of this decade it is interesting to find some limitations on the scope of the Declaration of Paris. While the principles may apply, the evaluation of efficiency improvements in managing development cooperation should be looked at in more details to find true evaluation parameters.
- Currently, ownership and alignment are obvious conditions for an appropriate relationship between international cooperation agencies and the government of Bolivia. The challenge seems to be to systematically advance in the harmonisation process.
- Donors should exert utmost efforts to ensure that the government takes ownership of GRUS, as a vehicle that could allow implementing effectively the Paris Declaration principles and Accra's priorities.
- Regarding the division of labour, it is important for the International cooperation to introduce in the design of this exercise a component that encourages donors to have a portfolio of cooperation activities that have been agreed with the government, and where donors do not concentrate their assistance only in areas that have higher institutional and resource management capacities.
- International cooperation has the challenge of contributing substantially to the introduction and strengthening the management for results practice, and sticking to these principles themselves. Joint and timely assessments of achieved results with the government are needed.
- Considering the increasing pool of new potential development partners, the sub-national context of autonomies, the increasing role of ODA-funded non-governmental organisations' programs and projects, as well as the need of addressing jointly the division of labour and technical assistance implementation among donors based on comparative advantages, the effectiveness agenda for the Government of Bolivia in the short run has many challenges that need to be addressed.

# Evaluation of the Implementation of the Paris Declaration

## Country Evaluation

### CAMBODIA

## Executive Summary

### Background

This Phase 2 Evaluation of the Paris Declaration – Cambodia Country Study – was conducted by a team of evaluators selected after an international competitive process. The integrated international and Cambodian team worked under the direction of the National Evaluation Coordinator and Secretary General of the Cambodian Rehabilitation and Development Board of the Council for the Development of Cambodia. The Evaluation Work Plan was prepared in January, 2010 and approved in February, 2010 in accordance with the Cambodia Country Evaluation Terms of Reference. This evaluation report is consistent with those terms of reference but also made every effort to integrate subsequent guidance issued by the Core Team for the Phase 2 Evaluation of the Paris Declaration.

### Evaluation Methodology

The Phase 2 Evaluation of the Paris Declaration was summative and focused on the intended and unintended development outcomes, including poverty reduction, associated with implementation of Paris Declaration commitments. The three core evaluation questions were as follows:

- Q1: “What are the important factors that have affected the relevance and implementation of the Paris Declaration and its potential effects on aid effectiveness and development results?” (The Paris Declaration in context)

- Q2: “To what extent and how has the implementation of the Paris Declaration led to an improvement in the efficiency of aid delivery, the management and use of aid and better partnerships?” (Process outcomes)
- Q3: “Has the implementation of Paris Declaration strengthened the contribution of aid to sustainable development results? How?” (Development outcomes)

These questions set out the cause and effect logic chain from the Paris Declaration in context, to the evolving aid architecture and delivery processes, and through to the achievement of development outcomes. A Diffusion/Contribution Model was developed for this evaluation to guide data collection and analysis along that logic chain. The evaluation methodology designed to operationalise the Diffusion/Contribution Model used seven lines of evidence: 1) document/literature review; 2) sample of 10 development investments from the health and rural development sectors; 3) nine sample project group discussions involving 108 participants; 4) four Paris Declaration implementation tracer studies including 39 participants; 5) two online surveys, one specifically for the targeted sectors and one for the general development stakeholders, answered by 70 respondents out of 215 surveyed (32% response rate); 6) 2006-2008 PD Monitoring Survey for Cambodia; and, 7) attendance at the second of three CSO dialogue meetings including 35 CSOs, 22 development partners and four government representatives.

Drawing on the seven lines of evidence and the 278 people consulted, the evaluation carried out a content analysis of the

associated data sets. Each of the five team members was responsible for specific lines of evidence and for compiling data and writing sections of the report. Key points were reviewed and sources triangulated to ensure that findings and conclusions were not drawn from only one uncorroborated source but rather reflected the findings of several lines of evidence. In writing the report, the evaluation team looked at *contributions* towards development outcomes rather than trying to focus on finding evidence of attribution. The team also tried to ensure that findings, conclusions and recommendations were viewed through the lens of the local context in Cambodia.

## Evaluation Findings

### The Paris Declaration in Context (Findings 2-10)

Cambodia's participation in OECD/DAC-sponsored aid effectiveness work dates back to 1998 and continues to the present day as a member of the Working Party on Aid Effectiveness. Prior to the Paris Declaration there were development policies and a variety of reform efforts to improve aid effectiveness which have since been strengthened partly due to the influence of the Paris Declaration. Examples such as the National Strategic Development Plan, Government Development Partner Coordination Committee, Technical Working Groups, and Cambodia Development Cooperation Forum have provided the guidance and opportunities for all stakeholders to engage in a consensus building process to address development issues. While this has helped strengthen Cambodian leadership capacity and ownership of the development process at the national level, weak human resource and institutional capacities of line ministries, along with a lack of transparency in governance practices continues to hamper the pace of development. All stakeholders have deepened their engagement to the Paris Declaration principles, however development partners are often caught between working responsively with the government and responding to the priorities of their head offices. While the Paris Declaration and Accra Agenda for Action can be attributed with the increased inclusion of CSOs in the aid effectiveness process, the same cannot be said for their influence on non-ODA cash flows which are increasingly important sources of revenue that contribute significantly to Cambodia's development. In the Cambodia context, the Paris Declaration has served less as a catalyst for change but moreover as a reinforcing influence for advancing aid effectiveness reforms, albeit with uneven success.

### Process Outcomes (Findings 11-21)

The implementation of public sector reforms designed to enhance the enabling environment for development in Cambodia has proven to be challenging. The government is making serious efforts to improve accountability to parliamentarians and citizens. Inclusive and transparent development planning and aid coordination is well advanced. However, establishing monitoring systems, routine data collection and reporting on development outcomes at the national, sectoral and sub-national levels will require additional capacity building. Accountability relations with development partners have remained

asymmetric as they continue to exercise considerable control at the local level to ensure coherence with their development policies and compliance with their accountability procedures, disbursement targets, and results reporting requirements all of which tend to drive the partnerships and the selected aid delivery modalities. There is also a general reluctance to use programme-based approaches, country systems and local implementation structures due to the slow pace of public sector reforms which has contributed to a high degree of fragmentation in aid delivery. Although accepted as necessary in the medium term, the use of technical cooperation to build human, institutional and system-wide capacity at all levels has been suboptimal, subject to debate and competing interests. Further efforts by both the government and its development partners to exert more effective ownership and management of technical cooperation resources will be key to the successful and timely implementation of public sector reforms.

### Development Outcomes (Findings 1, 22-28)

The Paris Declaration has had substantial value in building of both formal and informal networks through the participation of all stakeholders in aid coordination mechanisms which are now an important and sustainable part of the aid architecture. These platforms for engagement have been used to carry out advocacy, education and collaboration on best practices in development, e.g., pro poor strategies and gender mainstreaming which has fostered greater buy-in from key line ministries, development partners and civil society organisations. At the same time, social capital has been positively influenced at all levels from the national through to the project level, but progress has been understandably incremental and uneven especially among line ministries. While results-based approaches have begun to enter the development lexicon, systems and working practices have not yet matured to the level where they are routinely incorporated into macro, sector and project-level work. The government has initiated concerted efforts to implement sector wide management and sector wide programme approaches for the benefit of both the health and rural development sectors which pre-date or were contiguous with the advent of the Paris Declaration. At the development investment level it does not appear that the Paris Declaration has had much influence on the majority of development partners. The large proportion of discrete projects, particularly free-standing technical cooperation, with small budget allocations, undoubtedly places a heavy administrative burden on government partners and funding recipients, including civil society organisations. The evaluation's assessment of the implementation of the Paris Declaration principles on a sample of 10 development (project) investments indicates that the development results are more relevant and significant when all the principles are applied in the context of a multi-donor programme-based approach. Some projects in the sample generated significant poverty reduction outcomes using pro poor programming strategies that have made sustainable improvements in the lives of the targeted communities and vulnerable populations. The evaluation, however, found no evidence that development policy-makers, project implementers

or community representatives associated the adoption of pro-poor strategies, including the achievement of gender equality results for women and girls to the Paris Declaration or the Accra Agenda for Action.

### Unintended Consequences and Lessons Learned

Several unintended consequences were identified that focussed on the perception that the Paris Declaration is a linear western approach which is not best suited to evaluating progress in Cambodia. In addition, three lessons learned which reinforce the above point indicate that: 1) learning needs to be based or rooted in past experience; 2) local facilitative leadership and ownership needs to evolve and be strengthened; and, 3) to succeed, capacity development needs to be system wide, integrated and holistic rather than piecemeal.

## General Conclusions

The general conclusions presented below were derived from the evaluation report findings. Conclusions with regard to gender equality have been mainstreamed as appropriate.

### The Paris Declaration Principles (General Conclusions 1-6)

The evaluation concludes that the Paris Declaration has been **relevant** in Cambodia where it has helped strengthen national systems and core public service reforms especially in the capital assisted by some programme based approaches and the application of joint monitoring indicators. With respect to **Ownership**, it has helped increase leadership capacity and ownership by the government and also assisted in some systemic strengthening in sectors, but overall, projects, which are the main development partner modality, have not fostered local ownership. **Alignment** has only been partially successful, although there has been an attempt by development partners to align their investments to Cambodia's development policy framework, few bilateral development partners have raised their fiduciary risk tolerance to use existing country systems. **Harmonisation** has shown progress through some programme-based approaches in the target health and rural development sectors, but the strong pressure for development partners to retain direct accountability has meant that there continues to be a high degree of aid fragmentation.

**Managing for results** has not yet been institutionalized in Cambodia and the Paris Declaration has not had much influence in this regard. Finally, the Paris Declaration has not been an important factor influencing **mutual accountability** at the investment level, although there has been increased consultation and progress towards targets at the national level.

### Paris Declaration Effectiveness and the Aid Dialogue (General Conclusions 7-10)

With respect to **conflicts and trade-offs** among PD principles, the evaluation concludes that achieving country ownership is dependent on two main factors, the country's institutional and human capacity and the willingness of development

partners to strengthen capacity where it's needed, i.e. to foster country ownership. With respect to the **contribution to aid effectiveness, results and sustainability**, the Paris Declaration has unquestionably had a positive influence particularly in terms of the development policy framework, aid coordination mechanisms, and sector wide management approaches which are significant and sustainable outcomes. With respect to the **burden of aid management**, the evaluation concludes that while the Paris Declaration has had a positive effect on the predictability of multi-year financing it has not influenced the still predominant use of the project delivery modality with its associated costs; Cambodian personnel and development partners all report increased time and effort. Finally, the evaluation concludes that there is **value added from the Paris Declaration** which has created the rationale and framework for enhanced dialogue on aid effectiveness that has added value to development strategies, aid coordination and reforms to support better aligned and harmonised aid delivery.

### Key Messages for Stakeholders (General Conclusions 11 and 12)

The key messages for national stakeholders starts with the **government** needing to continue to assert leadership in implementing PD principles and developing country systems and capacity at the national, sub-national and commune levels as well as involving **civil society organisations** and the private sector. The key message for civil society organisations is to increase their involvement and participation in national networks while at the same time involving their grassroots as much as possible. The message for other national stakeholders such as the **private sector** is simply to get involved. With respect to **development partners**, the key message is to place more emphasis on working together using sector wide management approaches, multi-donor programme-based approaches with pooled funding mechanisms and shared accountability for achievement of development results. The key message to **emerging donors and global funds** is that they need to become more integrated into the aid architecture and take part in the aid coordination mechanisms, joint efforts to monitor and assess the implementation of the Paris Declaration and the achievement of development results, so that their efforts can be aligned with those of national stakeholders and harmonised with other development partners.

### The Future (General Conclusion 13)

In the new reality, there is increased opportunity for Cambodia to engage with non-traditional and "emerging donors" through funding which includes the private sector and global fund support. The key for future success appears to be a wide range of stakeholders working together using integrated approaches that are consistent with Paris Declaration principles, and address the new challenges and opportunities.

## Recommendations

The following recommendations relate to the common and country-specific questions. They are addressed to: the Paris

Declaration Secretariat, to all development partners, and to each of the three key stakeholder groups. They have a twofold purpose:

- First, to underline what should continue to be done and what should be built upon; and
- Second, to describe what each stakeholder group needs to clarify, improve and strengthen so that the Paris Declaration principles can continue to provide an ongoing framework to achieve improved aid effectiveness up to, and beyond, the end of 2010.

**Recommendation #1 to the Paris Declaration Secretariat:**

That the principle of ownership be strengthened as the enabling condition and driver for the implementation of the remaining principles and commitments, given its dependency on existing capacity to exercise it and the willingness of donors to support capacity development efforts.

**Recommendation #2 to the Paris Declaration Secretariat:**

That gender equality principles and mainstreaming be fully integrated into future iterations of the Paris Declaration since it is widely recognised to have beneficial effects on aid effectiveness and the achievement of development results.

**Recommendation #3 to all Partners:** That all the partners in Cambodia sustain their efforts to improve aid effectiveness

by strengthening partnerships at all levels and increasingly focusing on the investment level by optimising the value of aid coordination mechanisms, i.e., Technical Working Groups as a forum for ensuring adherence with the PD principles and commitments.

**Recommendation #4 to the Royal Government of Cambodia:**

That the National Capacity Development Strategy advocate the increased use of multi-donor pooled funding for free-standing technical cooperation at the national and sub-national or sector levels to strengthen the public management systems of the central government, line ministries and their institutions.

**Recommendation #5 to Development Partners:** That development partners support the Royal Government of Cambodia with free-standing technical cooperation basket funding at the national and sub-national or sector level to support capacity development of country systems.

**Recommendation #6 to Civil Society Organisations:** That civil society organisations continue to develop their capacity as implementing organisations, take greater advantage of the opportunities to participate in aid coordination mechanisms, monitor their commitments, and improve the availability of information on CSO development activities and results.

# Evaluation of the Implementation of the Paris Declaration

## Country Evaluation

### CAMEROON

## Executive Summary

### Background, objective and limitations of the evaluation

The Paris Declaration was adopted in 2005, at a time when Cameroon was dealing with an economic crisis that began 20 years earlier and caused it to once again rank among the least developed countries (LDC), a ranking that makes it eligible for the Heavily Indebted Poor Countries (HIPC) Initiative.

The realisation of this initiative in 2006 gave rise to cancellations, reschedulings and conversions of Cameroon's foreign debt and the establishment of a new Economic and Financial Programme supported by the donor community. Commitments made before and after 2005 by the latter for poverty reduction were not necessarily aiming for the implementation of the Paris Declaration with its own internal logic.

Cameroon did not take part in Phase 1 of the Evaluation of the Implementation of the Paris Declaration conducted in 2006, but was represented at all international meetings on this subject.

Phase 2 of the Evaluation constitutes a study taking stock of the progress made individually or jointly by the various players since Paris and Accra in the implementation of the Aid Agenda. It is being conducted to examine and explain the contribution of the Paris Declaration and the Accra Agenda for Action to aid effectiveness and to the results obtained in terms of development. The results of this evaluation will be used to fuel discussions at the next High-Level Forum on Aid Effectiveness in 2011 in Busan, Korea.

This evaluation is highly appropriate. It primarily aims to shed light on the degree of institutional ownership of the pillars of the Paris Declaration and justify the hope that Cameroon places in its potential to make cooperative relations for its development more consistent and predictable.

Our findings indicate that the application of the Principles of the Paris Declaration is truly underway in Cameroon, albeit slow in terms of the progress objectives set for 2010. We should specify that the 2005-2010 period, i.e., five years, is insufficient to successfully make all of the strategic, systemic and institutional adjustments needed to obtain the fundamental changes sought in the Paris Declaration.

Accordingly, in terms of Ownership, it is difficult to categorically state that it was because of the Paris Declaration that frameworks for dialogue between the government, technical and financial partners and civil society, or public-private partnerships, were included in the formulation of policies and follow-ups on their implementation, as such elements sometimes date back to before 2005. But the Paris Declaration and the Accra Agenda for Action undeniably contribute specifically to reducing tensions in collaborative relations and reducing mistrust and biases between civil society and the government, enabling them to work with technical and financial partners to achieve the development results for which they are all jointly accountable.

However, applying the principle of Alignment depends on the quality of governance. Indeed, it often takes a long time to complete reforms undertaken by the Government of Cam-

eroon, creating uncertainty and making the management systems and procedures with which the technical and financial partners should comply unclear. In addition, corruption in the management of state funds and in the government contracting system – a phenomenon widely recognised by all players – is an argument presented by technical and financial partners to explain their lack of eagerness to align their processes with these systems.

In terms of Harmonisation, some advances in the coordination of activities by the donor community have been noted, but this practice remains largely undeveloped. The issues of transparency, predictability of aid and the use of programme approaches are real issues on which the government will need to assert its vision and leadership.

For the moment, Results-based Management is a concept reserved for just a handful of insiders in central administrations. Its actual application and generalisation will certainly take some time, unless senior officials in Cameroon develop a true will to intensify training at all institutional levels. It should also become a performance criterion in future negotiations for partnership agreements. The Programme for the Modernisation of Cameroon's Administration through Results-based Management, or "PROMAGAR," is a recent initiative aiming to meet the need to reinforce the administration's effectiveness by instilling a results culture. Formalised in June 2007 through an Order of the Prime Minister, the Head of Government, the main long-term anticipated result is the existence within target administrations of an operational planning, budgeting, follow-up and evaluation mechanism based on results, aligned with the Growth and Employment Strategy Paper and the new State Financial Regime.

Accountability, which is required from all players and accordingly not limited to relations between the technical and financial partners and the Government of Cameroon, can only be mutual if solidarity is clearly expressed in the development of strategies and if there is an explicit agreement for the implementation and follow-up of the actions agreed upon.

The main limitation of this evaluation is the low coverage of the sample targets to be interviewed. Indeed, for reasons associated with the agendas of certain people, the opinions of parliamentarians and economic operators could not be obtained. However, those collected from civil society lacked diversity as the survey only managed to reach a few NGOs and Associations, although it also sought to interview union activists and people associated with the Church.

Based on the framework of objectives and limitations thus identified in the Paris Declaration evaluation process, our main conclusions are as follows.

## Main conclusions

The conclusion to be drawn is that the Paris Declaration has still not effectively been implemented in Cameroon. However,

some progress has been made as regards the principles of Ownership, Alignment and Harmonisation. Results-based Management is still in the draft phase within the government, while for now, Mutual Accountability is the concern of civil society. The latter impatiently wants to hold the government and the technical and financial partners to account, entities it holds responsible for the failure of development policies and, more specifically, the delayed implementation of the Paris Declaration – which it sees as a great tool to improve governance.

Accordingly, it can be said that the Paris Declaration process is not only incomplete, but still in its initial stages. In terms of the extent of the anticipated changes, we still have to allow some time for all the players involved to adapt their behaviours. In concrete terms, the aid relation still has not changed, and local and democratic ownership has still not occurred. In other words, aid has not become more abundant and the low absorption capacity has still not balanced out.

However, it is clear that the Paris Declaration has now become a frame of reference for cooperation processes with bilateral partners, and even more so with multilateral partners.

It is important to examine the lessons to be highlighted and the recommendations to be made.

## Lessons

The authors of the Paris Declaration and those who adhered to it were very optimistic in their prognosis that the desired results would appear in the short term. They accordingly chose 2010 as a goal for the achievement of most target objectives, almost certainly to be in line with the Millennium Development Goals agenda, in which targets have been set for 2015. It is now 2010 and Cameroon does not seem to have achieved the first commitment associated with Ownership.

The Paris Declaration is more of a political process than a technical one, and this evaluation revealed that there is still work to be done to achieve either one. However, it is quite clear that political will is the key factor influencing the achievement of the desired changes, but the public administration also has a significant share of the responsibility as the holder of the techniques and skills needed to plan, programme, negotiate and manage consolidated public resources.

Analysing the aid effectiveness issue is accordingly a very complex exercise, because it mobilises players who neither have the same vision, understanding, objectives or even the same intervention tools, on either a strategic, economic or social level.

The disparity of the information collected from various sources and the points of view obtained in the interviews conducted demonstrate just how sensitive the issue is and how difficult it is to disseminate the opinions of all involved.

The analysis showed that the evaluation of aid to Cameroon seems to concern the technical and financial partners more than the recipients, which explains the absence of specific information and statistical series at the national and decentralised levels, which could have made it easier to analyse the results and formulate an objective assessment.

Consequently, the institutional integration of the Paris Declaration remains limited and the systemic and managerial capacities of aid still need to be developed, making an in-depth reform of the strategic, organisational and instrumental process of aid to Cameroon desirable.

### Recommendations

It is important that Cameroon define its development co-operation policy and take charge of funding strategies and mechanisms by adapting them to its economic and social effectiveness. To this end, it should:

- Base its leadership on Development Aid policies and management by defining a framework for development partnerships along with all the instruments needed to plan, follow up and evaluate the resources mobilised
- Strengthen institutional ownership of the Paris Declaration through a player communication, information and documentation programme
- Reinforce good governance measures and the institutional capacity to manage aid
- Make sure the gender issue is taken into account in the interventions of the technical and financial partners
- Implement a gender integration project in the Paris Declaration, including follow-up indicators with the support of the technical and financial partners
- Clarify the conditions for access to alternative sources of funding (South-South Cooperation) and the anticipated benefits.



# Evaluation of the Implementation of the Paris Declaration

## Country Evaluation

### COLOMBIA

## Executive Summary

### Purpose of the evaluation

An interdisciplinary team carried out the evaluation of the Paris Declaration in Colombia, employing a national approach and territorial perspective to its methodological work. The International Strategic Thinking Center, in its capacity as General Coordinator, put together the National Evaluation Team. The National Evaluation Team, in turn, worked with four renowned academic institutions (Universidad de Antioquia, Universidad Jorge Tadeo Lozano, Universidad Tecnológica de Bolívar and Universidad ICESI) and with the support of the Colombian Association of Universities, to conduct more than 90 interviews with various key international cooperation stakeholders, including government officials, international community officials, and members of civil society organisations (CSOs), in six geographic areas of the country.

The National Evaluation Team checked and analyzed the data that was gathered using an Operative Matrix provided by the International Evaluation Team according to three central evaluation questions<sup>1</sup>. Also, the information contained in this report was carefully reviewed and commented on by national and international experts and officials from public institutions, organised civil society, academia, and international organisations. Each of these external reviewers not only facilitated

<sup>1</sup> The three central questions outlined in the Operative Matrix are: 1. What major factors affected the relevance and application of the Paris Declaration and its potential effects on aid effectiveness and development results?; 2. Did application of the Paris Declaration improve the effectiveness of the provision, management, and use of aid and create stronger links between the country and donors? How?; 3. Did application of the Paris Declaration increase the contribution of aid to sustainable development results? How?

access to information, but also contributed to the independence, integrity and quality of the evaluation.

We thank all those who gave us their time, opinions, comments and information through the interviews conducted during this evaluation.

### Main findings and conclusions

#### Background

Over the past decade, Colombia has been experiencing positive economic growth, positioning it among middle to high income countries. Despite the fact that the percentage of income from international cooperation (IC) has traditionally been low (0.42% of GDP in 2008), Colombia receives the most official development aid of any Latin American or Caribbean country.

International cooperation in Colombia has played a major role in complementing national efforts. Focusing aid in areas such as the environment, institutional strengthening, and productive system support, as well as on problems related to the struggle against inequality, internal displacement, and human rights violations, was a determining factor in achieving better development results. Those factors led to a considerable influx of cooperation agencies and international civil society organisations working in various areas of development in the country. For example, Colombia has the greatest number of United Nations agencies in Latin America.

Because of this, IC in Colombia is seen as a basic mechanism between international relations and the national agenda.

That being so, the National Government has begun to work on IC management and coordination by developing International Cooperation Strategies as well as opportunities and mechanisms for political dialogs among stakeholders. In this way, Colombia is unique within Latin America and the Caribbean. Colombia has worked to articulate the interests of international stakeholders, civil society, and state institutions to make to improve aid coordination and effectiveness.

The effectiveness principles proposed by the Paris Declaration have contributed to strengthening government leadership in coordinating cooperation efforts. Likewise, the Paris Agenda has enabled the government and CSOs to expect greater commitment from the donor community in areas related to aid coordination. The National Government's active engagement in discussions on the new structure for international cooperation represents a notable improvement, especially in terms of increasing representation of intermediately developed countries in development-related talks.

The Effectiveness Agenda has been important in international cooperation decisions for the parties concerned. It allowed the government to promote and legitimize the coordination processes already in place in the country, as well as to address various concerns regarding the effectiveness of international development cooperation.

For its part, civil society held a series of consultations within the country and considers that the Paris Declaration is an appropriate framework for managing aid. However, they point out that this framework focuses mainly on resources, which limits debate and action in areas they want to be involved in. For that reason, they strongly suggest that the Effectiveness Agenda not focus exclusively on aid management, but also on development effectiveness. For donors, the Paris and Accra approaches have been transformed into governance frameworks that allow them to synchronize efforts that improve aid coordination. Although progress towards harmonisation has been slow, the donor community is better organised and prepared to improve their cooperation instruments to provide higher quality aid.

Effectiveness principles have been applied at different speeds. At the national level, Paris Declaration implementation has concentrated on the principles of democratic appropriation, alignment and harmonisation and, to a lesser degree, on the crosscutting principles of results-oriented management and mutual accountability. At the sub-national level, attention is focused on the principle of results-oriented management, followed by mutual accountability and alignment.

Specialized officials are responsible for having a detailed understanding of the principles and indicators of the Paris Declaration. At the sub-national level, stakeholders are more familiar with the Paris Declaration concepts as a function of their practical application, rather than by their official names.

The coordination forums created in local environments do not necessarily relate to the Paris and Accra commitments.

### **Intermediate processes and effects**

Today, IC coordination is not an isolated initiative put forward by government institutions. Rather, it is a commitment, of international scope, that empowers all development stakeholders to demand greater accountability of aid effectiveness.

The Paris and Accra Effectiveness Agenda not only renewed the debate on how to improve and better coordinate aid, but it also called attention to the responsibilities of the Colombian State and Government, donors, and CSOs in developing and implementing an aid effectiveness agenda. In fact, many stakeholders commented that the requirements established within the Paris Declaration were relatively weak compared to the level of debate and practice already taking place in the country.

National institutions have also shown strong leadership in developing and executing stronger national strategies and operating frameworks for coordinating IC. Regulatory and institutional improvements reflect a greater ability to respond to the growing supply of resources and requests for international aid. In contrast, there is a clear need for a greater commitment to applying the Democratic Appropriation principle proposed in the Accra Action Agenda.

As for the donor/Colombian Government Alignment Principle, there is a discrepancy between what is proposed by the Paris and Accra Effectiveness Agenda and the reality of its implementation in Colombia. The differences are evident in the fact that the national systems do not afford local governments and organisations with real appropriation capabilities since it excludes them from IC resources and capacity building. In this regard, it is evident that local efforts to improve coordination are not always made through the Paris Effectiveness Agenda since the Declaration is rarely employed or referenced for improving development cooperation coordination in Colombia.

With regard to measurement systems, national development policy evaluations still do not include international cooperation programs or projects. This has made it hard to identify specific cooperation contributions in national policies. There are also significant discrepancies in information on the total amount of aid received in Colombia. The information provided by donors to organisations responsible for international cooperation in the country differs from that contained in the OECD's Development Aid Committee's (DAC) system.

Policies and processes are being harmonised along thematic lines, using diverse mechanisms, such as Basket Funds. However, administrative procedures still need to be further simplified. To date, the country has no process aimed at maximizing comparative advantages, both by the government and the IC community, and much less a division of labor among donors.

## Effects in terms of development

### *Environmental Sector*

By integrating the Grey and Green Agenda existing in the environment sector in the early 2000s, international cooperation helped ensure that the environmental issues continued to have financial and strategic weight within national policies.

The IC has made it possible to relate environmental, poverty and developmental issues. International aid programs have helped promote better governance within the environmental sector, with greater participation and an eye to sustainable development.

The IC also helped bring stakeholders from the environmental sector together and establish alliances in areas of common interest. For example, the IC played a critical role in pushing forward the national proposal for conservation and sustainable development in the Amazon, focused on encouraging reflection and promoting capacity-based learning.

### *Forced Displacement and Humanitarian Aid Sector*

The forced displacement and humanitarian aid sector is one of the areas receiving the most attention from international cooperation in Colombia. The significant influx of diverse cooperation resources in this sector makes it hard to assess the specific contributions of the IC to improving the conditions of displaced populations.

An analysis of this sector revealed that the principles of the Paris Declaration do not apply to all IC modalities. The effectiveness of aid of this kind depends on a rights based approach that, to some extent, goes beyond the postulates of the Declaration.

Donors have aligned themselves with non-governmental stakeholders, such as civil society organisations, implementing the Alignment Principle differently than proposed by the Paris Declaration because of the way they view the violence in the country.

At the moment, the inability to see the full extent of the problem in this sector makes it difficult to take action, particularly when the underlying causes of displacement still exist. It is also hard to assess specific international cooperation contributions to achieving higher development goals.

## Recommendations

### **Political dimension**

It is critical to recognize the central role that all development stakeholders must play in an IC Effectiveness Agenda. A fundamental part of this process is determining the roles of the various players based on a better understanding what their interests are and what they represent. The evaluation stresses the need for the government to continue working on developing policies with the private sector.

It is also important to have on-going dialog among the government, the international community, and civil society, with the possibility of articulating their roles and responsibilities, even along territorial lines. In this regard, we must establish short and medium-term agreements, while sustaining and even intensifying political commitments to improving aid effectiveness.

As for the Cooperation Agenda, we recommend prioritizing the development of a “positive” cooperation agenda focused on articulating and integrating development opportunities. This could be achieved by linking complementary programs that impact productive processes, technological innovation, research, and institutional and cultural consolidation, and the corporate social responsibility sectors, among others.

Given the great disparities in development among the diverse regions in Colombia, we conclude that focusing cooperation in impoverished areas or critical fields of action could produce more multiplicative effects than if centered and managed within the national budget.

### **Technical dimension**

Effectiveness Agenda principles must be adapted to local realities and the country’s particular development landscape. In particular, it is advisable that a specialized forum on aid effectiveness at the management level be set up dealing exclusively with the significances, processes and strategies of the players with an eye to improving IC implementation in the country.

Based on the evaluation results, it’s clear that greater efforts to educate stakeholders about the Effectiveness Agenda must be made, providing appropriate training and developing capabilities specific to the established responsibilities. Furthermore, we recommend establishing tripartite evaluation committees to monitor progress on each of the principles set out in the Paris and Accra Agenda. We also recommend distributing technical responsibilities for the Effectiveness Agenda among the different regions in Colombia.

We recommend that evaluations be integrated into the projects and programs carried out in the territories, and that these systems feed a central monitoring and evaluation system. To achieve this, participation by CSOs and particularly Academia is essential to compile information and store it in a specialized system.

Concrete Aid Effectiveness strategies and goals must be defined by the donor community in their country strategies. The donors must define their action strategies in the country, developing mechanisms and plans to monitor the progress, short-term goals, and the expected results of Effectiveness Agenda principles.

As Colombia begins to position itself as an aid donor, particularly within South-South cooperation activities, we strongly

recommend strengthening current initiatives with greater political support from the Republic's Congress.

### **Institutional dimension**

We suggest setting up learning sessions on the Effectiveness Agenda within the framework of the National System for International Cooperation. The lessons learned must be institutionalized through monographic instruments or institutional reports (donors, counterparts and the government) providing updates existing commitments. Those reports must define requirement frameworks in which specific commitments and responsibilities are defined.

As concerns the National Government's Effectiveness Agenda strategic planning, it is critical that Implementation Plan activi-

ties are focused specifically on the Accra principles and that there is effective monitoring of the Plan.

Cooperation stakeholders must give priority to impact evaluations in order to improve aid-related information mechanisms. Likewise, we recommend fostering a cooperation evaluation culture for sharing results and lessons learned.

A platform for improving working relations, particularly as concerns the division of tasks that has occurred in recent years, should be developed local, departmental, national and international entities.

# Evaluation of the Implementation of the Paris Declaration

## Country Evaluation

### COOK ISLANDS

## Executive Summary

The Paris High Level Forum in 2005 was attended by officials from 91 countries. On March 2, 2005, they endorsed the *Paris Declaration on Aid Effectiveness* (the 'Paris Declaration'). The Cook Islands is a partner to the Paris Declaration (PD). The PD included a requirement for independent evaluation and this was confirmed in the *Accra Agenda for Action* in 2008. In accordance with the principles of the declaration, partner countries and donors made commitments around the five key principles of effective aid delivery practices: *ownership, alignment, donor harmonisation, managing for results, and mutual accountability for development results*.

The first phase of the evaluation focused on inputs and early outputs. This second phase of the evaluation focuses on outcomes and results. This report details the findings of the evaluation as they relate to the Cook Islands, a small island developing state in the South Pacific, and one of only two countries in this region.

The Cook Islands has had a long commitment to similar principles to the Paris Declaration. The Government of the Cook Islands (CIGovt) recognises that effective and efficient utilisation of Official Development Assistance (ODA) is critical to achieving the priorities of the National Sustainable Development Plan (NSDP). To this end, the CIGovt has developed, over a number of years, a transparent operational structure within government (in the Aid Management Division of MFEM), to determine aid priorities and manage and monitor the implementation of aid.

In 2007, Pacific leaders developed the *Pacific Principles of Aid Effectiveness* in Palau which translated the Paris Declaration

into a Pacific context. In 2009, Pacific leaders signed the *Cairns Compact on strengthening development and coordination in the Pacific*. The Cook Islands were a signatory to both these initiatives. This adds to the Pacific regional context of the Declaration and indicates the model of regional cooperation that exists between Pacific member countries.

From the *Accra Agenda for Action*<sup>1</sup> in 2008 there were three main questions designed to support the Paris Declaration Principles:

1. "What are the important factors that have affected the relevance and implementation of the PD and its potential effects on aid effectiveness and development results?"
2. "To what extent and how has the implementation of the PD led to an improvement in the efficiency of aid delivery, the management and use of aid and better partnerships?"
3. "Has the implementation of the PD strengthened the contribution of aid to sustainable development results?"

## Conclusions

### The Paris Declaration in Context

In relation to the Cook Islands the status and relevance of the aid effectiveness of the Paris Declaration is strong. The Paris Declaration confirmed the approach that the Cook Islands Government was developing and, along with the *Pacific Principles of Aid Effectiveness* and the *Cairns Compact*, has provided

<sup>1</sup> [www.oecd.org/dataoecd/11/41/34428351.pdf](http://www.oecd.org/dataoecd/11/41/34428351.pdf)

an international and regional context for Aid effectiveness reform over the past four years. Key factors relevant to the implementation of the Paris Declaration have been the on-going focus of the Cook Islands Government in the establishment of the Aid Management Division, a National Sustainable Development Plan, and some legislative reforms with particular emphasis on financial accountability.

Since the 1990's the Cook Islands has made strong progress in strengthening economic sustainability. External assistance from international development partners has played an important role in the progress of the economy and development. As a Small Island Developing State the Cook Islands are committed to ensuring that all aid contributed by a sizable pool of development partners is efficiently and effectively delivered.

The Cook Islands Government as a key actor, shows its ownership and leadership of ODA policy development, planning and monitoring processes, which have been continuously strengthened prior to the Paris Declaration and after it. The Paris Declaration is a positive influence which has provided an international framework; the Pacific Aid Effectiveness Principles provides a Pacific regional context and the Cairns Compact a more focused Pacific regional approach to improved monitoring and outcomes.

The Cook Islands Government continues to make significant progress in strengthening its ownership of the aid management process and in leading the determination of priorities to ensure alignment with development activities. In order to achieve total country ownership, more involvement of civil society and the private sector would be beneficial in ensuring a consistent and aligned approach to aid management. Decision making at a level closer to the country is seen by stakeholders as being desirable.

While there have been changes in depth of engagement of government partners for the Paris Declaration, *Pacific Principles of Aid Effectiveness and Cairns Compact*, these tools have provided an international and regional framework to support the existing Cook Islands approach. The whole of government approach ensures that the effectiveness debate is well understood. There have also been changes in depth of engagement with **development partners** in particular with the significant introduction of the harmonisation programme with New Zealand and Australia providing leadership for other development partners. There have been fewer and slower changes in the depth of engagement with civil society, however evaluation respondents recognise that this is the next step in deepening engagement.

Important events affecting the implementation of the Paris Declaration include changing political priorities, by both development partners and the Cook Islands. Governance reforms: strengthening the accountability mechanisms and capacity of government to manage aid and changing economic conditions, such as the global recession, making ODA more critical and, changing relationships with donors.

Paris Declaration principles are well entrenched in the Cook Islands national strategy and policy frameworks and were already being developed prior to 2005. In depth understanding of the Paris Declaration is limited to those who work actively in the aid development sector such as the Aid Management Division and implementers. Development partners show increased strategic, but limited operational engagement, with the Paris Declaration since 2005. At a broad community level civil society and NGO's support the principles, but may not recognise them as being connected to the Declaration. In the Outer Islands people are not aware of the Declaration. Overall, the context and ownership for the Paris Declaration principles are strong in the Cook Islands with opportunities to build stronger ownership at a community level.

### Process and Intermediate Outcomes

Since 2005, the progress made towards improving the efficiency of aid has been small, but is increasing. There has been good progress in improving the management and use of aid through the National Sustainable Development Plan framework<sup>2</sup> process for government and key donors. While it provides a good starting point for donor partners at a country level, it has not been costed out at a high strategic level, which limits the government's ability to determine and predict expenditure. Government leadership alone, as an element of country ownership, is not enough to improve aid delivery efficiency.

Relationships between development partners and the Cook Islands show some increase in collaboration, with more work needed to better support the systems development needs of the Cook Islands. Some development partners remain reluctant to use country systems and processes. Some development partners are moving strongly towards using Cook Islands processes and systems. It is also clear that there can be more done to improve harmonisation arrangements.

There is little evidence that the *Accra Agenda for Action (AAA)* has triggered acceleration towards transparency and accountability. It is more likely the focus by government will be on its Aid Policy and coupled with the launch of the next NSDP, there are indications that may see increased gains in relation to the AAA which was designed to enhance and support the PD Principles.

The Cook Islands Government has difficulty in meeting international measures and standards of performance accountability, largely due to the lack of financial resource allocated to the Aid Management function.

Overall implementing the Paris Declaration principles has contributed to strengthening improvements in the efficiency of aid, but there is still further progress to be made. Alignment between government and donor partners is also improving given the initial NSDP. Some resources are needed to support stronger alignment of development initiatives between government and development partners.

<sup>2</sup> [www.stats.gov.ck](http://www.stats.gov.ck)

## Development Outcomes

The implementation of the Paris Declaration has assisted in strengthening the contribution of aid to sustainable development results. In the two tracer studies in the Health and Infrastructure sectors, development initiatives show an increasing degree of commitment to the Paris Declaration principles, with some progress and attention in managing results. The reviewed projects reflect evidence of ownership, in terms of participation in decision making and use of government systems, by the private sector, civil society and government stakeholders.

This evaluation also indicates that there has been some sustainable increase in institutional capacity and social capital at national, sector and, to some extent, community levels. The PD contribution is small, but positive. Efforts to establish sector-based management approaches have been undertaken in the Health, Infrastructure, Marine resources and Education sectors, with positive collaboration from development partners. Progress towards more programme-based approaches, involving multiple development partners, has been slow. While fewer, longer, more comprehensive programming is a key to the PD style of aid, in a Small Island State like the Cook Islands, where human resources are an issue, it is ineffective to manage lower order modalities, especially if they are unrelated and labour intensive. Focus and specialisation is necessary so that staff engaged in aid effectiveness can build greater understanding and skills as prerequisites for managing effective development assistance. In terms of development outcomes for the most vulnerable in the Cook Islands, these are generally catered for; and while the PD principles are not conclusively attributable, it does provide the potential to support further advocacy and awareness for those most vulnerable.

The Paris Declaration contribution to Millennium Development Goals (MDGs) is limited; however, the PD provides an opportunity for government agencies, development partners, and Civil Society to fulfil monitoring and reporting requirements of the MDGs.

## Key Lessons

### Contextualising the Paris Declaration

The Cook Islands context and application of modalities, processes and systems, need to be understood to ensure the most effective implementation of aid. The government is best placed to understand if development partners' priorities are able to be matched to local Cook Islands priorities. Similarly the Aid Management Division is best placed to advise donors on what modality, which implementing agency, and time-frames, are most appropriate for any activity. The lesson learnt is that the CIGovt has the most experience in the country with what works and donors need to listen and then act accordingly. A successful approach is one where the CIGovt and development partners are able to identify common priority areas and work together to have an impact in these areas. The regional awareness and commitment from Pacific leaders

should provide confidence in the commitment that the region and the Cook Islands have towards improving Aid Effectiveness.

### Ownership and leadership needs to be at all levels

Ownership and Leadership is clearly demonstrated at a CIGovt level. In order to strengthen widespread commitment and ownership, the fostering of the civil society sector and community would strengthen all of country commitment to the development agenda. A more explicit approach, that includes all stakeholders in the debate regarding aid effectiveness and prioritisation decisions, would strengthen the country approach, as would an explicit strategy to increase the engagement of the outer islands.

### Capacity and capability development

In the Cook Islands the aid allocation has significantly increased over the past 10 years. The recognition by both the government and donors regarding the need to improve capacity and capability, both in systems and technology and in human resources, has been limited. Aid effectiveness is totally reliant on the individuals involved in processes from donors, recipients and implementing agencies. This is why the development of capacity is so critical. Organisational capacity and development needs to be addressed until it reaches a sustainable level. Currently, the capacity and capability to manage the aid portfolio is reliant on a few individuals with heavy workloads and increasing responsibilities. A systematic assessment of future capacity and capability would provide the guidance for a strengthening of this function.

The development of capacity is required at all levels of the system and across all agencies managing aid. It is important for all actors involved to understand clearly the principles and impact of aid and the various modalities; and for this knowledge and skill acquisition not to be solely focused on the Aid Management Division.

### System Strengthening

In the same way that sector strengthening is an acknowledged priority; the strengthening of the aid management function should also be prioritised. The ability to improve the confidence of donors will require significant investment in aid management infrastructure, including financial, information and evaluation systems and processes.

## Recommendations

### Aid effectiveness functions

The Cook Islands remains committed to ensuring that all aid delivered is effective and efficient. Since the Public Sector reforms in the 1990's the Cook Islands Government have made significant progress in strengthening the economic sustainability of the country. As part of this work, the recognition that external assistance has and continues to play an important role in this progress, has been a major factor in the establishment and strengthening of the Aid Management function.

As aid flows have increased and sectors have mobilized, the operational mechanism and systems have not kept pace with the associated demands of effective aid management. Attention is needed to improve the human and institutional capacities for implementing aid information management systems; monitoring, evaluation and reporting; and financial management and procurement systems.

### Recommendations:

**The Cook Islands government continues exercising its leadership in the aid effectiveness agenda, adopt its revised draft Aid Policy, and resource and implement its objectives.**

**Development partners continue to improve aid relationships with increased harmonised efforts in the process of delivering aid, using local systems, managing and accounting for aid, reducing fragmentation and using high level aid modalities.**

### Civil Society

In depth understanding of Paris Declaration principles is limited to those who work actively in the aid development sector such as Aid Management Division and implementers. Civil Society has a role to play to support the sustainability of the aid effort in the Cook Islands. Improved communication strategies should be resourced. This will allow better accountability and understanding of aid performance to Civil Society partners such as the private sector, outer islands, NGOs and marginalised groups.

### Recommendations:

**The Cook Islands government and development partners engage with Civil Society through improved communication strategies on aid flow and performance.**

**Government and development partners give more consideration to long-term budget planning. Clear goals are established and forward budget commitments are identified to measure development progress.**

**More investment into an aid management information system; strengthening of financial management systems; clarity from donors with regard to multi-year commitments; alignment of funding to NSDP with clearer accountability systems of reporting; improved aid disbursements; and a monitoring and evaluation framework, will improve and strengthen Aid Effectiveness over the medium to long term.**

### Development partners

An issue identified from interviews in this evaluation, is the role development partners play in devolving more decision-making to local in-country offices of the development partners, rather than solely from offshore offices. Development partners should assist and build better local In-country capacity, support the strengths of the in-country aid management systems to provide more confidence between the Cook Islands and development partners.

### Recommendations:

**Development partners are encouraged to devolve more decision-making to in-country offices and invest in building capacity and capability of local aid management systems.**

**Development partners and donors are encouraged to use modalities that reduce transaction costs.**



# Evaluation of the Implementation of the Paris Declaration

## Country Evaluation

### GHANA

## Executive Summary

Ghana has since the Accra High Level Forum been identified as one of the Anglophone countries to participate in the Phase 2 of the Global Evaluation of the PD. This phase of the evaluation which started in early 2010 is expected to feed into the 4<sup>th</sup> High Level Forum scheduled for 2011. As set out in the ToR, the overall purpose of this evaluation is to provide information about the development results achieved thus far as a result of increased aid effectiveness practices. Specifically, the evaluation will assess the PD on aid effectiveness, development effectiveness and poverty reduction. Three key questions were addressed in this evaluation including:

- “What are the important factors that have affected the relevance and implementation of the Paris Declaration and its potential effects on aid effectiveness and development results?” (The PD in context)
- “To what extent and how has the implementation of the Paris Declaration led to an improvement in the efficiency of aid delivery, the management and use of aid and better partnerships?” (Process outcomes)
- “Has the implementation of Paris Declaration strengthened the contribution of aid to sustainable development results? How?” (Development outcomes)

The evaluation methodology involved a mix of both qualitative and quantitative research techniques. Information and opinions were sought in one of three ways: face to face interviews with officials drawn from institutions spanning central government, sector ministries, quasi-government institutions,

development partners (DPs), civil society and the private sector. Sampling of respondents was done purposive and priority given to three sectors for case studies: *education; health and agriculture*. A total of 29 questionnaires were received comprising donors (12), government (5), and civil society organisations (9) and others (3). A comprehensive list of key informants and institutions interviewed are provided at the appendix. In addition, three projects in three sectors, namely, agriculture, education and health were evaluated in terms of their development outcomes. The projects spanned the Northern region, Eastern, Ashanti and Central regions of Ghana. Focus group discussions were held (two separate groups per sector) with 6-8 beneficiaries per project in addition to face-to-face interviews with project managers on development outcomes.

The Phase 2 evaluation of the implementation of the Paris Declaration noted that moderate progress has been made in terms of **Ownership** over the past five years. There has been modest improvement in consultations and coordination; for instance, there have been discussions on the implementation of national development policies and priorities at Ministerial and Cabinet level and DPs have provided oversight responsibility in its implementation. Civil society organisations have also been engaged in CG meetings and other aid effectiveness discussions although stakeholders were of the opinion that these engagements have been *ad hoc* and yet not institutionalized.

The review also reported that there has been a significant improvement in the **alignment of projects** with Ghana’s development strategies although off-budget and off-plan

activities still remain, thus, indicating lack of alignment with Government of Ghana (GoG) priorities and systems. It must be noted that although a new aid landscape is emerging, aid effectiveness challenges still remain. Challenges with country systems and non-use or partial use by donors due to mistrust has undermined country systems.

**Aid harmonisation** is one of the areas which have seen greater improvement particularly the decoupling of aid for projects from the consolidated fund. Nevertheless, harmonisation within certain areas has been reported to be slow. Little progress is reported on the way GoG steers the strength of donors and there is general lack of transparency in the way 'non-traditional' or 'emerging' donors like the BRICKs operate. Uneven progress is reported of joint analytical work and shared missions, thereby limiting progress on reducing transactions cost of aid.

The PD principle on **managing for results** has seen modest improvement in the last two years especially in the way aid conditions or 'conditionalities' have been developed transparently and in consultation with government and other donors. However, the cost of managing aid continues to be high for partner and donor countries and this is not likely to decline soon in view of the increase in aid. Some areas of improvement however include the new guideline on managing for results developed by the National Development Planning Commission (NDPC) for MDAs to formulate M&E plans and also some donors have been providing multi-year indicative funding and quarterly information on disbursement.

**Mutual accountability** in terms of resource flow and achievement of results has recorded little improvement over the past two years and goes to confirm Ghana's recent position on the Corruption Perception Index. Evidence of improvements can be seen in terms of mutual trust and respect, open dialogue and flexibility between DPs and government. A high degree of openness was demonstrated by both parties at the 2010 CG meeting and the renewed commitment by DPs towards the development of the Development Partner Assessment Framework. Recent debates on the floor of parliament especially on the STX Housing Agreement are a typical example of improved accountability. However, accountability it is noted has been more skewed towards GoG and less towards donors. There is incomplete information on donor contributions to CSOs and some donors are unwilling to provide such information when requested.

**Development Results** has been the focus of aid effectiveness discussions and policies in recent times with the alignment of donor policies on aid to the national development framework. There has been a partial improvement in the efficiency of aid delivery over the past five year according to the 2010 PD evaluation survey. The funding of agricultural value chain as well as other key interventions particularly in infrastructure development are key areas where aid is helping to leverage the country's own policies and programmes to achieve higher national objective. The provision of aid effectiveness platforms

which have promoted dialogue between donors, government and civil society are all clear evidence of improvements in development outcomes. PD has also helped to institutionalize good governance practices such as press freedom and the fight on corruption. Project level outcomes have also confirmed the improvement in aid effectiveness. However, despite these positive outcomes, PD has had unintended effects which have limited its development outcome. The new complex aid architecture comprising a mixture of programme and project aid makes a lot of demands on aid administrators and the government machinery. Significant amount of time is spent at meetings and other aid related activities thus adding to the transactions cost and reducing the development outcomes of aid.

The Accra Agenda for Action (AAA) also noted that the predictability of aid has improved with DPs routinely providing multi-annual indicative funding commitment and quarterly reports on disbursements. Capacity building to strengthen country systems are on-going especially the Public Procurement Authority and the Audit Service. Capacity building is an integral part of the PFM. The use of process and policy conditionality by DPs particularly those subject to the interpretation of donors is undermining aid delivery. Although there have been some improvements in aid conditionalities over the past five years, DPs continue to put significant demands on government in terms of time reporting needs uncoordinated missions and meetings all add to the already high levels of transactions costs. This has been attributed to the lack of delegation of authority of donor HQ to local offices not forgetting the high staff turnover rate and in some cases low quality staff used in DPs local offices. Finally, evidence of de facto untying exists but technical cooperation still remains tied.

In view of the above findings from the 2010 evaluation of the implementation of the PD, the following recommendations are made:

### Government of Ghana

- (i) The Government of Ghana should strive to improve its systems to build the trust of donors to also use them. Annual budget provisions and regular monitoring of progress with such country systems will gradually build trust and confidence in the systems to encourage its use by donors which will then lead to its perfection;
- (ii) The government should ensure better consultation with civil society members by institutionalizing the consultation process with CSOs. The current consultation process seems *ad hoc*;
- (iii) Transparency with new loans particularly with the BRICKs should be promoted in order to build mutual trust with other partners;
- (iv) Another major issue is corruption and how this is addressed. It is true that there has been a marginal

improvement in how corruption is dealt with but there is more room for improvement. The way corruption investigations are quickly initiated but in the end it does not merit the resources committed to such investigations and should be checked;

- (v) Government should also invest in promoting the availability of data at the MDAs to promote the tracking and monitoring of aid funds to the beneficiary level.

### Donors

- (i) As Ghana continues to develop and improves on its accountability systems, it is expected that DPs will provide significant amounts of aid that can help transform the structure of the economy to promote growth and poverty reduction. Donors should also increase aid to Ghana and ensure that aid is provided in a much more coordinated way whether in the form of projects or budget support. In addition, in as much as donors strive to be responsible to their tax payers, they should together with the Government of Ghana ensure that there is full information on aid projects to the Ghanaian citizens;
- (ii) The review indicated that transparency issues surrounding 'emerging' or non-DAC donors are of concern to DPs and civil society. Thus, non-traditional donors should also be brought on board the harmonisation process in order to ensure that transactions cost is reduced significantly;
- (iii) Donors should also harmonise their aid procedures; the recent pace of harmonisation is very slow (see the Ghana Aid Harmonisation Matrix). There should be a shift from project funding towards pooled or programme funding by ensuring that the various projects are integrated into the Ghana Poverty Reduction Strategy to avoid stand-alone projects;
- (iv) The non-use or partial use of country systems continues to challenge aid effectiveness in the country. DPs are used to 'own style' and coupled with their limited institutional arrangements, they have made limited improvement in aligning with country systems. It is only when such systems are used and reformed that the expected 'perfect' system can be operational. Thus, it is important that as donors continue to provide assistance they strive to build the capacity of local project managers and implementers;
- (v) The high turnover of DP project staff and quality issues with field staff were mentioned as a key challenge to aid effectiveness. Thus, DP HQ should strive to promote

continuity of staff and also address the quality issues that undermine aid effectiveness;

- (vi) Although the PD requires mutual accountability, it has been reported that accountability has been skewed towards the partner country with little accountability from DPs. DP funding to civil society organisations, project funding have not been communicated to government thereby encouraging off-budget spending and corruption;
- (vii) Aid conditionalities still remain and the mixture of project, programme and pooled funding has led to a complex aid architecture with its associated high transactions cost. Thus, donors should continually shift from project funding towards programme of pooled funding;
- (viii) A major issue with progress on the AAA is the existence of tied aid. Donors continue to operate tied aid system particularly with procurement of goods and technical assistance. As DPs strive to move towards pooled funding, this challenge can be minimized;
- (ix) Donors and the government should promote accountability of aid funds to civil society in Ghana by ensuring that aid data in a disaggregated form is made available and accessible. There should also be a system in place to ensure that funds are tracked to their recipients. We understand Aid and Debt Management Department is working on this and it is hoped this will significantly enhance the impact of aid in Ghana.

### Civil Society

- (i) Civil Society Organisations should be restructured into clusters to serve as stakeholders and not just watch dogs;
- (ii) Civil society should form watch dogs to discuss aid projects and also to serve as monitoring tools for aid projects in Ghana, though there is no indication DPs aid in Ghana are not run adequately. However, tracking aid funds to recipients has been a major challenge to aid effectiveness in Ghana as revealed by an ODI study. Thus civil society watchdogs will significantly highlight problems associated with corruption, misapplication of aid funds and the problem of 'white elephant' projects;
- (iii) Civil Society Organisations' participation in aid effectiveness discussions should be inclusive and institutionalized in order to get effective participation and ownership.

# Evaluation of the Implementation of the Paris Declaration

## Country Evaluation

### INDONESIA

## Executive Summary

### 1 Scope of the evaluation

Indonesia is a signatory to the Paris Declaration on Aid Effectiveness, and has committed to the aid effectiveness principles and commitments contained in the Declaration. As participant in several High Level Forums on Aid Effectiveness the government is committed to take forward the Accra Agenda for Action as well as other declarations on financing for development.

The joint evaluation on the Paris Declaration was decided in the effort to look into the implementation of the Paris Declaration, in addition to survey-monitoring. The first phase of the Evaluation ran from March 2007 to September 2008, looking at inputs and early outputs. It was designed and used to deliver practical lessons and help take stock of implementation performance at the 3<sup>rd</sup> High Level Forum on Aid Effectiveness held in Accra, Ghana in September 2008. The second phase of the evaluation should run starting from the 3<sup>rd</sup> High Level Forum in 2008 up to the 4<sup>th</sup> High Level Forum in Korea in 2011. This second phase gives emphasis on outcomes and results and offer answers to the critical policy question of whether the intended long-term effects of the Paris Declaration are being achieved.

Indonesia did not participate in the first phase of the evaluation, but in the second phase. The aim of the evaluation is to document, analyse and assess the relevance and effectiveness of the Paris Declaration in Indonesia and its contribution to aid effectiveness and ultimately to development results, including poverty reduction.

Specific objectives include:

- a. to document the results achieved in the country through implementing the Paris Declaration;
- b. to enable the partner countries and donors/agencies active in the country to clarify, improve and strengthen policies and practice consistent with the Paris Declaration in pursuit of aid effectiveness and development effectiveness;
- c. to highlight barriers and difficulties that may have limited the effectiveness of the Paris Declaration and its effects and impacts – and ways that these barriers and difficulties may be overcome;
- d. to enable sharing and exchange of experience among stakeholders, countries and partnerships so as to facilitate reflection, lesson-learning and policy improvement.

### 2 Findings

#### Relevance of Paris Declaration

- Indonesia's development situation and context is that it demands more funding than what the country could provide by itself, more expertise and trained manpower than what it currently possesses, as well as better management of resources and programs. There are still programs that are implemented without sufficient involvement of the government (lack of ownership), lacking of transfer of knowledge, and only accountable to their own government.

Natural (tsunami and earthquake) and man-made (flood and landslide) disasters clearly put pressure on allocation of resources for development activities. The government has to balance between sustaining development activities and redirecting funds to help disaster victims. Eradication of corruption adds another challenge to ensure development funds are not drained out. Although financial management the government improved from disclaimer in 2004 to qualified opinion in 2009, index of corruption remains low.

All facts above potentially divert limited development funds allocated by the government. In combination with a yearly budget deficit and financing gap as reported by UNDP and UNFPA, aid could be considered a source of funds for the government to sustain development activities. Effective aid management is also paramount in ensuring that the country does not fall into a “perish” country because of debt coupled with slow achievement of MDGs, the government needs to manage all resources available, foreign aid included, in ensuring that development programs are designed and implemented effectively. It is simply obvious that the Paris Declaration has significant relevance to the Indonesian context.

- The Paris Declaration was declared at a time when the government began efforts on managing aid better. The Paris Declaration is a useful and instant management guidance that the government could use to improve management of development activities, in particular toward aid effectiveness. However, the Paris Declaration did not have any effect on the way the government place efforts toward aid effectiveness until the Jakarta Commitment was signed. This is mainly because the government has placed many efforts in managing aid better by reviewing and enacting several laws on management of aid, procurement systems and anti corruption.

The Paris Declaration is implemented in coordination between the government and development partner after the signing of the Jakarta Commitment in 2009. Under the facilitation of the Aid for Development Effectiveness Secretariat (A4DES), the government and development partners have been collaboratively working on several issues on furthering aid effectiveness. Three working groups, Monev, PFM, and Procurement have produced results that could be used by the government to further strengthen aid effectiveness. Development partners have also placed efforts in collaboration among themselves on harmonising their aid, and adjusting their country strategic directions in an effort to align with Indonesian strategic direction.

### Implementation of Paris Declaration

- **Ownership.** Thanks to a group of relevant high ranking officers and their respective staff in Bappenas and MoF

ownership has progressed positively at varying degrees. This enthusiasm, however, has not necessarily been fully shared by most other ministries.

The government’s ownership is shown by clear RPJMN in its direction for development. The process of civil society participation in development activities has improved, since people of Indonesia enjoy their democratic environment. The signing of the Jakarta Commitment and active participation in the working group under A4DES activities show development partners’ commitment to all advancing government ownership.

- **Alignment.** The alignment principle to some extent has been enhanced and accelerated through the establishment of A4DES. Some development partners responded positively by participating and supporting several activities of the working groups. While the process of strengthening local systems and procedures continues, several major development partners have adjusted their policy to allow using local systems and procedures.

Under the current situation, the government feels that unlike multilaterals most bilateral aids still have ties with certain conditions. There has also been an opinion among the government officers that they have less power during negotiations which does not reflect equal partnership. Some development partners place conditions in the agreement, because they are accountable to their stakeholders and expect to have quality aid.

- **Harmonisation.** Harmonisation is another hard principle to implement. Every development partner has its own mission to carry out, and it may significantly differ from others. Having such challenge, the current quality of harmonisation could be considered a significant achievement.

Several development partners have shown their commitment and take actions to work in collaboration among their peers at program level. The government’s leadership quality in coordination has improved according to some development partners. Still, the government has not been proactive enough in leading strategic coordination and thereby use development partners’ comparative advantages.

- **Development results.** Collaborative management of the monitoring and evaluation aspect of development results has not moved as expected. The government still focuses more on evaluating achievements of sectors which takes place yearly. Development partners tends to evaluate their development programs (i.e. grant) against the programs’ defined targets. In particular, monitoring of bilateral off-budget programs has been fully program focused and managed directly by the respective implementing agencies.

A recent joint monitoring and evaluation between MoNE and the World Bank could serve as an appropriate sample of improved collaboration between the government and development partners. Both parties have developed and agreed upon a common set of development results – outputs and outcomes of BOS Program that contribute to education sector goals. Another sample is collaboration between the government and JICA in conducting several joint monitoring and evaluation of Japan ODA funded project in Indonesia.

- **Accountability.** By law, the national and local parliaments have been given the authority to approve and disapprove the annual national and regional budgets. Civil society organisations have been active in monitoring the utilization of funds and evaluate development performance against the agreed targets. The government has jointly carried out monitoring of loan performance with development partner, which helps the government to present comprehensive budget reports to communities and other stake holders. As part of improving accountability, BPK and BPKP are active in conducting development program audits. Under several aid agreements, audit of BPKP is added as an obligation to the government.

The many changes in government rules and regulations aimed at reducing misuse of development funds by, both government and development partners, that have been introduced and put into effect have reportedly demonstrated effects that indicate a reduction in corruptive practices.

### Contribution of Paris Declaration to Aid Effectiveness and Development Results

- The Paris Declaration has obviously raised awareness among groups in the government and development partners of the importance of aid effectiveness. It is a foundation for the government and development partners to collaboratively pursue better aid effectiveness and development results. There is clear indication of direct contribution made because of the Paris Declaration, where the principles are integrated into a nation wide program.
- When integrated into national development efforts like the MDGs, the Paris Declaration will have a significant and long-term contribution on aid effectiveness.
- Despite a relatively small proportion of aid in the national development program budget, aid has helped the Government of Indonesia continuously by allocating appropriate quantity and quality of resources.

### Effect of Paris Declaration Implementation

- **Management practices.** There have been some effects of Paris Declaration on ODA loan management. The government has managed loans better. The mechanism

facilitates the government to have multi-year loan commitments from development partners and to predict the amount of aid in a particular period of development.

Further in an attempt to perform better in aid management, the government arranges a regular coordination monitoring on performance of loan with technical ministries involving development partners, The Central Bank, BPKP and MoF. Such aid coordination allows the government to minimize risks of poor performance of loan absorption.

Unfortunately, many grants have been operated with less compliance to the Paris Declaration. The Government of Indonesia is very concerned with such a mode of operation, with partly because of poor coordination among the government and development partners. The government and development partners require additional resources to rearrange such grant mode of operations. A new mode of cooperation has to be defined jointly by the government and development partners to respond the government's concern or assessing the existing mode of cooperation, such as KHPPIA and must adjust to accommodate different interests.

- **Policy reforms.** Policy reform tends to sustain, since there are still gaps between local systems and procedures with the international. For example: gaps on fiduciary systems and there is a demand for better public financial management. This sustain policy reform is obviously a burden to the government.

### Key Implications

- Aligning procurement systems appears to be a tough target. It requires significant amount of resources to achieve and involvement of high level decision makers at Headquarters level. Targets under the Paris Declaration are hard to achieve, unless there is a political will from development partners to adopt local systems and procedures.
- The government and development partners may face problems when allocating appropriate resources. Coordination is necessary. For example: Accountability to the public requires a constant flow of information from development partners on aid disbursement to the government, which requires a significant amount of resources. On the other hand, the government needs to allocate enough resources to manage and organise the information from development partners. Staff needs to balance between implementing and monitoring program implementation for good results and managing information to show accountability.
- Indonesia is prone to natural and man-made disasters that affect people's lives severely. Climate changes may also have similar effects to people's lives. Together they

will definitely put pressure on the government to judge between development activities and emergency aid. Having limited resources, the government will continuously rely on foreign aid to respond to emergency needs.

Under emergency situations, aid effectiveness may be overlooked when responding to urgent needs of disaster victims. The government and development partners have to develop and agree on a system applicable for emergency as a rule if both parties will strive for aid effectiveness.

- Paris Declaration implementation needs cooperative efforts and mutual trust between government and development partners. However, this expected behaviour does not take place. Implementation of Paris Declaration nowadays shows an urgent need for more committed staff. Coordination and mutual works can not do without competent staff. A4DES is a good action taken by the government with support from several development partners. Still, requirement of competent and dedicated government officers who could intensively support and provide guidance to the Secretariat is paramount.

### 3 Recommendations

- **Putting Policies into Practices.** There are many regulations that the government has enacted to ensure that national development brings fruitful benefit to the people of Indonesia. RPJMN has priority of development and emphasize pro-poor, pro-growth, pro-job and pro-environment. However, the national budget does not reflect strategic directions that the government place in its RPJMN. The government is strongly recommended to reform its budgeting approaches allowing for more funds allocated to less developed regions or enclaves within better regions, and to sectors that enhance achievement of MDGs. Increased budget allocations also mean increased accountability, whereby the government has to place resources to apply results-based monitoring as mandated under the Government Regulation No. 54/2006.
- **Strengthen National Wide Program.** WSSLIC, PNPM and BOS Program are some examples of strong national development programs within the health and education sectors respectively. The three programs suggest that the government and development partners need

to work closely with program implementation. When aiming at aid effectiveness, development partners are strongly recommended to integrate grant funded programs into regional and/or national wide programs and insist that the government implements the program with less assistances.

An exit strategy should be developed and agreed by the government and development partners to put time lines for gradual phase-out of technical assistances and phase-in of the government to continue the program. The exit strategy allows the government to plan to allocate sufficient human and financial resources – number of staff working as counterparts, period of involvement to allow carrier development, time for allocating budget for matching funds. It helps development partners in effectively placing technical assistance and leveraging coverage to wider regions from limited resources.

- **Reducing Number of Development Partner through Harmonisation.** More donors and more projects could harm the recipients' capacity to govern. The statement challenges the Government of Indonesia to choose between having more or less development partners. The government could have more development partners, but coordinate only with few development partners through aid harmonisation. The government is recommended to consider harmonising aid, thus enabling effective use of limited resources by the government. For example: Development partners with aid below a certain level are encouraged to harmonise its aid and operate in partnership with larger development partner(s).
- **Combining A4DES with KHPPIA Mode.** A4DES and KHPPIA are two cooperation modes in compliance with the Paris Declaration. The Government of Indonesia is strongly recommended to take into account the two modes of cooperation as instruments/vehicles, in ensuring aid effectiveness is achieved. The Government of Indonesia, as recipient country will benefit from an increase of national program coverage and/or the strengthening of national program implementation that is accountable to the people of Indonesia. If adopted, the government and each development partner require only (at least) one competence staff to work collaboratively and representing each party. Thus, staff draining will be minimized, in particular the government's side.

# Evaluation of the Implementation of the Paris Declaration

## Country Evaluation

### MALAWI

## Executive Summary

Over 120 countries and over 30 international organisations endorsed the **Paris Declaration (PD) on Aid Effectiveness** in March 2005. The Declaration has five key principles of aid effectiveness, including Ownership, Alignment, Harmonisation, Management for Development Results and Mutual Accountability with the aim to improve the quality of aid and its impact on development. Malawi fully embraced and utilised the PD to strengthen its relationships with development partners and improve aid effectiveness. The PD principles were essential and relevant in strengthening aid management and effectiveness in order to achieve economic growth and attain poverty reduction.

This report presents the results of the **Phase 2 Evaluation** of the implementation of the Paris Declaration in Malawi. This is consistent with the comprehensive evaluation strategy developed to understand the Declaration's achievements for aid effectiveness. The evaluation assesses the relevance and effectiveness of the Paris Declaration and its contribution to aid effectiveness and ultimately development effectiveness, including poverty reduction in Malawi.

A standard Evaluation Matrix developed by the International Reference Group (IRG) formed the centrepiece of the **evaluation methodology**, involving desk review and semi-structured interviews with stakeholders in government, civil society, donor community and the private sector. Interview guides and questionnaires were used to gather relevant information for responding to three common evaluation questions related to the context of the PD, process and intermediate outcomes and development results. **The structure of the report** also follows the country matrix.

The evaluation did not proceed without **limitations** that must be taken into account when using this report. First, slow response from respondents and scheduling conflicts with interviewees resulted in limited number of interviews and questionnaires administered. Second, national and sector statistics presented challenges in terms of data availability and consistence over pre- and post-PD period. Finally, there is evidence of other developments apart from the PD that can explain development results and intermediate outcomes in Malawi. Thus, the assessment of development results is limited to possible linkages and contributions of the PD without following the attribution route.

PD principles were introduced in Malawi within the **context** of good domestic policies and strong economic and political leadership in 2004 following the election of a new President. The implementation of PD-related measures under the IMF program before 2005 and the formal adoption of PD principles in 2005 strengthened Malawi's relationships with development partners and improved aid effectiveness. ODA increased steadily after 2005 due, in part, to the strengthened relations and increased donor trust in the country's economic management and governance. Further, the status of some of the **development outcomes** after 2005 represents an improvement over those recorded in earlier years. The proportion of the population categorised as poor reduced from 52% in 2004 to 40% in 2010. Similarly, the proportion of the population categorised as ultra-poor reduced from 22% to 15% in the same period. Further, although Malawi's life expectancy is below the global average, it increased to 54.1 years in 2010 and compares favourably in the region. Furthermore, Malawi is on



course to achieving five of the eight MDGs, including eradicating extreme poverty (Goal 1), reducing infant mortality (Goal 4), combating HIV and AIDS, malaria and other diseases (Goal 6), ensuring environmental sustainability (Goal 7) and developing global partnership for development (Goal 8). Moderate progress in some of the aid effectiveness indicators explains, in part, the improvements in these development indicators. However, progress in some development outcomes has been slow, including three MDGs. Specifically, in the health sector, achievement of outcomes targets in 2015 is doubtful for such indicators as Infant Mortality Rate (IMR), Under Five Mortality Rate (U5MR) and Maternal Mortality Rate (MMR). The slow progress in some of the aid effectiveness indicators explain, in part, the slow progress in these development indicators.

Malawi's implementation of the PD principle on **ownership** has been moderate. With an operational national strategy, the Malawi Growth and Development Strategy (MGDS), which is consistent with the long-term vision for the country as stipulated in the Vision 2020, Malawi has exercised effective leadership over its development policies and strategies and received a rating of C in 2006 and 2008. However, although progress has been made towards addressing issues identified in both the 2006 and 2008 PD monitoring surveys, elements of compromised and weakened ownership exist, and the country requires substantial action in order to get the 2010 target rating of B. Donors must show preparedness and flexibility to increasingly invest in the national priorities and programmes. In addition, knowledge and awareness about PD among Civil Society Organisations (CSOs) should be increased in line with AAA's emphasis on ownership beyond national public institutions to include Parliament and civil society.

Malawi has made some progress towards establishing and strengthening national systems as well as encouraging the use of these systems such that implementation of the PD principle on **alignment** has, to-date, been low to moderate. Three key important pieces of legislation were adopted in 2003, including the Public Finance Management Act, the Public Procurement Act, and the Public Audit Act. Government has also implemented the Integrated Financial Management Information System (IFMIS) to track and record public expenditure in line with international standards. Progress has been made to improve procurement systems and capacity, including linking procurement plans to budgets and training of staff in largest spending procuring entities. The proportion of aid flows reported in the budget and coordinated support to strengthen capacity have been increasing. The proportion of aid flows using government PFM systems was above the global average in both 2006 and 2008 and the number of PIUs has been reducing steadily during the same period. GoM compiled information on 48 Project Implementation Units (PIUs) from 12 donors operating in Malawi and plans to phase out 27 parallel PIUs by 2011. Progress is also being made with all budget support donors disbursing over 80% of what they committed and the PAF 2010 reported significant improvement in the predictability of GBS in the period 2004-2009.

However, implementation of the PFM reforms has been slow. There are still capacity problems in the use of the IFMIS and procurement systems. A significant proportion of Malawi's aid is not reported in the budget, operational Technical Cooperation Policy and Sector Capacity Building Strategies are lacking in all sectors except health, many donors are either not using or partially using the country systems, and aid predictability among CABS (Common Approach to Budget Support) donors is affected by conditionality and other related factors.

Malawi's implementation of the PD principle on **harmonisation** has been moderate. Malawi is making progress in increasing the number of joint missions and analytical work. For example, the AfDB Country Office undertook joint analytical work with the World Bank, DFID and the Millennium Challenge Fund of Malawi on the 2009 Country Economic Memorandum of Malawi. Further joint analytical work is anticipated between the AfDB, UNDP and World Bank in preparation of their Country Strategy Plans. Furthermore, there is an increasing trend in the use of PBAs. However, the total number of activities under joint reviews increased between 2006 and 2008 and the dominance of direct project support in Malawi limits alignment and harmonisation. For instance, despite a well organised and functioning SWAp in the health sector, there are more than 100 projects from more than 20 donors who are providing funding to the sector outside the SWAp arrangement. This type of situation is greatly compromising the strides and the benefits of the SWAp arrangement made by government and places a large burden on the Ministry of Health and other government systems to efficiently manage the donor input into the sector. It is also noteworthy that some major donors like USAID do not subscribe to the PD arrangements; they have their own ways of channeling funds to the development projects in Malawi.

Malawi's implementation of the PD principle on **managing for results** has been low to moderate. Malawi is making efforts to improve the national result based M&E framework. While M&E capacities has been limited in public institutions, the Ministry of Development Planning and Cooperation has in recent years made efforts to build M&E capacities for monitoring and evaluating the MGDS at sector level. Four annual reviews have been done for the MGDS since the fiscal year 2006/07. However, most M&E systems are still weak, coupled with lack of quality data and access to such data by stakeholders.

The joint analytical work among donors has strengthened **mutual accountability**. A good example is the "Common Approach to Budget Support, March 2010 Review and Aide Memoire" chaired and co-chaired by the AfDB and Ministry of Finance, respectively. The GoM coordinates its PFM strengthening measures through the Group on Financial and Economic Management (GFM). However, challenges still exist. The Mutual Accountability case study suggests that there are power imbalance between GoM and the donors. On one hand, the power of donors is that of the purse-strings whereby accountability conditions are enforced over the GoM by delaying disbursement of funds or reducing aid commitments. On the other,

the GoM has no realistic enforcement mechanisms to hold the donors accountable. Nonetheless, there is evidence that progress, though limited, is being made on both sides.

The sector studies reinforce the findings on the extent of contribution of PD implementation to development outcomes. Progress towards development results in the **health sector** has been mixed and slow. While there has been some progress in IMR, U5MR and MMR, achievement of 2011 targets for these indicators is uncertain. This is due, in part, to varying and mixed progress in some of the aid effectiveness indicators.

Positively, the health sector in Malawi can be described as a “donor darling”, having been more organised and to some extent “donor led”. The sector appreciated the significance of aid effectiveness earlier than the signing of the PD in 2005, with four National Health Plans<sup>1</sup> (NHPs) preceding the current Health SWAp Program of Work (2004-2011)<sup>2</sup> which was developed before the signing of the PD. The Ministry of Health (MOH) and its Cooperating Partners (CPs) also signed a Memorandum of Understanding (MOU) concerning the Health SWAp in Malawi in October 2004 to ensure transparency and accountability during implementation. Due to its good organisation under a SWAp arrangement, the health sector has attracted larger donor support than any other sector. The sector received higher proportion of pooled funding (averaging 95% of the total donor funding over the past three years) than discrete funding (averaging 5%) under the Health SWAp POW. This is consistent with the “very satisfactory” rating of the alignment indicator of the PD in recent MGDS Annual Reviews. The assessment of aid effectiveness in the health sector is done through the monitoring of eleven PD indicators<sup>3</sup> in the MGDS Annual Reviews. According to the reviews, most of the PD indicators depict very satisfactory performance, mainly reflecting the SWAp arrangements that exist in the health sector.

However, slow progress in development outcomes is due to slow progress towards targets in institutional deliveries and ARV prophylaxis, disappointing progress in the malaria programme (as measured by POW indicators) as well as gaps in service coverage due to inadequate geographical distribution of services, especially affecting women, children and the poor. Other challenges include inadequate work forces, lack of participatory planning processes at the local level, limited functionality of the Health Management Information System, irregularities in procurement of medicines and medical supplies at the central level. There have been variances between the funds pledged and disbursed by donors for both recurrent and development budgets, thereby raising concerns on predictability of aid and complicating planning and presenting

1 The last NHP covered the period 1999-2004

2 The current POW has been extended by a year

3 These include operational sector strategy, aid flow alignment to national strategy, coordinated support for capacity building, use of country procurement systems, use of country PFM systems, number of parallel implementation structure, predictability of aid, use of common arrangements or procedures, shared analysis, joint field missions and results based frameworks.

barriers to achievement of targets. Predictability and delivery of aid, has varied over the recent years among pooled and discrete partners, thereby casting doubt on the productive nature of the structured dialogue under the POW in terms of its focus on PD principles, such as predictability of aid.

Achievement of results in other sectors in selected priority areas of the MGDS is also mixed. Common sector issues include use of separate partner financial, management and procurement rules due to little trust in government systems as well as unpredictable aid due to lack of disclosure by donors on actual contributions. This is explained by the lack of PD-related arrangements like SWAps in these sectors. Thus, PD implementation contributed, in part, to achievement of development results.

The report draws several **key lessons and recommendations**. The major lesson in Malawi is that strong economic and political leadership to reform is critical to ensuring smooth adoption of PD principles especially national ownership. The adoption of PD principles in Malawi took place within this context. Second, donors need to be confident in the budget process and national systems in order to support Malawi’s development process using local systems. Third, General Budget Support will not have its expected impact if the government lacks budget discipline and fails to reform its macroeconomic policies. GBS donors demand this and are often interested in making sure that the government’s pro-poor expenditures increase and support improved service delivery. Finally, lack of support to gender issues in economic sectors results in pro poor misalignment of aid.

Finally, the report presents **key implications beyond the planned PD-term**. First, country-level strategies for implementing the PD and AAA must be developed. The Aid Effectiveness agenda needs a more focused approach to implementation. At present, beyond the monitoring survey, there is no systematic attempt to ensure that each country is pushing the agenda forward. With support from donors, each country can develop an implementation plan to speed up the process. Capacity development is central to this. Stronger capacity to measure, analyse and report on aid flows is required, but more importantly, leadership skills among senior civil servants in developing countries need strengthening to ensure that the development agenda is not set by donors, as is often the case.

Second, incentives on both sides of the aid relationship must be examined in greater depth to assist in understanding of why progress against following the PD is slow. To understand the barriers to improved performance on aid effectiveness commitments, there is a need for a closer understanding of the incentive structures governing donors and governments. All donors are accountable to their electorates, member-states or boards, who influence the modalities and direction of their spending. Similarly, governments are subject to electoral pressures, with preferences for expenditure in certain other sectors. The incentives created by these channels of accounta-

bility make some PD commitments more difficult to meet than others. To address poor performance on these commitments, we need a far more detailed understanding of these incentives, to enable both governments and donors to address the root causes of poor performance.

Third, a system of knowledge management and learning on aid effectiveness needs to be created. Currently, there is a great deal of research on aid effectiveness, including global studies and country-specific analyses. A single repository for this information should be created to facilitate dissemination

of good practice and learning across countries. We should encourage universities and the Malawi Institute of Management to offer modules on aid effectiveness in courses in development. Currently, many such courses focus on the actual economic impact of aid rather than on the issue of how to make aid as effective as possible.

Fourth, the dominance and significance of project support requires re-thinking and flexibility among donors and partner countries to devise new mechanism for introducing and implementing PD-related principles.

# Evaluation of the Implementation of the Paris Declaration

## Country Evaluation

### MALI

## Executive Summary

### 1 Introduction

Since the mid-1990s, particular attention has been paid to Official Development Assistance. The OECD DAC chose Mali as a pilot country to initiate a review of aid effectiveness. Within this context, several procedures to reform aid were undertaken and institutional mechanisms were adopted by the government and donors. Reports on the aid reform in Mali show that compared to initial objectives, the procedure – which had not achieved the anticipated successes in the 1996–2001 period – saw significant improvement in the 2006–2010 period (see evolution observed in the 2006 and 2010 Public Expenditure and Financial Accountability assessment reports). We can see that the coordination boards established as part of the aid reform have proven important for dialogue, information sharing and donor coordination.

Since 2002, innovations have been noted in development assistance practices in Mali.

In terms of coordination, significant change has been observed since 2002 in connection to the monitoring and evaluation of the strategic framework for poverty reduction (Cadre Stratégique de Lutte contre la Pauvreté – CSLP). Since the CSLP's adoption, the Mali-TFP (Technical and Financial Partners) Joint Commission has met regularly and examined a number of themes associated with the implementation of the CSLP such as education, decentralisation and the management of public funds. However, joint commissions have remained more a place to share information rather than a formal coordination or decision-making body. Yet, significant progress has been noted since 2007 with the implementation of the Paris Declaration.

The periodical assessment of commitments made by stakeholders is a fundamental principle of the Paris Declaration and Accra Agenda for Action, hence this assessment of Phase 2.

### 2 Observations regarding common evaluation questions

In accordance with the Evaluation Study Terms of Reference and Generic Specifications, concise observations regarding the common evaluation questions are presented as follows:

#### 2.1 Context of the implementation of the Paris Declaration

Official Development Assistance comprises all of the resources provided by donors to a country to support its development. Mali has received assistance since the start of its independence. During this time, the assistance provided has considerably increased, expanding from 10 million US dollars per year in the 1960s to 558 million US dollars in 2007. In 2009, the aid granted represented close to 10% of the GDP, corresponding to 45% of the State budget.

The aid granted to a country is characterised by three key factors: volume, form and origin. The volume of aid granted by TFPs is based on the development level of the country, the quality of its governance and its vulnerability to external shocks. However, it can also depend on the economic, financial and sociopolitical situation of each TFP.

Some of the key factors that have impacted aid are various measures adopted by Mali since the adoption of the Paris Declaration in March 2005. These include the Strategic Framework for Growth and Poverty Reduction (2007-2011), adopted by the government in 2006; the Framework Arrangement for budgetary supports, signed by the Government of Mali and Mali's development partners in 2006; the Specific Arrangements established between the Government of Mali and TFPs regarding sectoral budgetary supports in favour of the health (health and social) and education sectors in 2006; the government's adoption of the 2007-2009 National Action Plan on Development Aid Effectiveness in 2007; the adoption by TFPs of the Joint Country Assistance Strategy (2009), a manifestation of the political will of Mali's TFPs to profoundly change the terms of their assistance; and the adoption in 2005 of a national decentralisation policy framework paper (2005-2014) structured around four focus areas: capacity building for territorial communities, improvement of devolution, development of citizenship and development of private service delivery at the local level.

Notable among the factors that influence the implementation of the Paris Declaration are the efforts deployed by the government and TFPs to improve aid effectiveness. Note, for example, the establishment of the Aid Harmonisation Secretariat and the TFPs' Technical Pool. This facilitated the institution of a regular dialogue between the Government of Mali and its development partners.

In terms of significant elements in the area of aid, it should be remembered that in addition to the traditional providers of assistance to Mali (subscribers to the Paris Declaration), other countries also provide substantial support: China, Libya, India, Brazil and Venezuela. Funding from these countries is mainly applied to targeted sectors like agriculture, infrastructures and health.

Another factor that significantly influences Official Development Assistance to Mali is the impact of the energy, food and financial crises on the country's economy. The consequences of the locust crisis in the 2004-2005 crop year led to a loss for the State budget, offset by a grant to ensure the supply of grains to the country. In 2008, the explosion of prices for food products on the international market was contained through tax exemptions on imported food products. TFPs granted compensatory funding through the State budget.

## 2.2 Intermediate processes

Since the implementation of the Paris Declaration, a positive change has been noted in Mali in the implementation of the commitments made, despite lingering difficulties. Following are observations made with regard to the Declaration's five focus areas.

**Ownership:** Regarding the reinforcement of operational frameworks and strategies, we should note that in 2006, a

Strategic Framework for Growth and Poverty Reduction was adopted by the government for 2007-2009; the Medium-Term Expenditure Framework approach was generalised, expanding from four (4) government departments to fourteen (14); the Medium-Term Budget Framework is updated annually; the Aid Harmonisation Secretariat was established.

Results include the fact that representatives of national structures have now mastered the development of the Medium-Term Resource Framework; sectoral ministries have strengthened their capacities by working to improve their budget framework every year; and the common programme for co-localised structures has been given effect.

However, ownership has been and remains a slow and still limited process. It concerns the central government much more than regional or local authorities. Ownership is much more advanced in the education, health and macroeconomic management sectors. The country's timid leadership influences this degree of ownership.

**Alignment:** The Framework Arrangement between Mali and its TFPs expressly provides for the alignment of aid to national priorities: government-led coordination; harmonised terms and conditions between donors based on government strategies and programmes; multi-year financial commitments (subject to achieved performance) by donors, to help the government establish its medium-term macroeconomic and budgetary forecasts; a schedule of donor commitments and instalments compatible with the State budget cycle; provisions for donor assessments integrated in government assessment mechanisms.

Despite these various commitments, difficulties remain: the priorities of some donors and Mali's priorities are not aligned; the refusal by some to use national systems and procedures. The reasons cited relate to the incompatibility of systems and procedures with international standards and the lack of reliability and effectiveness of national systems.

**Harmonisation:** Actions have been taken at the national level to simplify and harmonise procedures, including the following: a first Public Expenditure and Financial Accountability assessment was conducted in 2006; a government Action Plan for the Improvement and Modernisation of Public Finance Management was approved by the government in April 2005 for the 2006-2009 period and for a second phase covering 2011-2015. A second, more recent Public Expenditure and Financial Accountability assessment was just completed; a new government Contracting Code was adopted in 2008 to institute greater transparency and devolution.

Difficulties included the fact that local TFP representation offices are sometimes not in step with their headquarters.

**Results-Based Management:** The introduction of results-based programmes is slow and limited to the sectoral level.

Some sectoral programmes are more advanced (health, education, decentralisation).

Sectoral budgetary assistance entails monitoring mechanisms based on annual performance indicator checklists, technical and financial tracking reports, a review of the sector's public expenditures and an audit report on programme expenditures. Monitoring in part triggers disbursements, based on the achievement of a number of sectoral objectives.

However, it was noted that donors do little to reinforce the assessment mechanisms and tools included in national strategies.

**Mutual Accountability:** The goal is to mobilise a greater number of players (government, TFPs, Parliament and Civil Society) to control aid management and make it transparent. Much effort has been deployed to reinforce transparency in the management of public resources, but efforts are still needed to make control structures and the war on corruption more effective.

### 2.3 Developmental results

Although it may be difficult to attribute the development results observed solely to factors contained in the Paris Declaration, it can be said that the latter contributed to the results achieved. The support of development efforts in Mali through significant aid (around 10% of the GDP) helped maintain an annual economic growth rate greater than the demographic growth rate (3.6% compared to 3.1%). In addition, the incidence of monetary poverty is estimated at 43.7% in 2009, down 3.7 percentage points from 2006 (47.4%). It has dropped significantly in rural areas, decreasing from 57.6% to 53.5% thanks to public investments, particularly in basic infrastructures.

The Government of Mali and its development partners focused on the health, agricultural and education sectors in particular.

## 3 Main lessons and recommendations

The implementation of the Paris Declaration led to some progress, some results on which to build and to reinforce in order to achieve sustainable results in the long term.

### 3.1 Lessons

- a) The following key positive aspects were noted:
  - Reinforcement of trust between the government and TFPs
  - Existence of a permanent coordination framework
  - A developing partnership framework aiming to take charge of all aspects of aid management
  - Although slow-going, the reforms undertaken are considered positive
  - TFPs have tentatively started using national systems and procedures
- b) Weaknesses also persist:
  - Weakness of the aid coordination mechanism
  - Scattered roles of the structures tasked with managing aid and accounting difficulties
  - Weakness of the reporting procedures in place to provide accounts to citizens regarding how Official Development Assistance resources are used

The following was noted with regard to TFPs:

- Insufficient delegation of power from TFP headquarters to their local representation offices
- Low predictability of aid, despite the adoption of the Medium-Term Resource Framework
- Refusal by some TFPs to align to national procedures
- Clear lack of desire to reduce parallel units

### 3.2 Recommendations

The key recommendations are as follows:

- a) To the government:
  - Streamline the ODA coordination and management system
  - Enhance the reliability of data on aid and the budget
  - Reinforce public policy assessments
  - Improve the performance of control structures in financial audits and the war on corruption
  - Increase transparency in the use of public resources
  - Strengthen the powers and capacities of the Aid Harmonisation Secretariat
- b) To the TFPs:
  - Respect the commitments made in the Paris Declaration
  - Enhance the predictability of aid

# Evaluation of the Implementation of the Paris Declaration

## Country Evaluation

### MOZAMBIQUE

## Executive Summary

### Introduction

The **Paris Declaration (PD) on Aid Effectiveness (AE)** was endorsed in March 2005 by more than 100 countries and international organisations and aims at improving the quality of aid and its impact on development. **Monitoring and Evaluation (M&E)** of the PD was built into the declaration, with a commitment to “periodically assess, qualitatively and quantitatively, progress at country level”. There have been two monitoring surveys focusing on the indicators, and the first phase of the evaluation in 2007-2008.

This report constitutes the **Second Phase of The Evaluation report** which aims to document, analyse and assess the relevance and effectiveness of the PD and its contribution to aid effectiveness and development results in Mozambique.

The **methodology** was based on a standard Evaluation Matrix developed by the International Reference Group. The matrix was organised into three questions, related to A) the PD context; B) Aid Effectiveness Results and C) Development Results. A desk review, data analysis and interviews were carried out covering senior government officials (central and sectors), donor and UN representatives, civil society, academics and parliament.

There are certain **limitations to the report** in terms of linking development results, and often even intermediate aid effectiveness results, to the PD. Firstly, many of the aid effectiveness initiatives in Mozambique pre-date the PD, and there is evidence that the Mozambican experience actually influenced

the drafting of the PD. Secondly, the PD was implemented in a highly dynamic context, with many other drivers of development results. Thirdly, there is no counterfactual. Therefore the evaluation focused on “plausible linkages” and “possible contributions” of the PD rather than attempting any form of attribution.

### Main Findings and Conclusions

Mozambique has long been regarded as a success story, and a **donor darling**. Impressive rates of economic growth since the end of the civil war, the implementation of numerous reforms, a stable, democratically elected government, good progress on a number of social indicators have resulted in large aid flows. However, there are increasing concerns driven partly by the results of the household survey (2008/9), which suggests household income on average may not have risen during last five years. Results for social indicators were however fairly positive. There are also increasing donor concerns over governance, which led to a temporary suspension of General Budget Support (GBS) in the first quarter of this year.

In terms of the **context in Mozambique** the main key finding is that by 2004 (i.e. prior to Paris) a number of initiatives were being carried out that already embodied the principles enshrined in PD. These seem to have been driven largely by internal factors, in particular a group of “like minded” donors and government officials, taking budget support forward. This resulted in a 2004 memorandum of understanding (MoU) between government and budget support donors, which reads very much like a “PD-type” document.

By the **2005 baseline**, there were already 18 donors providing GBS and well-established Sector Common Funds in five sectors, some operating since the late 1990s. The proportion of programme aid (GBS plus sector programme aid) in 2005 was 46% according to the baseline survey. There was a nationally owned development strategy in place, and a system of working groups to harmonise donor actions and promote government-donor dialogue. A joint government-donor Budget Analysis Group was working on the issue of off-budget. There was a mutual accountability framework, with a donor performance assessment framework (PAF) with PD indicators.

One aspect of the **aid architecture** which can already be seen from the early 2000s is the creation of an extremely strong and influential donor grouping around GBS, which became and remains the most influential donor group. These Programme Aid Partners (PAPs) have driven the aid effectiveness agenda in the country from the beginning. However, recently the US and UN were admitted as associate members of the PAPs, which further strengthens this group but continues to leave out vertical funds and non-traditional donors, both of which are increasingly active in the country, as well as Japan who were invited to join and declined, partly on the basis of the high transaction costs associated with participation.

In terms of **Ownership**, by 2005 Mozambique was coming to the end of the first Absolute Poverty Reduction Plan (PARPA I) and starting to draft the second (PARPA II). Ownership was rated as “moderate” by the baseline survey in 2005 and the monitoring survey in 2007. This assessment would remain accurate today. There is a functioning MTEF which is linked to annual budgets. There are examples of where the government takes ownership on particular issues, however there is a feeling among government officials that there are limits to the extent to which donors are willing (or able) to allow ownership, particularly where there may be conflicting approaches. Given this skepticism by government, which does seem justified by recent examples, it is perhaps reasonable to suggest that ownership remains partial.

All donors report that there is strong **alignment** between their country programmes and government’s poverty reduction plans. However, PARPA II was fairly broad in scope, and donors participated in the formulation of the document, such that alignment of country programmes is fairly easy to achieve. There has been a steady improvement in **government systems** and increasing use of these by donors, mainly driven by programme aid, but more recently donors have started to channel funding for projects through national systems. Predictability is good for GBS and common fund contributions, but remains a challenge for projects.

There has been from early on a strong degree of **harmonisation** among GBS donors, in terms of policy dialogue and common reviews, and a large and cumbersome structure of working groups has been set up. There is evidence of fatigue associated with the large transaction costs involved in main-

taining such a structure, although government does report positive effects of being able to deal with a large number of donors as a group. Division of Labour initiatives have been underway for a number of years, but have largely not taken off due mainly to lack of buy in from government, and who are nervous that exits from sectors would not be done in a coordinated way, thereby reducing funding. In terms of the PD indicators on missions and joint analytical work, progress has been slow.

There is a well-established **results oriented framework** attached to the PARPA II and the forthcoming PARP, which is used as basis for a Performance Assessment Framework with PAPs. Programme budgeting has been introduced, although there remain severe capacity constraints especially at sector level in formulating indicators and in terms of data quality.

With regard to **mutual accountability**, as part of the annual reviews between government and PAPs, the performance of PAPs with regard to PD principles is assessed. There is a Performance Assessment Framework with targets which are either the same or more ambitious than Paris. However, the results of the assessment, which scores each donor against each target, are more used by donors (in dialogue with HQ, or in terms of peer pressure by more “progressive” donors) than by government. It should be noted that this process only covers PAPs and associates, thereby leaving out Japan, vertical funds and non-traditional donors.

In terms of the **impact of the PD on Aid Effectiveness**, the principle role the PD seems to have played in Mozambique, given that all elements of the Aid Effectiveness agenda were in place prior to 2005, seems to have been to maintain momentum, and keep the issue on the agenda for both donors and government. There are examples where both government and donors have used the commitments made under PD as arguments for a particular courses of action, so that the PD can be seen as playing a *legitimizing and supportive role*. However, the interpretation of PD in Mozambique has been highly focused on GBS, even though GBS itself is not mentioned in the PD. This has led to a narrowing of the debate to GBS and sector common funds, and only now are there signs of greater interest in making projects more on-budget. As projects remain the largest aid modality in the country, this is crucial.

**Development results** in the country have been mixed, despite high levels of economic growth. The recent 2008/9 household survey suggests a worrying lack of household income increase on aggregate, albeit with significant regional variations. This is worrying both for government and for donors who have poured aid into supporting poverty reduction in recent years. In general there has been more progress in social sectors than in economic sectors, and one of the key areas identified as contributing to lack of progress is the failure of agriculture. Mozambique is considered to be likely to meet four out of the 21 country level targets of the Millennium Development Goals



(MDGs), to potentially meet a further 10, and to be unlikely to meet one. Six do not have sufficient data to assess.

The **sector studies** highlighted some interesting issues which may be related to this differential in performance. In **health**, there has been a good performance on achieving indicators, and there is a general consensus on the approach to the sector, shared by government and donors. There is reasonably strong government leadership, and a well-functioning SWAp and common fund, with mutual accountability mechanisms and use of government systems. This is not to say that there have not been challenges in implementing aid effectiveness initiatives in the sector, and transaction costs of doing so have been high, but in general good progress seems to have been made in implementing PD. In contrast, **Agriculture** is where donors and government have disagreed on the way forward, and where donors have been withdrawing from, or reducing support to, the common fund, which was repeatedly described by donors as “a mess”. This enables us to conclude that where government has a clear and strategic vision and is able to take leadership, donors may be more likely to support the sector with Programme Based Approaches.

The assessment of the **Impact of the PD on Development Results** is a fairly tentative exercise. One hypothesis is that the implementation of “PD-type” aid in itself might attract funding, either to a country with a good record in this area, or to a particular sector. It could therefore have a local leveraging effect – although the extent to which this would be new funds rather than a result of donors switching modalities would be debatable. Based on the evidence at sector level, it can be concluded that if pre-existing strong vision and leadership from government exists, and donors agree with the strategic direction, then “PD-type” aid can contribute positively to enabling the government to achieve its development results. At central level, there is less evidence that GBS has had a positive impact on poverty reduction, but more analysis needs to be carried out. However, much of the dialogue around GBS has been on social sectors, and on governance issues, and there has been good progress in the former, and donors have secured specific commitments from government on the latter.

A number of **key lessons** are i) Mozambique put in place a mechanism of coordination and dialogue, however, these have become cumbersome, and there has been an increasing focus on process rather than results. ii) The creation of structures only provides the space for aid effectiveness to happen – whether aid actually becomes more effective depends on these structures being used appropriately, and in particular depends on government ownership. There are all sorts of reasons why government may not feel comfortable exercising ownership as envisaged by the PD. iii) It is important to ensure that *all* aid is covered by aid effectiveness initiatives (including projects and non-traditional donors). iv). Need for greater investment in capacity of governments to deal with the “new” forms of aid, which tend to have transaction costs which are felt more at central level (higher technical and political level).

v) Donors must also invest in the technical capacity of staff to engage in discussions on highly technical areas such as governance reform. vi) The PD is only known by a small number of officials at central level, and to a lesser degree by some in the sectors working directly with donors. vii) The main finding is that the PD ignored completely political and power aspects of the aid relationship. Implementation of the PD implies a mentality shift on both sides, but it is naïve to expect that a recipient country and a donor will come to see each other as truly equal partners, when the ability to “punish” is so one-sided. Government officials often raised their frustration that when push comes to shove, donors are able to force government by threatening to reduce or withdraw aid.

## Recommendations

For **government**, one key message is that tools are available to facilitate strategic management of donors, such as the MoU with PAFs, PAFs PAF, ODAMOZ (the national aid database) and the PD itself. There is perhaps greater “space for manoeuvre” than government realises, and needs to be more strategic use of these, which also implies the need for greater investment in capacity for aid management and coordination. There needs to be a clearer overall lead on aid effectiveness and donor dialogue issues, and government needs to be better structured internally to handle these issues. Ultimately, development results depend on good policies and effective implementation, and donors can play a supportive role to this, if constructively managed.

For **donors** it is clear that there needs to be more matching of behaviour to commitments. Donors need to recognize that ownership is more than government agreeing to donor suggestions and joint working groups. Donors should engage more with non-traditional and vertical donors, to ensure complementarity of approaches and also to learn from different perspectives. Donors also need to invest in the skills required for engaging in policy discussion with government, including better preparation of analysis to support high level policy dialogue, and specialized skills in areas such as legal reform and governance. Donors (PAFs) should also consider improving institutional memory and providing some permanent technical capacity for the group.

For **government and donors jointly**, there is clearly a need to improve productivity of political dialogue, to avoid a building up of frustration which leads to suspension of GBS, as happened in early 2010. There is a need for more inclusive aid architecture, especially given the increasing importance of non-traditional and vertical funds. This should also include a shifting of focus from programme aid to make all aid more effective. ODAMOZ needs to become more accurate, organised by government budget classifiers, and government needs greater capacity to use it. There should be more open and honest discussions around the Division of Labour initiatives, and government needs to either take a lead, or clearly express that they do not wish these to go ahead.

For **Parliament and civil society**, there are tools and procedures available to increase scrutiny, and many of these are publicly accessible. There is also openness from donors, and a precedent set by AAA, to support capacity creation and information availability to both parliament and civil society, and this can also be made use of.

Finally, it is necessary to look in greater detail at the implicit assumptions behind Paris, and in particular for a more realistic understanding of the highly political context. There is a clear need to widen the awareness of key stakeholders regarding aid effectiveness, and the scope of aid effectiveness initiatives to other donors and other modalities. In particular, the UN

could play a crucial role in supporting the government in finding the right balance between inclusiveness and effectiveness. In a way, much of the gains in terms of aid effectiveness have been achieved by a shift towards more “PD-type” modalities, but as projects continue to be a large proportion of aid, more efforts need to address their effectiveness. There is also a need to discuss the concept of ownership as it is to some extent a pre-requisite for other PD principles – but ownership is not something that can be manufactured. Finally, it should be recognized that five years is an extremely short timeframe for behavioural and attitudinal change, which is what is required for the PD to having an impact on development results.

# Evaluation of the Implementation of the Paris Declaration

## Country Evaluation

### NEPAL

## Executive Summary

This Nepal Country Evaluation was being undertaken as part of the Phase 2 Paris Declaration Evaluation (PDE 2). PDE 2 builds on the Phase 1 Evaluation (PDE 1) and country level monitoring surveys. Nepal did not participate in PDE 1 and has only undertaken one monitoring survey. Thus, PDE 2 is of particular relevance to Nepal and its timing is significant given the national context and changing aid environment.

### Purpose and Background

The purpose of the evaluation is to document, analyse and assess the relevance and effectiveness of the Paris Declaration, its contribution to aid effectiveness and ultimately to development results, including poverty reduction.

The evaluation was undertaken by a team of Ministry of Finance (MoF) staff and consultants, supported by a National Reference Group drawn from DPs, Government of Nepal (GoN) officials, and civil society. The approach was based on a common methodology used by all the country evaluations.

### Overall Conclusions

The Paris Declaration and the Accra Agenda for Action are clearly evident in the development partnership in Nepal and there has been moderate progress towards improved aid effectiveness over the last decade despite the constrained context. However, the evaluation finds that specific implementation of the Paris Declaration principles has been weak.

There are some examples of good practice including the work of the Nepal Portfolio Performance Review, sector wide working in education and health, and emerging programme based approaches in other areas. Overall the leadership of MoF is strengthening as is the coordinated support of DPs. However the evaluation confirms the findings of the 2008 Monitoring Survey which identified weakness in the coordination of technical assistance, low levels of aid through government for a significant group of DPs, and slow progress towards greater predictability. The evaluation also found continued fragmentation with many stand-alone projects, vertical fundings, and direct implementation, together with moves away from country PFM and procurement systems due to the perceived increases in corruption.

While several DPs are strongly promoting harmonisation and alignment channelling most of their funding through the GoN, some bilateral DPs are adopting both GoN and direct modalities and some remain reluctant to adopt government systems fully. The need to demonstrate attribution, a reluctance to align internal bureaucratic processes with those of GoN, and inadequate ownership and interest in the development process from Nepal are the main reasons given.

Aid effectiveness is high on the agenda in Nepal and the report identifies areas for further consolidation and improvement based on the evident basis of partnership that exists.

## From the Common Evaluation Questions

### Relevance of Paris Declaration:

- The emphasis on *managing for development results* (MfDR) has contributed to a shift in attention from inputs and process to outcomes and impact.
- The focus on the *leadership of country decision makers* has been particularly relevant at this point in Nepal's development and political transformation. Politicians are expected to take stronger ownership and leadership of the development process.
- The history of fragmented and independent DPs behaviour has been a major handicap to aid effectiveness. However, the *increasing alignment of leading DPs* has built confidence on all sides.
- Since the comprehensive peace agreement in 2006 *expectations have grown*; hopes and aspirations have taken on a new dimension. The risk of disappointment and disenchantment with the political process is a challenge. Country ownership and the alignment of external support are essential to the delivery of the promised transformation.
- *Increasing aid flows without more absorptive capacity has contributed to low impact* – this is the critical impediment to scaling up development and achieving results. Managing implementation with a focus on results requires institutional capacity rather than individual skill.
- The Paris Declaration and the Accra Agenda for Action have built *confidence and assertiveness*. If Nepal is to own and lead its development more is required. Until a fully stable system of governance is in place it is hard for senior civil servants to play their role effectively.

### Implementation of the Paris Declaration Principles:

The principles of country ownership and alignment have been moderately well observed and implemented at macro level and are more strongly within the health and education sectors. Strategic level alignment is stronger than institutional alignment which needs more attention.

MfDR is the principle that is most strongly observed and implemented in Nepal. Results have come to the fore with an appreciation of the targets and goals of development and the importance of impact.

Harmonisation and mutual accountability were most weakly observed and implemented at macro level with mutual accountability being the weakest. This is where the Paris Declaration has yet to break through. However, at sector level the

picture is more positive with evidence of effective harmonisation in education (the stronger) and health.

### The main achievements of the Paris Declaration are:

- the focus on results and the information (clarity over targets and their monitoring) required to ensure and assure the achievement of results;
- the appreciation that Nepal has to plan for reduced aid in the long term; and
- the shift in the definition of aid effectiveness from the relationship of inputs against outputs, to a focus on outcomes and impact.

### The burden of aid management:

Few of the benefits in terms of transaction cost have yet been realised. Applying the Paris Declaration is perceived as an additional requirement, rather than bringing a change in the ways in which aid is designed and managed.

The proportion of aid that is off budget has remained the same (around 25%) throughout the last 10 years though there has been some reduction recently. Support for country systems has also changed little though there has been some reduction due to DP confidence declining.

If the Paris Declaration is implemented fully there could be a decrease in the number of DPs needing to have a country office presence in Nepal and more collaborative use of the expertise that those remaining provide. There would also be a short-medium term increase in the demand for and delivery of institutional capacity building for GoN.

### The added value of the Paris Declaration:

Nepal has been facing major challenges as a result of the conflict and, in some ways, even more profound disruption in the post conflict period. These processes have had far more impact on the aid relationship than the Paris Declaration has which has reinforced earlier developments and confirmed a direction of travel but not yet brought substantial added value. The attitudes and approach of most DPs have been influenced more by their perceptions and reactions to the national context than the wider aid agenda. Indeed Paris and Accra are seen as more relevant by GoN actors than by DPs.

The Paris Declaration has contributed at a deeper psychological level rather than in terms of day to day operations. The confidence and assertiveness discussed above are key indicators of this influence. The Paris Declaration principles echo pre-existing understandings of aid effectiveness and have been applicable during the conflict and the post conflict environment. At the level of ideas and meaning they have challenged and continue to challenge much of the conventional wisdom of development in Nepal.

### Key implications for aid effectiveness in the future:

- Aid effectiveness is not simply about the efficient and effective institutional dynamics of aid management, it relates to the processes through which policy, strategy and service delivery meet the needs of Nepal's citizens. This requires improved institutional capacity, access to information and voice and participation at all levels.
- Confidence in Nepal's procurement and other fiduciary systems can ultimately only be built by those who implement the systems. The challenge is to the accountants, managers and administrators within GoN and DP agencies to ensure that the systems are operated as designed and that inappropriate actions are challenged and addressed.
- Nepal cannot ignore climate change and must consider how it reframes the development paradigm.
- Social diversity has been given prominence as Nepal seeks to reframe its approach to poverty. Similarly, governance and state building take on new meanings in the post conflict environment. All these cross cutting issues need to be integrated into the aid effectiveness discourse.
- The debate around the structure of the state presents particular challenges in terms of aid effectiveness. Aid effectiveness will need to be reconfigured for the 'new' Nepal as it develops into a different 21<sup>st</sup> century state.
- Aid effectiveness in the future will need to engage with and bring into the wider framework neighbouring countries who still provide considerable support and assistance.

## From the Country Specific Evaluation Questions

### Conducive incentives system

The existing DP systems do not provide enough incentives for DP staff to adopt Paris Declaration Principles. Similarly, there are few incentives for DPs to join sector wide programmes. There are no incentives for local communication or consultation around the Paris Declaration though the Accra Agenda for Action gives priority to great civil society engagement.

### Post conflict challenges

With the confusion of post conflict political change, there has been a lack of transparency and openness regarding the scope of what GoN can achieve in the short term. An important reason for not being able to meet the raised expectations is the challenge of improving governance. The absence of local bodies has adversely affected the implementation of development activities at the local level effectively.

The transitional period has seen a multiplicity of groups pursuing different political agendas, and the politicisation of many aspects of development and service delivery that should be the responsibility of central or local level bureaucracy. This has weakened confidence in the nation. Impunity has increased because of the transitional chaos created by this political instability. In addition, the debate over and delays in state restructuring is creating uncertainty.

### The level and perceived impact of corruption

The level of corruption is perceived to be increasing. This has led to reduced cost effectiveness and efficiency, which has impacted on development results. Internal control systems are not operating.

## Key Lessons

### For Aid Effectiveness in Nepal

*The efficiencies and effectiveness developed through taking a programme approach can be replicated in other sectors. The lessons from the sector programmes in education and health are applicable more widely. Shared learning by GoN, DPs, civil society partners and service users and beneficiaries can be of benefit.*

- *A focus on results increases responsiveness. MfDR has changed the way in which programmes are designed and delivered making delivery more responsive to beneficiaries and puts the individual, family and community at the forefront.*
  - *Just by labelling it as a 'Paris Declaration Principle' does not change what is already being practiced. Through the evaluation many people discovered that what had become common and expected practice was in fact the application of the Paris Declaration principles.*
  - *Paris Declaration implementation has enhanced results.*
  - *Paris Declaration principles are valid. Though it is too early to identify plausible contributions that relate to the Paris Declaration.*
  - *The Paris Declaration is not being adopted because of perverse incentives within Nepal and DP systems.*
  - *The services that were maintained during the conflict and post conflict period are those where local participation, local management and local delivery were in place and effective.*
- ### For other countries – fragile states/post conflict states
- *The Paris Declaration is relevant and practical even where considerable fragilities are present.*
  - *Good practice in aid effectiveness and aid management is relevant in all situations – the context only changes the way in which the principles are applied.*

## Key Recommendations

### Awareness of Aid Effectiveness

1. Voice and participation, at all local levels are required to build an effective democratic state. GoN needs to ensure a structure and framework to support these processes. The formal and informal spaces for dialogue around aid effectiveness should include GoN, DPs and civil society representation to broaden and deepen the discourse in line with the Accra Agenda for Action.
2. MoF should take the lead in the wider dissemination about and promotion of aid effectiveness (including the Paris Declaration principles) to parliamentarians/politicians, bureaucrats in sectors/line ministries, officials at district level and amongst the wider public in collaboration with civil society actors.
3. DPs should ensure greater awareness of aid effectiveness at all levels (headquarters and country offices) reviewing their staff development processes to strengthen understanding and implementation.
4. GoN and DPs should link their respective performance evaluation systems with implementation of aid effectiveness and include incentives for their staff to adopt Paris Declaration principles.

### Aid Effectiveness Action Plan

5. MoF should ensure that the Foreign Aid Policy is revised and updated and approved as a matter of priority taking the findings of PDE II into account.
6. MoF should restructure FACD with sufficient resources to play its role effectively and proactively promoting and monitoring aid effectiveness throughout GoN and implementing effective aid management systems including sound information base.
7. The Draft National Action Plan on Aid Effectiveness should be reviewed by FACD in consultation with DPs and revised with more specific outputs and indicators based on the lessons in the PDE II report with a three year timetable for joint implementation.

### Promotion of Harmonisation and Alignment at Sector Level

8. GoN and DPs should work together to introduce more sector wide approaches building on the experience in

health and education with a joint commitment to focus on at least one sector a year for the next three years.

9. GoN should encourage and capacitate ministries to prepare sector programmes rather than specific projects.
10. MoF and NPC should develop proposals for gradually phasing out the project mode of implementation and increasing the proportion of aid that is channelled through the budget in support of GoN programmes.

### Paris Declaration at the Local Level

11. Efforts towards an all party consensus to conduct local elections should be intensified. Meanwhile GoN in consultation with other political parties should come up with a more accountable mechanism for the operation of local bodies until local elections are held. This is a basic for promotion of PD awareness and implementation plan at the local level.

### Fiduciary Risk, Corruption and Procurement

12. DPs should appreciate the financial management and procurement systems reforms that are being carried out despite the adverse effect of political transition and support GoN systems wherever possible, and not bypass them in ways that will further weaken them.
13. DPs should support the further strengthening of GoN financial and procurement mechanisms with appropriate monitoring to track improvements in operation.
14. GoN should set a framework to further improve fiduciary and procurement systems building on the PEFA, the Procurement Guidelines and other relevant initiatives.
15. DPs and GoN should develop a joint approach to transparency with respect to corruption. GoN should enforce existing laws and reduce irregularity. DPs should continue to raise their voice in response to specific malpractices within the spirit of mutual accountability.
16. GoN should ensure that public officials and institutions are more aware of the Right to Information (RTI) and require them to implement RTI provisions. The role of civil society actors in awareness raising should be supported.

# Evaluation of the Implementation of the Paris Declaration

## Country Evaluation

### THE PHILIPPINES

## Executive Summary

The second-phase evaluation of the Paris Declaration on Aid Effectiveness investigates issues and themes bearing on three core questions. The first is on the factors affecting the relevance of the Paris Declaration principles of ownership, alignment, harmonisation, managing for results, and mutual accountability. The second, which is on development processes and intermediate outcomes, attempts to determine the effects of the Paris Declaration on delivery and management of official development assistance or foreign aid. The third opens up an investigation of the contributions of aid to development outcomes, using the health sector and rural development as case studies.

To obtain insights into the core questions, the team relied on evidence obtained from varying sources, including, secondary sources of data, particularly, official socio-economic statistics; focused group interviews and findings from specialized surveys about use of official development assistance. The findings from a 2005 survey provided baseline data.

In relation to Core Question 1, the recent growth experience of the Philippines shows a respectable trend. However, a significant proportion of individuals and families continue to face economic difficulties. Unemployment and poverty incidence remain high. In this regard, the Government of the Philippines continues to tap grant-funded technical assistance largely for capacity building, and loan-funded capital assistance for major infrastructure projects.

Regarding Core Question 2, the Philippines scores high on ownership. Long before the Paris Declaration was adopted in

2005, both the government and its development partners in the donor community have adopted the Medium-Term Philippine Development Plan in formulating country partnership strategies. After 2005, both parties agreed to adhere to the Paris Declaration principles as basic guide for the conduct of aid-funded programs and projects. The government, however, needs to further broaden and intensify dialogue with Congress and civil society organisations to achieve a more meaningful country ownership.

Much progress has also been achieved in adopting country systems, particularly, in government procurement and some aspects of public financial management. The government, however, still needs to show improvements in budget execution and reporting, and combating corruption. Furthermore, current initiatives toward operationalizing an integrated results management system should be sustained.

Meanwhile, some bilateral donors must endeavor to deliver on their commitment to the untying of aid and reducing parallel implementation units.

The institutional arrangement under the Philippine Development Forum has been an effective forum for aid coordination, implementation, monitoring and evaluation. It should be held regularly and without fail as agreed upon by the government with its development partners, including civil society organisations.

On Core Question 3, the emerging body of evidence from the two case studies, namely, health and rural development sug-

gests great potentials from enhancing the effectiveness of aid in the two sectors. In health, serious efforts to organise assistance around the government's health sector reform agenda is yielding results, particularly for the health-related targets embodied in the Millennium Development Goals. But there's a lot of room to improve performance in meeting target for the maternal mortality ratio.

In rural development, fragmentation of aid has been reduced in the aftermath of the Paris Declaration, which inspired joint work among various donors in capacity building for the various implementing agencies involved in rural development. It has also led to a shared rural development strategy between government agencies and donor partners. Early donor initiatives in the implementation of the National Program Support strategy, however, were not without friction as some staffs

of implementing agencies, particularly at field levels, experienced difficulty in complying with new systems and measures in, for instance, financial management. This suggests the need for more intensive capacity building and PD dissemination efforts at field and local government levels. Meanwhile, harmonisation efforts among development partners are progressing well, particularly, in the area of managing of development results.

Overall, the Paris Declaration has contributed positively to aid effectiveness. The process, however, is by no means complete at this time. But insofar as the government and the donor community continue to be mindful of the Paris Declaration principles in their continuing programming dialogues at various levels, the prospects for realizing desired development outcomes are very bright.



# Evaluation of the Implementation of the Paris Declaration

## Country Evaluation

### SAMOA

## Executive Summary

### Purpose and background

The 2005 Paris Declaration on Aid Effectiveness aims to strengthen partnerships between donors and countries receiving aid in order to make aid more effective with the aim of maximising development results. It provides guidance for improvements in the delivery of aid through five principles – ownership, alignment, harmonisation, managing for results and mutual accountability.

The requirement for an independent evaluation was built into the original Paris Declaration evaluation framework. The first phase of the evaluation focused on inputs and early outputs. Its findings contributed to discussion at the 3<sup>rd</sup> High Level Forum on Aid Effectiveness held in Accra, Ghana in September 2008. The first phase evaluation found that while some progress had been made there was still much to be done to improve the effectiveness of aid. The Forum affirmed the Declaration and produced the Accra Agenda for Action priorities, designed to enhance and support the PD principles – country ownership is key, building more effective and inclusive partnerships and achieving development results.

The second phase of the evaluation focuses on outcomes and results. Its findings will feed into discussion at the 4<sup>th</sup> High Level Forum in Korea in 2011. Samoa has volunteered to be one of the approximately 22 countries who are conducting country specific evaluations. The country studies will feed into the global evaluation along with a series of donor and other studies. This report details the findings of the study carried out in Samoa during the period May to December 2010.

### Overall conclusions

While Samoa did not formally endorse the Paris Declaration until 2008, it has helped legitimise, and provide an impetus for the government's own reform agenda that was commenced in the early 1990s. The implementation in Samoa has been relatively low key. A few donors (primarily Australia, New Zealand, the European Union and the United Nations Development Program) began to use the language of the Paris Declaration in discussions with the government and encouraged the implementation of the Paris Declaration principles in 2005/2006. Each of these agencies had introduced the Paris Declaration to their staff, encouraging its application in the field. Some showed a strong commitment to the changes needed in skills, culture, structure, systems and processes within their own agencies to implement the principles. Others appear to have been less committed.

Outside of Government of Samoa, agencies and institutions directly involved with management of development assistance in the government, awareness of the Paris Declaration and Accra Agenda for Action is developing.

Parliamentarians are becoming more aware of the Declaration and its impact on aid coordination and how the principles could lead to improved aid effectiveness. Further work is required to improve awareness in the public sector, particularly with Ministers and senior officials.

Similarly, awareness is still developing within civil society and the private sector. The Samoa Umbrella Organisation of Non-

Government Organisations is now using the principles in discussions with government and beginning to raise awareness at the community level, but it will be some time before the principles are well understood. This is not unexpected given that the major focus so far has been primarily on the relationship between donors and the government.

The Paris Declaration has provided a useful tool to the government and its donor partners to shape aid effectiveness discussions particularly around managing for results and mutual accountability. In past years discussions have tended to focus primarily on process issues such as country ownership, alignment and harmonisation with inadequate attention paid to effective aid delivery to support the achievement of clearly articulated development outcomes or impacts.

Some donors, who are signatories, have neither advocated its implementation nor sought to change their aid delivery modalities. The Government of Samoa has responded pragmatically, dealing with each donor based on each donor's preferred way of operating but without compromising on key issues of national ownership and alignment with government development strategies.

Another significant contribution is the development of a common vision and common language for change. While there remains a variety of interpretations of meaning around some of the terms (in the main), donors and the Government of Samoa share a clear picture of the future direction of aid.

This common language is also important to the regional aid agenda. The Paris Declaration has been used as a tool to develop regional responses to aid effectiveness (e.g. Pacific Principles and the Cairns Compact). This meant that the regional discussions started from a common and consistent basis. It is most likely that this resulted in far better outcomes than would have been the case if the regional discussions had started from a zero base.

### Ownership

Ownership of its own development strategies and outcomes is a paramount principle for the Government of Samoa. Samoa has always aimed to lead and manage the use of development assistance to achieve its own national plans. The Paris Declaration provided Samoa with a tool to enhance and strengthen its ownership agenda; it also provided the more innovative donors with the opportunity to encourage (and push further) progress on ownership in Samoa with the government and with other development partners. Consequently, the degree of acceptance by donors of Samoa's ownership of its development agenda has improved considerably under the influence of the Declaration.

There is a national development strategy. There is a Medium-Term Expenditure Framework and there are sectoral plans and associated programs in nine of the fifteen sectors. There is an Aid Coordination Policy that clearly articulates the govern-

ment's role in aid coordination and also provides the basis for mutual accountability and management for results. In the main, that role is accepted by donors. However, government ownership is not always fully embraced by some global and regional agencies that choose to implement their programs outside of the government's coordination mechanisms. Government processes for the design; implementation and monitoring of development programs are increasingly targeting participation and consultations with civil society.

### Alignment

Some progress has been made against the principle of alignment. Aid is, in the main, aligned with Samoa's Strategy for the Development of Samoa which is supported by a Medium-Term Expenditure Framework and an annual budgeting process that links the strategy to sector programs. While Samoa's stated long term aim is that all development funds are provided as budget support, there have been some trade-offs in relation to the use of government systems. A 2006 Public Expenditure Framework Assessment resulted in a program of capacity building and improvements to the finance system and the 2010 follow-up assessment found good progress had been made. However, there is still a need to make improvements. This is being addressed under Phase 2 of the Public Finance Management Reform plan.

The government's procurement processes were redeveloped in 2005 with support from the World Bank, but the degree of confidence of some donors, particularly the multilateral banks, in the government process is still low. To progress the alignment principle, the government has invited the banks to conduct a joint review of the government's systems. The invitation has been outstanding for some time.

Donors are also making trade-offs. While they, in the main, acknowledge the principle of alignment, they have varying expectations about the degree of rigour required of the Samoan systems and the level of risk they are prepared to carry. This is determined by their country or managing board policies and expectations. It is also determined by the judgments and values of individuals within donor agencies working with Samoa.

The Government of Samoa takes a pragmatic approach to the issue of use of its systems. It acknowledges that there is still work to be done to ensure that all donors (particularly the multilateral development banks) are prepared to place their trust in government systems, particularly procurement. It also acknowledges that donors do have the right and the responsibility to ensure that the funds they provide are used properly. The government sees the Paris Declaration's commitment to alignment as an opportunity to focus on its own development, acknowledging that its systems, while adequate, will continue to improve with ongoing scrutiny and capacity building support.

### Harmonisation

Samoa has adopted the term "coordinating development partner". Each sector wide approach program has a coordinating

development partner. However, at this stage not all donors fall under sector programs. Consequently, the coordination role for the total sector falls to the government and several strategies are used to ensure that donor support is harmonised. In those cases where government procurement systems are not yet acceptable to the donors, and where there is a pooled financing arrangement involving several donors including a multilateral financing institution, one donor system, usually that of the multilateral agency, is used for all procurement. These processes need to be reviewed carefully as there have been considerable problems with the use of the multilateral agency's procurement systems.

The Government of Samoa aims to ensure joint missions through a mission calendar. Donors also discuss possibilities with each other, particularly in sectors. It is noted, however, that some donors, even those involved in pooled financing arrangements of sector programs still persist in conducting their own missions.

Within donors there is also some evidence of lack of internal harmonisation. Australia, for example, often fields missions from government agencies who play a role in Samoa through its 'whole of government' approach to development. These missions in the past have often been conducted without an awareness of the Australian Agency for International Development; however, moves are underway to better coordination. Similarly, the United Nations agencies do not always coordinate even when synergies are evident. Work is underway to create a more cohesive framework for engagement with the government.

Regional programs, rarely link with bilateral or multilateral agencies when carrying out analytical work, missions or monitoring and evaluation. This is an area that requires far greater attention.

### Managing for results

While initial attention was primarily paid to the first three principles, donors and the Government of Samoa have turned their attention to managing for results (and mutual accountability). While the government is working towards a national results framework with clearly defined and achievable performance indicators, there is still work to be done to ensure the framework is in place and implemented. Barriers include the need to establish baselines and data collection methods that can be carried out with the limited resources of the government.

At the sectoral level the European Union is leading the way with its budget support to the water sector. The support is contingent on a strong and demonstrated commitment to managing for results.

### Mutual accountability

While some work has been underway to build mechanisms for mutual accountability into partnership agreements and

program plans, this is a principle that requires further attention. The level of oversight provided by Parliament is reasonable but still developing. This understanding has been enhanced through a recent workshop on the Paris Declaration as well as the Aid Policy which sets out government's views on the way that development aid funding should preferably be managed and proposes institutional mechanisms for a dialogue on strengthening aid effectiveness. In addition, the common policy matrix and implementation schedule is also being used by donors to trigger release of funds through budget support.

Government is encouraging the participation of a broader range of stakeholders, including the private sector and civil society, in national and sectoral planning and monitoring processes but there is still some way to go before these groups have an impact on development decisions. Capacity building, improved communications and management processes are therefore key focus areas to support the various non-governmental stakeholders in their dialogue with donors and the government on specific programs to meet their needs.

### Conflicts and trade-offs

While there are no overt conflicts in the implementation of the Paris Declaration principles (there is possibly some passive resistance), the rate and degree of change is being impacted by the pace at which the public financial management reforms are taking place and the degree of commitment of donors, to the implementation of the principles.

There does appear to be trade-offs in the way some donors are approaching the principles, with a few opting to use government systems, particularly procurement systems, where these do not require major changes to their own processes. The Government of Samoa also compromises, taking a pragmatic approach to each donor's requirements, while seeking to move donors towards the full implementation of the Paris Declaration and Accra Agenda for Action.

## Key lessons

Key lessons that emerge from this evaluation are as follows:

1. Common principles and a common language support change. For Samoa the Paris Declaration and Accra Agenda for Action provided the support and the impetus to continue changing the way its development was being managed and delivered. While donors were the first to use the language of the Paris Declaration, and in some cases used the Paris Declaration to push for a fast pace of change as in the health and water sectors, the government has continued to respond to the process and taken the initiative to introduce the changes within its systems. The Paris Declaration has given all of the development stakeholders a common understanding of the direction of the change – it effectively provided the common vision needed for success.

2. Not everyone will adopt change even when it is being undertaken on a global basis. Some donors and agencies who are signatories to the Paris Declaration have not yet implemented the changes needed to genuinely support its implementation. Time and continuing encouragement is needed to drive the major policy and organisational changes that are needed.
3. If there is commitment, change can occur, driven by innovative and flexible individual personnel even when the policies and procedures of a donor agency appears inflexible. Conversely, inflexible individuals can create unnecessary barriers. For the Paris Declaration to be effective, donor agencies must ensure that their own staff are well educated in the changes required, and empower their staff to implement the change. Similarly, governments need to ensure that all stakeholders (Parliament, the public and private sector and civil society) are well informed and empowered to participate in the change agenda.
4. It is not only country partners that need to change their systems and processes to respond to the changing aid delivery environment. Donors also need to review their administration systems, particularly their financial management systems, as several of these are now beginning to impede the progress of funding arrangements.
5. There is a need to further embed the application of the principles at sector level. This will facilitate the linking up of country processes to those at sector and corporate levels, as well as supporting the connection between policies and financing to processes.

# Evaluation of the Implementation of the Paris Declaration

## Country Evaluation

### SENEGAL

## Executive Summary

Phase 2 of the Paris Declaration Evaluation is an integral part of the original Declaration signed by the international community during the 2<sup>nd</sup> High Level Forum held in Paris, in 2005. Reflecting a broad international consensus developed in the 1990s, the Paris Declaration aims to improve partnerships and operating modes between donor countries, international organisations and partner countries with a view to increasing aid effectiveness and achieving development results. The Declaration, which sets forth specific target objectives for 2010, includes a dozen indicators for honouring 56 commitments revolving around five key principles: 1) appropriation of development by partner countries, ii) alignment of donor support on the national development strategies of partner countries, iii) harmonisation of donor actions, iv) results-based management, v) and mutual accountability.

Phase 2 of the evaluation undertaken on the occasion of the 3<sup>rd</sup> High Level Forum held in Accra, Ghana, in 2008, will continue until the 4<sup>th</sup> High Level Forum to be held in Korea, in 2011. This meeting will be an opportunity to present a synthesis of the evaluations simultaneously conducted in 21 partner countries, including Senegal, and seven donor country development agencies. Phase 1 of the evaluation sought to determine whether the parties involved, i.e. the technical and financial partners (TFPs), the Senegalese government and other national players (civil society, universities, parliamentarians, NGOs etc.) honoured the commitments made within the framework of the Declaration. This time, the objective consists in presenting the achievements and results accomplished. To this end, three key questions were posed with respect to: i) the relevance of the implementation of the Paris Declaration; ii)

improvement in aid effectiveness; and iii) the achievement of sustainable development results.

The implementation of the Paris Declaration is still relevant in Senegal. Indeed, after seeing relatively stable growth until 2005, Senegal experienced major energy, food and financial crises, which led to a considerable loss of production, a diminished pace toward reducing poverty, and deteriorating governance, corruption and human development indicators. The risks continue, especially in light of the upcoming 2012 presidential elections, as economic policy changes may fall prey to political opportunism, which could further tarnish the country's development prospects. Since 2006, the context in Senegal has been such that leaders have been focusing on priorities other than those stipulated by the Paris Declaration agenda. However, the effectiveness of aid and the achievement of sustainable development results are fundamental targets, especially since Public Development Aid still accounts for close to half of the country's investment budget and about 10 % of the State budget.

The parties involved still agree on the soundness of the Paris Declaration. However, the slow pace of reforms and changes, at both government and TFP levels, presents certain risks, including a loss of momentum or interest on the players' part to continue implementing the Paris Declaration. This is especially the case with the competition at play between classic partners and "non-traditional" partners, i.e. donor countries which are not signatories of the Declaration, such as China or Iran. This competition may also be at play in the various aid delivery modes which may be considered more effective, be

it programs funded by General Funds or the introduction of new programs such as the “cash transfers” encouraged by the World Bank and UNICEF. It is therefore important to reaffirm the principles of the Paris Declaration and its underlying aid effectiveness notion.

Indeed, implementing the principles of the Paris Declaration should encourage the partner countries to: i) exert greater control over their development processes (appropriation and alignment), ii) enter into better partnerships with donors (harmonisation); and iii) improve public accountability. These are three process results that would provide cost savings and increase developing countries’ capacities to implement development policies targeting sustainable results.

To date, the strengthening of reforms and implementation actions have led to a number of significant advances in appropriation and partnership terms, and many efforts have also been undertaken to improve public accountability. Certain elements show that the principles advanced by the Paris Declaration foster the achievement of development results. For example:

- A basis of consensus to rally over 60 development agencies in Senegal; indeed, these donors agree on the relevance of the Paris Declaration to improve aid effectiveness and agree on its importance when it comes to delivering results.
- Greater appropriation and better alignment of national development policies in Senegal.
- The notion shared by all development partners that donor support should be consistent with Senegal’s national development strategies.
- More openness on the part of TFPs to reconcile, share tasks and specialise in areas which they know best. To wit: examples of delegated cooperation, though there are still too few.
- Results-based management practices which are increasingly recognised and practiced by parties involved in development.
- Coordinated sectoral support over an extended period of time (initiated before 2005 but encouraged by the Paris Declaration), which has made possible significant strides toward sectoral results by helping to offset the negative effects of institutional instability in the responsible ministry/ies and by contributing to stabilise sectoral program coordination efforts.

The work carried out to honour the commitments of the Paris Declaration have thus clearly produced added cooperation value by: supporting reforms undertaken by the government before 2005; offering a general guide of good conduct in

cooperation development; structuring the dialogue between the parties involved; fostering Senegal’s development vision; reducing inadequate development practices or promoting transparent transactional modes which must produce results for Parliament and the public.

Nonetheless, much remains to be done given that the aid implementation system is part of a national framework of policies, still too diverse and inadequately structured and penalised by a political will that is often railroaded by ministerial reorganisations and the introduction of a double-entry aid management system: one for classic donors and one for non-traditional donors. Much remains to be done to solidify the development policies and organise the aid management system.

The financial and public finance management crises have also eroded the confidence of TFPs in Senegal’s government systems. They are currently questioning their alignment strategy, and the risk of backtracking from this commitment remains, as the one observed in the 2007 Investigation of the use of public finance management systems. Donors make little use of program support and budgetary support compared to other countries. In fact, their governments, out of concern for public opinion, are increasingly questioning this form of support and are raising their public accountability requirements. As they must still contend with their head office’s disparate directives, policies and agendas, the TFPs will have to agree on a code of good harmonisation conduct and consider a Joint Aid Strategy in order to go forward and forestall the current disengagement and backtracking.

It should be underscored that since 2005, development players have undertaken to improve public accountability in a context of regressive public finance management transparency and corruption control. This, despite the pursuit of many governance reforms and the creation of new institutions aimed at promoting good governance. The fight against corruption must be a priority for the partners, who indirectly supported good governance reforms and programs without more specificity.

One of the findings at the end of Phase 1 of the Paris Declaration Evaluation was still relevant in 2010: the particularly slow pace of changes. In 2007, the delays in process changes provided no benefits in terms of a management system that was less costly in time and resources or in terms of more effective aid. In 2010, the cost savings were considered far less than expected due to the program support or budgetary support management system, which remained weak on all aid flows, but which required as much monitoring, resource and consulting time for the TFPs and the government.

The evaluation of investments in the Health sector and the Water and Sanitation sector, the two sectors provided as a case study, showed: 1) that coordinated TFP support over an extended period of time with close monitoring modes and

a joint sectoral performance analysis framework are decisive in obtaining or maintaining development results; and 2) the importance of strengthening capacities as part of the development programs. This is especially the case since donors transformed their aid delivery modes for program and budgetary support by aligning their aid on national systems (for budget execution, financial monitoring and reporting, or audits). The new aid delivery modes require that both TFPs and the government increase their capacity to manage the program support given the greater monitoring responsibility incumbent on the Senegalese Government or aid agency employees.

The major challenge remaining is to increase Senegal's capacity to implement development policies and to ensure that the parties involved remain committed to implementing the Paris Declaration. There is no question that political will is necessary to successfully pursue the Declaration's agenda. The government will have to bring its National Foreign Aid Policy to fruition and develop the various dimensions of the Paris Declaration with the technical support of the national branches and the centralised national information system on aid flows (the Aid Flow Management Platform).

The TFPs will have to make their cooperation modes more effective so they can better agree with each other on the development actions they will pursue within the framework of a Joint Aid Strategy, as well as with the government on priorities they wish to pursue. They will have to focus more on the need for capacity strengthening and to better exert their influence with a view to encouraging major reforms. There is some evidence of the positive influence TFPs can exert when taking a common position, as a group behind a strong leader, as shown by the successful adoption of the new public markets code.

Most international donors and agencies have decentralised the organisation of their work without necessarily putting into effect the delegation of power (which should go hand-in-hand with this), thereby increasing constraints related to field personnel work. Sectoral specialisation has also had the unexpected effect of limiting the flexibility and power of some TFPs to intervene, according to the implementation needs of the Paris Declaration, in key governance sectors or to support the programs of NGOs involved in implementing or monitoring the Poverty Reduction Strategy Paper. (The TFPs would benefit from drawing from a code of good conduct, as the European Union has already done.)

Some TFPs underscore the importance of re-establishing the fundamentals of the Paris Declaration in order to keep the partners from disengaging and to move forward on harmonisation and aid effectiveness efforts. Already, some elements are showing reluctance to adopt new aid approaches in the form of budgetary support. Other donors have noted delays in executing budgets within the framework of program approaches, as compared to results obtained through project approaches.

As for the imperative of improving aid effectiveness, other ideas may be necessary if the parties involved fail to quickly realise their intentions: returning to the project approach, for example, or adopting the "cash transfer" approach recently advanced with a view to more quickly achieving the Millennium Development Goals, to the detriment of the alignment and new aid architecture principles, constructed with such effort over the past few years. Moreover, media coverage regarding budgetary support could eclipse other aspects of the Paris Declaration. Indeed, the population and even seasoned observers can easily reduce the Declaration to a budgetary support tool and its controversial use. It is important to rectify public misunderstandings about the Paris Declaration and to further promote its positive aspects, such as appropriation, public accountability and mutual responsibility.

Indeed, the apparent effectiveness of "cash transfer" programs, programs financed by Vertical Funds, and programs financed by TFPs without too many conditions, requires that we refer to the notion of aid effectiveness as defined by the Paris Declaration. Indeed, it encapsulates a far broader definition than that of results effectiveness or disbursement effectiveness if one considers Senegal's need to control its development and to implement its own sustainable development programs in a responsible manner that is respectful of its citizens and in keeping with democratic values.

The evaluation led to the following general and specific recommendations:

## General recommendations

- R1. Reaffirm the support of the parties involved in developing the implementation of the Paris Declaration and international commitments.
- R2. Better disseminate information on the Paris Declaration, its dimensions and its implications in developing countries and donor countries.

## Specific recommendations for partner countries

- R3. Simplify the political coordination of the Paris Declaration, and clarify and strengthen the roles of structures directly involved in implementing it, especially technical ministries and national branches.
- R4. Clarify and strengthen the roles of civil society, parliamentarians, women's groups, labour and management unions, and local groups by giving them a specific role and specific missions in implementing the Paris Declaration, as well as financial support.
- R5. Strengthen the national information system on foreign aid flows by deploying the Aid Flow Management Platform and

opening it to those involved (TFPs, NGOs and government players).

### **Specific recommendations for TFPs**

R6. Favour flexibility within the framework of the process to transform aid delivery modes into program-based approaches, especially budgetary support approaches.

R7. Deepen the collaboration between TFPs to work on delegation and common pool funding practices.

R8. Increase the harmonisation of efforts aimed at strengthening technical capacities and proposing sectoral capacity strengthening programs.

R9. Increase joint action and coordination efforts in order to better establish priorities for honouring commitments under the Accra Agenda for Action to Fight Corruption.



# Evaluation of the Implementation of the Paris Declaration

## Country Evaluation

### SOUTH AFRICA

## Executive Summary

### Introduction

This Second Phase evaluation of the South African experiences with implementing the Paris Declaration and the Accra Agenda for Action aims to emphasise the national approach to aid, and its impacts, effects and implications in a middle income country that has a strategic role in the SADC region and on the African continent. South Africa is also engaging in multiple forums which advocate a change in 'international systems for governance.' The evaluation concentrates firstly on the mandatory health sector, where conditions in public health are aimed at addressing massive, inherited backlogs in services and facilities, and where the prevalence of HIV/AIDS is one of the highest in the world. It is complemented by a provincial case study from KwaZulu Natal (KNZ). The second sector covers the interrelated and cross-sectoral issues in development partner support for climate change (across the traditional environment, energy and water sectors and the newly emerging climate change sector). As a signatory to the Kyoto Protocol and the United Nations Framework Convention on Climate Change, South Africa has been influential in representing developing countries in international negotiations, but is also the largest emitter of green house gases on the continent, and one of the world's most carbon intensive economies.

Within South Africa, the National Treasury and its International Development Cooperation Directorate take the major decisions on aid and its management. South Africa has long had strong principles and frameworks ensuring country ownership, established well before the advent of the Paris Declaration, and has a well developed and regularly updated Policy

Framework and Operational Guidelines for ODA Management, and is implementing an Aid Effectiveness Action Plan.

### Findings and conclusions

#### Background

The country context is marked by a strong history of post independence national development planning and strategy development, where it has preferred to determine and have control over its own growth path and development trajectories. The policy commitment throughout four main eras of national planning has been one of 'continuity of change', building on development successes, taking stock of ongoing challenges and developing strategic responses. In effect the country has moved from the initial post independence redistribution imperative, through a neo-liberal phase and now trends towards an indigenous version of a social democratic developmental state.

Since the 2009 election a new structure for national government has been implemented, centred on four inter-connected areas of policy-development, planning, effective implementation and continuous monitoring and evaluation. The country has established 12 priority outcomes derived from a medium term strategic framework. Policy, budgeting and implementation is managed within the framework of the rolling three year Medium-Term Expenditure Framework. Policies, strategies and development plans at the sub-national, decentralised levels give guidance on the countries development priorities.

Given numerous policy challenges, there have unfortunately been some less than optimal delivery performances. Inceas-

ingly this is being recognised by leaders in government. Civil perspectives on 'governance' have varied. There have been recent improvements in confidence and the reversal of a trend of declining confidence in public institutions.

Positive socio-economic trends are seen in the achievement of macro-economic stability and fiscal robustness, a real GDP of ZAR 1,251 billion (US\$ 144 billion) in 2009 with real per capita GDP increasing 20% between 1994 and 2009 to ZAR 26,695 (US\$ 3,075). The recession slowed growth to -1.9% in 2009 but recovery is imminent with GDP per capita growth of 3.6% expected in 2012.

In 2010 the country ranked first of 94 countries in an independent open public budget analyst's annual survey. It has managed to extend its social security net progressively to 14 million of the poor. However, despite good macro economic performance, there has been rising social dissatisfaction and unrest, continued deep poverty and high inequality. The GINI coefficient has widened to 0.66, one of the highest in the world. Despite its status as a middle income country, many of the socio-economic indicators are close to countries characterized as low income.

In contrast to many other African countries, Official Development Assistance (ODA) or 'aid' has played a special role in South Africa. The evaluation begins with tracing the five phases of the national experience, beginning with an early 'pre-independence' phase from 1980 to 1990. The fifth and current phase, from around 2006-2008, has been marked by four distinct, overlapping trends, in a) the 'regionalisation' of traditional development partner support and some changes in established focal areas towards 'global public goods'; b) in the adoption of more trilateral and 'triangular' cooperation relationships in Africa; c) in the growth in the design and development of strong South-South relationships in development assistance, and d) in the consolidation and expansion of South Africa's own role as a development partner in Africa and elsewhere via the precursor to it's soon to be constituted South African Development Partner Agency.

Almost throughout, South Africa has been and remains a paradoxical recipient of aid, as a confident, relatively resource rich country. Proportionally aid constitutes far less than 1% of the budget, but in value terms it is significant. It is not primarily used as an additional source of finance. Its value has been in terms of leveraging own resources more effectively and in its implications for the transfer of knowledge, best practices, leveraging upstream policy change and in embedding innovative approaches. Its value also lies in leveraging strategic partnerships within modes of trilateral and 'triangular' development cooperation for a growing programme of global and African priorities to which the country is committed.

Over thirty traditional development partners, signatories to the PD, work in South Africa while the country now hosts a range of 'non-traditional' development partners from the 'east'

and 'south', not all of whom are signatories to the Declaration. Total ODA committed was about \$8 billion over the period 2000-2008 of which about \$6.2 billion (77% of committed) was actually disbursed. Top development partners by gross ODA disbursed are the United States, the European Commission, the United Kingdom, Germany, France, the Global Fund, Netherlands, Ireland, Denmark and the Global Environment Facility. Most ODA (63%) flowed through the public sector, 10% went through NGOs and Civil Society, the balance between the Multilateral Organisations and a Public Private Partnership channel. Annually over US\$ 700 million in aid is officially disbursed by development partners to public, private and non government organisations in the health sector. By 2009, up to US\$ 2 billion was annually available or disbursed into the interrelated climate change sectors in the forms of grants, and predominantly loans. South Africa also has significant own resources of development finance, leveraged and managed through the Development Bank of South Africa (ZAR 8.25 billion in 2010) and the Industrial Development Corporation's Agency Development Support Unit (ZAR 30 million annually), both active regionally.

Interestingly, social giving by South Africans alone, to people in poverty and for development far surpasses the annual value of aid for the health sector by a factor of 10.

South Africa is now taking a stronger role in development affairs and forums globally, and has committed to a wide range of compacts, including those in support of South-South relationships. Its geo-political and strategic position globally and in Africa, coupled with it's proximity to major global concerns have strong implications for the overall aid environment. Regionalisation of aid agencies is occurring rapidly, with South Africa generally a focal country, and within a range of new trilateral modes of cooperation, where traditional development partner to recipient relationships are being replaced by equal partner roles and responsibilities.

In its growing membership of Asian and African forums for development, South Africa takes a lead in promoting country ownership. In 2010 it hosted, in conjunction with the European Union and the New Partnership for African Development, the Africa Regional Meeting on Aid Effectiveness.

There is strong, ongoing application of country ownership principles, where South Africa continually seeks to maintain its independence from development partners, and where recent restructuring around sector priorities in order to better 'deliver' aid has occurred. South Africa does not have a formal agreement for the implementation of the PD, but has an AID Effectiveness Action Plan.

Alignment can create tensions in the 'multilaterals' efforts to commit to global compacts and agreements while also committing to country priorities and strategies which are not necessarily fully aligned. Differences occur concerning priorities and how these should be met and by whom. For some of the

'bilaterals', alignment is only as good as the benefits accruing to 'own interests' in the application of the specific instruments used to achieve this principle, and there are country views that the differences in the expectations of the respective parties regarding the use of conditional loans and concessional grants coupled with grant finance, can lead to tensions. Nevertheless, there is growing progress with alignment against the PD indicators, and increasing use of sector budget support instruments (this is however qualified in the study), with one 'sticking point' being Indicator 5a), the use of country public financial management systems. The recent 2011 adoption of the 'second level' and sectoral Aid Effectiveness Framework for Health further promotes these first two principles, as well as harmonisation.

Here there have been some impressive achievements in the water sector. In health there is harmonisation mainly as a result of the efforts of the European Commission's EU+ Working Group (including global funds such as PEPFAR and USAID). In the climate change sector, 2008 efforts to harmonise partners initiated a strong donor mapping exercise to assess where 'everybody was at' and what was their relationship to government priorities and actions. This fell away due to staff transfers out of the country, highlighting issues in institutional memory. Further harmonisation is taking place here and is likely to be formalised into an EU working Group during 2011.

Turning to the provincial case study, and to development outcomes, we found a range of sometimes contradictory outcomes. There are instances where both voluntary sector and government initiatives targeting the poorest have been strengthened, but also instances where the delivery of a better and wider range of services to support the achievement of the Millennium Development Goals have been neglected, and where a dependency syndrome may have been created through the inadvertent targeting of a limited part of the HIV/AIDS communities. In the climate change sector overall there is evidence of some differences over what constitutes policy coherence, and also confusion over the optimal institutional location and associated arrangements for a more focused and better targeted set of interrelated investments to address both mitigation and adaptation challenges. These are both very substantial and highly significant in light of the country hosting the 2011 UNFCCC Conference of Parties (COP 17).

### Overall conclusions

As a middle income country the relevance and effectiveness of the PD principles could be strengthened by the crafting of a multiparty agreement or 'charter' containing platforms and arrangements similar to those in the Windhoek Declaration and Indonesia's Jakarta Commitment. Of the PD principles – effective country ownership, along with good alignment and harmonisation can make the strongest contribution to aid effectiveness and development results, but can be constrained by different and competing interests. There is wide variance evidenced in the sectors regarding the significance and sustainability of aid via the principles, but the overall view

of the team is that these investments have been extensive and significant, in relation to the needs and demands of a middle income country like South Africa. Significant potential exists in improving aid effectiveness due to unfilled demand, in growing regional collaboration and in assisting countries to meet their growing suite of international agreements. In health, aid application could be widened to better meet the health MDG's. In climate change the potential lies in supporting appropriate institutional alignment for implementation, attaining policy coherence and cohesion over time, and in implementation. Aid effectiveness is thus a matter of better targeting of structural anomalies, gaps and omissions in cross-sectoral progression.

### Key lessons (on common questions)

In the health sector, post 2008, strategic interaction among development partners, foundations, global funds and government has promoted and supported effective new policies and programmes. New partnerships are emerging, along with the Aid Effectiveness Framework, aligned to a National Service Delivery Agreement. While there are some limits evidenced both nationally and in the KZN case study, the progression is an important achievement across a complex sector. There will continue to be much learning, especially around the role of the voluntary sector, the targeting to HIV/AIDS, and some potential aid dependency. If aid is to be more effective in complex sectors, it must be better organised around the PD principles, and government must strongly commit their support. This is increasingly occurring.

In the cross cutting climate change sector, evidence of the implementation of the PD principles has been less pronounced. Some significant new investments and much innovation has been driven by development partners. Past and recent national policy development and some practice, especially in research, has been supported sectorally on a bilateral basis, and multilaterals are engaged with two major instruments for the funding of climate change activities. However, the 'nexus' of country ownership, alignment and harmonisation is not well managed. There is no 'Aid Effectiveness Plan' for the overarching sector. The twin challenges in the sector are the achievement of a national institutional platform for cross-sectoral investments and an effective arrangement which promotes country ownership, alignment and harmonisation, leading to better targeting across key areas of demand cross-sectorally, and therefore improved aid effectiveness and better development outcomes.

### Key recommendations (on common questions)

Global, regional and local development challenges for South Africa are compounding and increasing exponentially. Meeting the MDG targets will be more than challenging. Most of these development challenges are cross-sectoral, often 'transboundary' and frequently transnational. Both traditional and non-traditional development partners should therefore continue

to widen the scope of their activities. Aid still has a major role to play, bringing innovation and learning from other regions, promoting upstream policy change, supporting better service delivery and the search for indigenous solutions to local issues, while promoting national and regional development.

The organisation and implementation of the PD and AAA principles should be strengthened through the adoption of a platform and arrangements similar to those in the Windhoek Declaration and the Jakarta Commitment. The former assigns specific development partners to coordinate support into nine 'Thematic Areas' determined by the SADC Secretariat, which are in line with its regional, transnational development planning and related SADC member country sectoral development. The latter Commitment clearly integrates traditional and non-traditional south-south partners into a common platform, which is linked to its regional roles. A recommendation in relation to the Busan Fourth High Level Forum on Aid Effectiveness is that such a revised South African 'charter', (which could align partners into coordinating support into the countries 12 priority outcomes), could be negotiated with its provisions and principles also conforming with those in the emerging African Declaration, supported by the Nepad Secretariat, which will also inform the Busan Forum.

In light of study findings and these development challenges in the further design of a more appropriate architecture of aid, consideration should be given to a comparative, collaborative assessment of similar middle income countries (Columbia, Vietnam, the Philippines and Indonesia). It should look at the respective responses to the use and management of aid, its effectiveness and development outcomes and also assess the respective organisation and outputs in regional roles and responsibilities, and the coordination of traditional and non-traditional development partners.

Global commitments, regional cooperation and South-South cooperation mean that resources and capacity need to be strengthened to enhance South Africa's aid effectiveness agenda, and its role in Africa as a 'new' development partner. Consideration should be given to the enhancement of capacity, knowledge and resources in promoting complementary between IDC and the future South African Development Partner Agency in managing both inbound and outbound development support. While the current government view is that this is not for discussion, consideration could be given in the future to merging the two units and significantly increasing the capacity of the resulting unit.

# Evaluation of the Implementation of the Paris Declaration

## Country Evaluation

### UGANDA

## Executive Summary

### Introduction

Uganda has a population of 31.8 million people with a nominal per capita gross domestic product (GDP) of USD 500 per person (2009). About 31% of the population is below the national poverty line, one of the lowest in the East African Community. Growth in GDP has been above 6% per annum for the past eight years. The Gini coefficient has declined from 0.43% in 2002/3 to 0.408 by 2005/6. Total aid disbursed to Uganda over the period 2000/01-2008/09 fluctuated (USD 1,120 million in 2003/04; USD 734 million in 2005/2006; USD 1,277 million in 2006/7; and USD 512 million in 2007/08).

Budget support dominates Uganda's aid architecture, accounting for an average of 42 % of total aid flows over the period 2000/01-2008/9, followed by investment project assistance (29%) and project technical assistance (13%). There are more than 30 development partners (DPs) present in Uganda. The top three DPs together accounted for over 75% of disbursement in 2008/9. As of 2010, the largest donors were the World Bank, the European Commission, the United Kingdom, Denmark and African Development Bank (AfDB) while Ireland, Germany, United Nations, Sweden and Norway were medium scale, the rest were smaller.

The Phase 2 Evaluation of the Paris Declaration in Uganda was carried out as part of a global evaluation covering 32 countries. It evaluated implementation progress as well as results of the PD and the Accra Agenda for Action (AAA). The Paris Declaration on Aid Effectiveness was endorsed by 57 developing countries and 22 DPs on 2 March 2005.

The overall objective of the Phase 2 Evaluation was to document, analyse and assess the relevance and effectiveness of the Paris Declaration in the country and its contribution to aid effectiveness and ultimately to development results, including poverty reduction. The Uganda Case Study was also expected to inform Cabinet debate how aid could finance the new National Development Plan (2010/11-2014/15). It relied on evidence from extensive literature review and key informant interviews.

### Overall Conclusions on Common Evaluation Questions

**"What are the important factors (enablers and the inhibitors) that have affected the relevance and implementation of the Paris Declaration and its potential effects on aid effectiveness and development results (the Paris Declaration in context)?" (Core Question 1)**

The PD principles were needed in Uganda to improve the effectiveness of aid in achieving more equitable income growth and poverty reduction. Uganda's growth path created opportunities that were skewed in favour of urban areas of the centre and the west, leaving behind rural areas and northern and eastern Uganda where poverty is now concentrated. More prudent macro-economic management, two decades of private sector-oriented structural reforms and emphasis on decentralisation created the space for government, donors, civil society and the private sector to adopt new ways of working together promulgated by the PD.

The Poverty Eradication Action Plan Partnership Principles (PEAP), the early SWAPs which pre-date the PD (e.g., in health and education sectors), the Uganda Joint Assistance Strategy (UJAS) developed in 2005 to strengthen ownership, and strategies for division of labour worked out by donors in consultation with the government created a fertile ground for implementation of the PD by creating the necessary institutional arrangements for donor-to-donor and donor-to-government coordination. The Division of Labour (DoL) exercise managed to rationalise DP sector presence in line with their comparative advantage. However, the DoL suffered from lack of strong government leadership. SWAPs, on the other hand, led to more systematic dialogue between donors and the government, strengthened state party leadership and improved aid coordination.

However, rigid perceived sector mandates, interests and comparative advantage of some DPs have kept them in some congested sectors like health and education leaving behind environment and agriculture underfunded. Performance assessment frameworks (PAFs) introduced as part of the General Budget Support have produced good results by tracking government processes and linking resources to policy objectives, but greater scope remains for improving the indicators for some sectors (e.g. agriculture) and the quality of information used to monitor the progress.

The lack of consensus among development partners on the ideal mode of funding remains one of the most stumbling blocks to harmonisation efforts. Some DPs are fully convinced that the use of GBS should be strengthened (DFID, Netherlands, Ireland, Nordic countries), whilst others (e.g., USAID, Japan, etc) are not convinced and their aid policies prohibit the use government systems until they are sufficiently "safe" to use. Long contractual commitments between donors and government have been instrumental to stability in ODA contributions to the budget despite some volatility in total aid flows to Uganda. Government's clear message on its preference for GBS as the ideal funding modality has been effective in securing stability of support through this instrument. Adoption of GBS as a preferred instrument has also helped to improve budget monitoring and coordination of government programmes in general.

The emergence of non-traditional sources of finance (e.g., China, India and Korea) and the proliferation of vertical funds for global and regional initiatives that support health and agriculture led by multilateral donors and large private foundations (e.g., the Gates Foundation) have both offered new funding opportunities but at the same time run the risk of undermining the core SWAP principles of harmonisation, coordination and an integrated sector policy framework.

**"To what extent and how has the implementation of the Paris Declaration led to an improvement in the efficiency of aid delivery, the management and use of aid and better partnerships (process and intermediate outcomes)?" (Core Question 2)**

Uganda started operating in a manner consistent with PD principles in the late 1990s before the PD principles were signed. Improvements in the quality of partnerships, management and use of aid and efficiency of aid delivery in general started before the PD and acted more as a catalyst for application of PD principles post 2005, which by and large resembled Uganda's PEAP Partnership Principles. It is evident that there has been a strengthening of the ownership of Uganda's national development framework as exemplified by the strong leadership by Uganda and the inclusiveness of the process of formulating the new National Development Plan.

Alignment of development assistance to national priorities appears to have been severely compromised by the poor articulation of priorities in the PEAP and the new National Development Plan. Both documents have been viewed as being too broad but some in government contended that the pillars of the PEAP and the policy actions to be achieved under each pillar, offered an adequate framework for targeting aid hence the early success of SWAPs in Uganda. Alignment has been achieved mainly by strengthening the use of the general and sector budget support instruments, leading to an increase in the number of donors using the instruments as well as the funding flows.

The coming into effect of the PD strengthened Government of Uganda's voice to donors over issues of alignment and harmonisation. Monitoring of project funding managed outside government systems also improved. Project funding remains the mainstay of many large donors, and the extent to which these projects are aligned and harmonised with Uganda's national development framework and preferred operational approaches depends on the level of involvement by the government in management of project aid, which in most cases is not strong in Uganda.

Though results management has improved partly as a result of lessons learnt from past experience in this regard, the progress made in recent times demonstrates a partial contribution of the PD. However, it appears, beyond the sectors that have SWAPs, PD has not had any noticeable impact on quality of aid partnerships and efficiency of aid delivery.

The aid effectiveness provisions in the National Development Plan, the Partnership Policy, the Memorandum of Understanding supplementing the Partnership Policy, and the institutional framework of the Local Development Partners Group, are likely to be effective in building more inclusive and effective partnerships for development in the future.

Transaction costs remain high and these are associated with demands DPs are continuing to place on government in terms of time, reporting needs, and use of the resources through numerous missions and meetings. Although coordination of missions has improved the absolute number of missions that are uncoordinated remains large.

Aid flows remain highly unpredictable until some of the bilateral donors shift from annual to multi-year commitments though disbursements could still remain annualised. Efforts to monitor development impact and account for the results have been strong before PD but have been stronger during period of implementation of the PD. However, there remains the challenge of weak monitoring of the quality of inputs and of implementation of aid financed initiatives, which is hindering aid effectiveness.

**“Has the implementation of the Paris Declaration strengthened the contribution of aid to sustainable development results (development outcomes)? How?” (Core Question 3)**

Knowledge and application of the PD principles varies widely across sectors. Results in terms of development outcomes are also mixed across sectors, with health showing either a stagnation of some of the development outcomes or a decline in some indicators.

Coordination of a large number of CSOs implementing fragmented projects continues to be a challenge, and perhaps militating against positive impact. Decentralisation of health service delivery to districts has not been matched with improvement in staffing capacity at that level, which remained at an average of 56% and as low as 30% in the worst districts<sup>1</sup>. In the water sector, PD compliant aid funding instruments introduced prior to the PD were sustained post-2005. The conclusion reached in this sector is that aid effectiveness principles in general (and not the PD specifically) may have been instrumental to the substantial improvement in outcome indicators.

The contribution of the PD in strengthening aid effectiveness instruments such as the Water Sector Working Group that pre-date the PD and have been working well in the sector is clearly evident with greater division of labour, greater transparency in procurement at central government level through the properly constituted contracts committees that are largely independent of political patronage and report to the Public Procurement and Disposal of Assets Authority and with improved results monitoring.

In agriculture, no tangible impacts in relation to aid effectiveness principles in general or the PD, in particular can be observed. The sector has been characterised by development of too many new national strategies and programmes with little implementation. Both annual sector growth and the share of agriculture in total GDP have declined during the PD period. Absence of a SWAp for agriculture has hindered effective donor coordination and alignment. Knowledge of the PD principles among staff working in the sector has been scant.

There is no convincing evidence to conclude that the PD has necessarily influenced priority setting in favour of the needs of the poorest, who include women and girls and those socially

excluded. PD implementation has sustained pre-PD initiatives for strengthening national service delivery capacity at all levels (central government, local government and civil society levels). This includes the capacity of ordinary poor men and women citizens to defend their rights through political decision-making processes, access to basic services and opportunities to earn meaningful income and realise their ambitions.

Capacities to undertake value for money audits on government programmes and to investigate financial mismanagement have also been strengthened though challenges remain in effectively applying these new capacities because of undue political influence over these processes.

## Main Lessons and Recommendations on Common and Specific Questions

To add value, the PD commitments require fertile ground or enablers, such as enabling political governance (including respect for human rights), prudent macro-economic management, decentralisation, strong sector leadership by government, including the presence of a Sector Wide Approach.

Genuine ownership requires political leverage and space as well as a legal-institutional framework that ensures that citizens – including the poor and the most marginalised women and men – are able to engage in decision-making processes and hold their governments accountable. These frameworks need to be established and promoted.

To improve the predictability of aid, all development partners have to boldly shift to multi-year commitments governed by medium (five years) to long-term (10 years) development partnership arrangements. This mostly applies to bilateral donors such as the USA and Japan who are constrained by their aid policies.

The use of aid conditionality to influence specific policy choices on the recipient country may erode the commitment of partner countries to the use of aid modalities that promote more effective use of aid (such as General Budget Support), thus reversing gains made in the implementation of the Paris Declaration principles. An appropriate set of good practice principles on aid conditionality should thus be developed and widely promoted for adoption by development partners, including non-traditional donors.

Parliament should play a more active role as clearing house for any new aid but this institution needs to be appraised of the PD principles and the need to ensure that any new forms of aid do not undermine current aid relationships.

Year-round aid effectiveness activities should be imbedded into the work of the lead institutions driving the aid effectiveness agenda at country level and should be cascaded to sectors to promote awareness.

<sup>1</sup> Annual Health Sector Performance Report, Financial Year 2008/2009

A framework to guide the entry into new partnerships with non-traditional donors should also be put in place that ensures such partnerships do not take precedence over existing partnerships. Prototypes of well functioning frameworks should be developed and their use promoted.

Globally, the discourse on aid effectiveness should now shift to helping developing countries institutionalise good practices in strategies to improve aid effectiveness, based on evidence of what works and what doesn't, generated from implementing the PD. Special focus should be on making aid

achieve development outcomes and impacts and best practice in evaluating such impacts should be further developed, refined and well documented.

Development partners, especially some bilateral donors, should reform their aid policies in order to improve aid predictability. Good governance is the pillar of aid effectiveness. Efforts to increase the capacity and voice of all development actors, including non-state actors, to take an active role in dialogue on development policy and governance issues should be prioritised by DPs and the recipient government.



# Evaluation of the Implementation of the Paris Declaration

## Country Evaluation

### VIETNAM

## Executive Summary

Vietnam is one of 24 partner countries that have agreed to participate in the second phase of the evaluation of the Paris Declaration. The first phase was conducted in 2007/8, and focused on the inputs and early outputs of the implementation process. The second phase is being conducted in preparation for the 4<sup>th</sup> High Level Forum in Korea in 2011 and emphasises outcomes and results, to establish whether the long-term goals of the Paris Declaration are being achieved. However, the methodology acknowledges that the contribution of the Paris Declaration to development results may not yet be visible, and calls for an exploration of causal chains that are only just beginning to emerge.

The main evaluation mission was conducted over a three-week period from 19 July to 7 August 2010, and involved key informant interviews with a wide range of Government of Vietnam stakeholders and Development Partners, as well as independent observers. A range of data was collected on aid flows and national development results, and a qualitative survey was distributed to stakeholders, with responses received from 11 Development Partners, four line ministries and seven provinces. The Evaluation Team would like to express their appreciation to the staff of the Ministry of Planning and Investment, who provided excellent management and logistical support to the evaluation. However, we should stress that the opinions expressed in this evaluation are entirely our own.

The evaluation report is structured around the three core questions in the evaluation matrix.

#### **1. What are the important factors that have affected the relevance and implementation of the Paris Declaration and its potential effects on aid effectiveness and development results?**

Vietnam was the first country to localise the 2005 Paris Declaration on Aid Effectiveness, and has been one of the most active in its implementation. The Hanoi Core Statement (HCS) was adopted within a few months of the Paris High Level Forum, with all major DPs signing up to its principles and commitments. It had a number of precursors. In the preceding period, a number of donor groupings had emerged to promote harmonisation and alignment. In 2004, the government created the Partnership Group on Aid Effectiveness to bring together these different initiatives under its own leadership. One of the early actions of this Group was to adopt the HCS, which mirrors the content of the Paris Declaration very closely.

Since then, Vietnam has developed an elaborate architecture for promoting aid effectiveness, including permanent dialogue structures, *ad hoc* thematic working groups and regular reporting and review processes. The Ministry of Planning and Investment is an energetic champion of the aid effectiveness agenda at both international and national levels. On the donor side, the donors who are active in aid effectiveness processes constitute together more than 95% of the total development assistance. There are different interests among the donor groups within the aid effectiveness agenda. The development banks focus mainly on boosting the efficiency of project implementation and the quality of country systems, while the bilateral donors have worked together to pilot the introduction of new aid modalities.

The One UN Reform process, of which Vietnam is a pilot country, is helping to rationalise the donor presence.

The evaluation identifies a number of contextual factors that have shaped the high level of engagement by both government and donors in the aid effectiveness agenda. First, Vietnam has very strong national ownership of the development agenda, and one of the most impressive records on poverty reduction in the world. Poverty fell from 60% over the national poverty line in 1990 to 28.9% in 2002, 16% in 2006 and a likely 10-12% in 2010. This gives donors confidence that their aid will be used effectively, despite significant institutional weaknesses. It enables the donors to introduce general budget support at a remarkably early stage in Vietnam's economic transition, before there was even a published budget. Second, Vietnam is by no means an aid-dependent country, and is strongly resistant to external pressure on its domestic policy processes. Well before the Paris Declaration, donors in Vietnam realised there was little value in attempting to use conditionality to lever policy change. This meant that Vietnam and its Development Partners achieved a more mature development partnership at an early stage. Finally, Vietnam's recent achievement of Middle-Income Country status means that there is a limited time horizon for aid. The government is therefore determined to use the HCS as a tool for extracting the maximum value from the remaining aid flows. However, some donors have already begun to shift the balance of their assistance from traditional sectoral support towards technical assistance in niche areas, which results in regression against some of the Paris Declaration indicators. The implications of this trend for the national aid effectiveness agenda are still being measured.

## **2. To what extent and how has the implementation of the Paris Declaration led to an improvement in the efficiency of aid delivery, the management and use of aid and better partnerships?**

Vietnam has gone further than most countries in articulating aid effectiveness commitments and establishing structures and processes for taking these forward. However, it has also discovered that moving from general principles to concrete changes in aid practices is difficult and time consuming. The issues quickly become complex and technical, and protracted negotiation is needed to identify practical solutions and compromises. Many of the commitments involve changing national rules and institutions, which in Vietnam can be a slow process. There are some strong vested interests in traditional aid practices that are hard to overcome. Poor communication across government, and weak capacity in the provinces can be a real constraint. On the donor side, implementation encounters restrictive headquarter rules, risk aversion, institutional inertia, capacity constraints in small aid missions, and fatigue with time-consuming aid processes. The diplomatic norms that govern the development partnership mean that only very soft forms of mutual accountability are possible. As a result, aid effectiveness processes are inherently prone to stalling, and need to be constantly reinvigorated.

To its credit, the Ministry of Planning and Investment has not allowed the implementation process to grind to a halt, but has continued to experiment with new structures and processes to keep it moving forward. However, practical change has come in the form of small steps, rather than major breakthroughs.

Although there is gradual change underway in many areas of the development partnership, the evaluation identifies two areas of change under the HCS that are particularly important.

The first is the shift towards new aid modalities and programme-based approaches. Donors have experimented with changing aid modalities in areas such as rural water and sanitation, education, Programme 135 (targeted at ethnic minorities), rural transport and (prospectively) health. This shift has been far from easy. The initiative for changing aid modalities has come almost entirely from the donor side, and has had to overcome a range of obstacles, including a legal framework for aid management that treats projects as the default option and a set of incentives that favour traditional projects. Programme-based approaches are also more difficult to implement in Vietnam's highly decentralised system of government, especially given continuing weaknesses in financial reporting and results management. For these reasons, new aid modalities have mostly taken the form of targeted budget support delivered through national poverty reduction programmes (National Target Programmes), rather than full Sector-Wide Approaches or sectoral budget support.

Under the Paris Declaration, programme-based approaches are used as a proxy for simplification of procedures among donors. In fact, they are a more ambitious form of assistance that requires higher intensity effort on both sides than traditional projects. The real significance of programme-based approaches lies in achieving a more strategic engagement by donors in strengthening core sectoral capacities and processes for policy making, planning, budgeting and managing for results. In the sectors that have moved furthest towards programme-based approaches, we find evidence of greater policy influence for donors, particularly around the targeting of expenditure for the poorest communities. Counterparts show an increased understanding of the importance of results management and a greater willingness to experiment with new tools and approaches. There has been some strengthening of community participation in development initiatives, which is potentially an important contribution to the decentralisation process. In the health sector, the Ministry of Health and donors are working intensively on improving the quality of the national health strategy and its accompanying expenditure framework, as a precondition for sectoral budget support. These are not dramatic changes, but they are evidence that donors and their counterparts are working more intensively on issues that matter.

The second domain of change is strengthening country systems for public investment management. This is happening in a number of ways. Donors have supported horizontal reforms

of public financial management and procurement systems. There have been capacity building programmes, including strengthening the ability of central agencies like the Public Procurement Agency to conduct training across the administration. There has been joint analysis of the gaps between country systems and international standards. There have been improvements to Vietnamese regulations on environmental and social safeguards. There has been alignment of donor and country procedures in a few areas, including project feasibility studies and monitoring and reporting tools. The Six Banks have agreed with the government on a Plan of Action to address outstanding bottlenecks in project implementation.

As a result, there have clearly been some improvements in country systems and capacities for public investment management, including at the provincial level. The development banks report that there have been some recent improvements in the efficiency of project implementation. However, line ministries and provinces are still experiencing significant delays in project start-up and implementation, which remains their main aid effectiveness concern.

There are aspects of the Paris Declaration/HCS that have not received the same level of attention in Vietnam, such as improving the division of labour among donors, encouraging joint programming and delegated cooperation, increasing joint missions or improving the predictability of aid flows. While these are desirable goals and have shown some measure of improvement over the past five years, in a country that is not aid dependent they are not seen as high priorities.

### 3. Has the implementation of HCS strengthened the contribution of aid to sustainable development results? How?

To attribute development results to HCS implementation, we have to begin from the findings on intermediate outcomes – namely, the extent to which the HCS has brought about meaningful changes in aid practices – and then consider whether those changes have helped increase Vietnam's rate of progress towards its development goals. The changes in the development partnership identified here are still at a fairly early stage, but they do suggest where the main causal pathways from HCS implementation to development results are likely to appear in the future.

- i) The shift from fragmented project aid towards programme-based approaches leads to a more intensive engagement by donors in building up core sectoral capacities for planning, budgeting and results management, leading to greater development effectiveness at the sectoral level.
- ii) More intensive investments in improving country systems for managing development expenditure, supported by greater willingness of donors to use those systems for aid delivery, leads to efficiency gains for all development expenditure.

However, these benefits are still largely in the future. Even in Vietnam, with the high level of effort that has gone into HCS implementation, the bulk of assistance is still delivered in much the same way as it was before the HCS – neither through programme-based approaches nor using country systems. For this reason, it is not possible to conclude that there has been a major impact of the HCS on development effectiveness at this point. It would be more realistic to look for that impact towards the end of the next five-year planning cycle. However, there is enough evidence of emerging results to justify continued investment in this important agenda.

## Recommendations for strengthening aid effectiveness in Vietnam

The evaluation offers a number of practical recommendations for strengthening the aid effectiveness agenda in Vietnam. These are:

- i) Improve the legal and institutional framework for aid management to provide guidance to ministries on the design of programme-based approaches and new aid modalities.
- ii) Strengthen the role of the Ministry of Planning and Investment in supporting new aid modalities, including disseminating lessons on designing and implementing programme-based approaches.
- iii) Clarify Vietnam's policy on the use of less-concessional development finance by establishing criteria based on overall development return, rather than direct financial return.
- iv) Clarify the roles and responsibilities of different government agencies in climate change finance, and establish a single body to coordinate assistance.
- v) Review the role of project management units in the Vietnamese system of aid management, to reduce fragmentation within ministries and increase the prospect of sustainable capacity development.
- vi) Increase the use of objective assessment tools for country systems, particularly in public financial management.
- vii) Pursue the development of programme-based approaches in appropriate sectors, but without adopting overly complex funding modalities, by encouraging line ministries and donors to agree on a practical agenda for strengthening core sectoral processes like planning, budgeting and results management.

- viii) Incorporate assessments of institutional capacity gaps into sectoral strategies, to help ministries and donors agree on a common capacity building agenda and division of labour.
- ix) Develop an agenda for the Aid Effectiveness Forum that covers issues that cross over aid effectiveness and development policy, and cannot be addressed in sectoral Partnership Groups. Some of the issues could be referred to donor groups to prepare positions papers to present to the Aid Effectiveness Forum.
- x) Strengthen the relationship between sectoral Partnership Groups and the Aid Effectiveness Forum by setting down guidelines on the roles of Partnerships Groups and how to improve their efficiency. Task each Partnership Group with articulating priority actions for improving aid effectiveness, and report on progress annually to the Aid Effectiveness Forum.

# Evaluation of the Implementation of the Paris Declaration

## Country Evaluation

### ZAMBIA

## Executive Summary

### Introduction

The Phase 2 Evaluation building on evidence from the Phase 1 and regular PD monitoring surveys which focused on behavioural change and intermediate results in aid management efficiency, went further to **assess plausible contribution of aid to development results**. The Evaluation concentrated on three main questions: (a) the PD context; (b) intermediate outcomes in terms of efficiency of aid management; and (c) development results, drawing from key informant interviews and existing literature.

### Study Approach

A national overview and two sector case studies in Health and Agriculture were to be conducted. Interviews were conducted with over 30 key informants drawn from government, development partners, quasi-government institutions, civil society, the academia and the private sector, selected based on a comprehensive stakeholder analysis. Regular advice was provided by the international core team and a multi-stakeholder national reference group.

### Main Findings and Conclusions

#### The National Context

Zambia is a land locked country of approximately 752,600 square kilometres with a population of 13 million people. The country's tight fiscal and monetary policies have reduced inflation to single digit levels and attracted foreign direct investment mostly into the mining sector. GDP in purchasing power parity terms has risen more than 70% between

2000 and 2010 reaching USD 17.155 billion or USD 1,460.63 per capita in 2010. Despite these positive economic gains, extreme poverty remained endemic especially in rural areas as poverty headcount reduced only marginally from 70% to 64% between 1991 and 2006. Due to this imbalance, consumption inequality was high, as shown by a Gini coefficient for 2007 of approximately 50.7, only marginally lower than the 52.6 for 1998 (2001 and 2009 Human Development Reports). This context, indicates the need for external support to address socio-economic challenges.

According to the Ministry of Finance and National Planning, in 2009, 28 donors were providing ODA to Zambia and many more through NGOs. Between 2006 and 2009 the 10 largest donors were EU (14.3%), USA (10.7%), United Kingdom (9.0%), United Nations (8.9%), World Bank (8.7%), Netherlands (7.6%), Norway (5.6%), Denmark (5.2%), AfDB (4.4%), Germany (4.3%) and Japan (4.3%). The rest of the donors provided 17%.

- a) **“What are the important factors that have affected the relevance and implementation of the Paris Declaration and its potential effects on aid effectiveness and development results?”**

Momentum towards more aid effectiveness in Zambia started with the introduction of the Sector Wide Approach (SWAp) and decentralisation policy well before the Paris Declaration was adopted in 2005. However, the natural expectation that the pre-existence of initiatives towards aid effectiveness would have catalysed adoption of the PD principles in Zambia was not supported by strong evidence. The counterfactual –

whether the current progress in embracing the Paris Declaration principles would not have taken place without the Declaration being signed – cannot be answered conclusively either.

Views of some in the government pointed out the lack of a formal domestication of the Paris Declaration and institutional champions as key stumbling blocks that inhibited translation of the PD into action level mechanisms. While the Economic and Technical Cooperation (ETC) Department of the Ministry of Finance and National Planning (MOFNP) was the natural home for propagation of the PD, a recent evaluation of the Joint Assistance Strategy for Zambia (JASZ) found the structure of the department more amenable to a bilateral focus on aid relations rather than a sector thematic focus that would suit the handling of the Paris Declaration issues. The ETC has also been overstretched because it continues to deal with donors on a one-on-one basis demanding diverse competencies.

The findings from Zambia confirm that the PD has made aid effectiveness principles more widely known. Government and donors can easily relate to, and build consensus around them. Donor country offices also now find it easier to negotiate for support from headquarters on country level aid cooperation on the basis of these global principles.

The high level of interest and engagement in aid effectiveness among key stakeholders has continued to operate with different dialogue platforms established under the Poverty Reduction Budget Support and JASZ MoUs. However, there is dissimilar levels of commitment between the donors and the GRZ to this process. For donors that signed either the PRBS or the JASZ MoUs, the interest in aid effectiveness generally remains high though some who are part of the JASZ appear to doubt the efficacy of these dialogue platforms and the aid effectiveness agenda as implemented.

Regarding the GRZ, commitment to aid effectiveness principles was found to vary, being highest in the ETC department of MoFNP. Ministries with SWAps also have sustained interest and level of engagement. Less interest was exhibited by those without SWAps exemplified in the declining level of seniority of sector ministry representatives at the High Level Policy Dialogue meetings.

In terms of key influences on aid relations there are three. Firstly, with Zambia's attainment of the HIPC Completion Point in 2005 and the subsequent debt write off, Zambia debt stock fell from USD 7.2 billion to only USD 500 million. With it ended the annual negotiations for debt rescheduling at the Paris Club. Subsequently, the role of the World Bank, which often acted as a bridge between Zambia and other donors, is no longer as prominent. The rising status of China as a donor to Zambia is another major influence. China has in recent years become the second largest economy in the world and her aid to Zambia has become more visible, mostly in the form of loans, yet she remains outside the aid effectiveness agenda.

The third has been the withholding of some aid due to alleged misappropriation of funds at the Ministry of Health. This last influence appears to have tested Zambia's aid relations the most in recent times.

It was found that PD principles and their sub-principles are at times interpreted differently by different players, including among the donors themselves. Division of labour is understood differently, with some so called "silent" donors being very visible and articulate. There is however tension between the GRZ and donors around Mutual Accountability. Government officers believe there is disproportionate intensity of scrutiny of government's actions relative to those of donors, yet the latter should equally be open to scrutiny on timeliness of aid release.

Civil society organisations who are receiving a significant share of donor funds are not included in the mutual accountability framework. CSOs hold the view that the absence of a Mutual Accountability Framework is one of the reasons Cooperating Partners (CPs) and CSOs find it difficult to hold government to account for its unilateralism in decision making. Further, in some sectors harmonisation appears to have provided CPs with a convenient platform with which to "gang-up" to criticize government. CPs may hold different views concerning contentious issues but with harmonisation they speak with one voice.

**b) "To what extent and how has the implementation of the Paris Declaration led to an improvement in the efficiency of aid delivery, the management and use of aid and better partnerships?" (Core Question 2)**

Increased leadership and ownership by the government was clearly evident in processes which formulated the Fifth and Sixth National Development Plans (FNDP, SNDF). However, due to low staff capacity in critical departments, there has been a weak link between national development planning on one hand and budgeting, on the other. This has hindered full realisation of potential benefits from improved planning. Government and development partners have become increasingly open to increased civil society participation in development planning processes with formal representation in aid coordination, although the extent of civil society participation and engagement is perceived differently across stakeholder groups.

Harmonisation is well accepted by development partners particularly with respect to programme based approaches but performance indicators and reporting still needs standardisation and harmonisation. In terms of alignment, development partners have aligned most of their policies and programmes to the national development plan but much of project or programme implementation is not yet using country systems. Managing for development results is being done mostly at project level. Mutual Accountability is being strengthened and a review has been commissioned to investigate outcomes so far achieved.

In terms of performance and accountability, there are now better systems including the Auditor General's Office and Parliamentary Accounts Committee. However, not much has been done to follow-up on issues that have been highlighted by these institutions due to a weak link with systems for law enforcement.

Less duplication of effort among CPs has been noted primarily through the SWAp reinforced by the PD. Both the Wider Harmonisation in Practice (WHIP) and Sector Advisory Groups (SAGs) have also positively reinforced adherence to PD principles and vice versa. The JASZ has been particularly useful in this regard.

Predictability of financial flows which had improved significantly deteriorated in 2010, following the alleged theft of funds at the Ministry of Health which led to a general freezing of ODA. Government funded 100% of the health budget in 2010 and at least 90% of the agriculture budget in the same year. CP delegation of decision making to country offices is insufficient, curtailing decisions informed by local circumstances.

Capacities for results-driven strategies are getting stronger. The FNDP provided a framework for results management through the Key Performance Indicators. The Ministry of Finance established a dedicated department in the last two years mandated with monitoring and evaluation. However, inadequate staffing remains an issue with M&E outputs and there is also a need for a forum for wider discussion.

Information asymmetry exists which favours CPs, while leaving government without adequate information. This affects the latter's ability to engage in dialogue with donors.

**c) "Has the implementation of the Paris Declaration strengthened the contribution of aid to sustainable development results? How?" (Core Question 3)**

The extent of implementation of PD principles varies across sectors thus results are mixed. In health, the advent of PD principles not only led to better understanding of what was to be done under SWAp, but also increased stakeholder consciousness of the need to utilise available resources more wisely. The PD contributed to progress in aid effectiveness by strengthening the development plans, aid coordination mechanisms and sector wide management approaches.

More especially, the Paris Declaration has enhanced the quality of dialogue, contributed to more coordinated support towards national systems, widened use of programme-based approaches and guided implementation of the FNDP towards achievement of the Millennium Development Goals.

The PD has encouraged donor harmonisation but persistent fragmentation of aid modalities still places an administrative burden on health sector capacity.

A significant proportion of health sector investments do not have adequate monitoring systems in place to enable results – oriented decision making. It is difficult to find evidence of PD influence on quality of results management and mutual accountability in the sector.

With respect to administrative efficiency, SWAp records for the past eight years show a substantial amount of time being spent attending meetings. Donors that have not been pooling resources continue to impose separate planning, budgeting and reporting formats and meetings, increasing the administrative workload on health staff.

In agriculture, PD-like principles became evident during the design and implementation of the Agricultural Sector Investment Programme (ASIP) between 2000 and 2006. At that time the Ministry of Agriculture and Cooperatives (MACO) showed greater ownership by driving the design and implementation of ASIP and carrying out wide-ranging institutional reforms. The GRZ insisted on phasing out all area-based programmes and asked donors to support agriculture through a single planning framework of ASIP. Management for results was far much more vigorous then, with a clear results based M&E framework and Key Performance Indicators at sectoral level that fed into the overall macro level indicators, annual work planning and budgeting.

However, alignment has proved to be a perennial problem in the agriculture sector. Despite the GRZ making efforts to strengthen the financial and procurement systems, CPs continue to shun government systems. Given that GRZ was strong on insisting that there would be no new stand alone projects, many donors simply held on to their funds and ASIP failed to live up to its ambitions. This development led the Agriculture Commercialization Programme, which succeeded ASIP to abandon the requirement of insisting on the use of national systems. A number of projects with their own implementation units immediately followed but all focusing on smallholder commercialisation.

The agriculture sector may have benefited from enhanced dialogue structures that emerged since the adoption of the PD. However, contentious issues under ASIP still poison the CP/GRZ relationship – fertilizer subsidies and government intervention in maize marketing and the aid relationship is not as amicable as in those sectors that enjoy SWAps.

The most notable results contributed by the PD-influenced dialogue are the eight refined policy statements in the draft Comprehensive Africa Agriculture Development Programme Compact. These policy statements, extensively discussed by all key stakeholders were all well received by major CPs for future funding to the sector.

Overall, the capacity of Zambia to coordinate and manage aid is growing slowly, with improvements in public financial management. However, major gaps still remain in analytical work,

policy formulation, strategic planning and evaluation which are least supported. Other capacity gaps lie with limited attention on the needs of parliament, auditors and civil society, who play an important oversight role.

### Main Recommendations

To sustain the present PD momentum, it is critical that all aid stakeholders in Zambia build on the original founding basis for aid effectiveness dialogue and policy instruments.

Enhanced value can only be attained if **progress is made on all fronts of the five PD principles**. The PD should be implemented in full to become a catalyst of better governance, better service delivery, and enhanced trust by citizens of both the donor and the recipient country.

Hence a **system to strengthen national capacity to cascade PD knowledge** from the focal institution, the ETC in the Ministry of Finance and National Planning, to other ministries and every critical oversight body such as parliament, civil society, and the Auditor General's Office.

The **link between these accountability institutions and law enforcement systems** should also be strengthened in order to reduce risk of financial misappropriation and, more importantly, rekindle development partner confidence in the use of national systems for public financial management and procurement.

Since the SWAps have proven to be a catalyst to PD implementation in Zambia, they should be **rolled out to as many sectors as possible**, whilst at the same time recognising that while being a necessary condition they are not a sufficient condition for aid effectiveness.

Beyond 2010, **critical questions still remain unanswered as to how to sustain the momentum gained towards aid effectiveness and how to ensure that aid achieves the desired development outcomes**. The next high level forum on aid effectiveness should tackle these core questions, especially **how to make aid more effective in reducing rural poverty, social exclusion and income inequalities**. This may require enhanced support by development partners to initiatives that address inequalities more directly, improve monitoring and evaluation systems, and strengthen of service delivery systems.

**Weak frameworks for enforcing and assessing Mutual Accountability need to be strengthened**. The same applies to monitoring of transaction costs and holding DPs to account for declining aid predictability.

**CPs should increase their delegation of decision-making powers to country office staff** to facilitate decision-making sensitive to local realities.

**Methods for assessing the contribution of aid to development outcomes** need to be further refined, building on the experience and lessons gained from this Evaluation.



**ANNEX 2**  
**Executive Summaries of**  
**Phase 2**

**DONOR AND AGENCY STUDIES**



# Evaluation of the Implementation of the Paris Declaration

## Donor Study

### AFRICAN DEVELOPMENT BANK

#### Executive Summary

#### Purpose and approach to this evaluation

- I. This evaluation is one of a series of donor agency and country evaluations contributing to Phase 2 of the Global Evaluation of the Paris Declaration (PD). The purpose of this evaluation is to assess African Development Bank's (AfDB) performance in fulfilling its commitments to the PD as an institution. This evaluation focuses on the context, institutional aspects and outcomes of PD implementation. The institutional aspects have been reviewed according to three dimensions: leadership and commitment, capacity, and incentives.
- II. This evaluation has used a range of methods for data collection, drawing from different sources, including: policy document review, organisation review (including staff survey), review of country strategies and portfolios (covering 15 regional member countries – RMCs), country visits (Kenya, Malawi, Burkina Faso, Cameroon) and stakeholder interviews and discussions at AfDB in Tunis.

#### Key findings

- III. Since 2005 the Bank has achieved much with regard to aid effectiveness (AE).
  - The Bank has signed up to the Joint Assistance Strategies for a number of countries (e.g. Central African Republic, the Gambia, Sierra Leone, Tanzania, Kenya, Liberia, Zambia, and Uganda).

- It has harmonised its procurement rules and procedures with other multilateral development banks and removed the rules of origin that was a major impediment for further harmonisation and alignment of Bank support.
- The Bank has, within the limitations set by the African Development Fund (ADF), increasingly used budget support to respond to RMCs' demand.
- It has made substantial contributions to building country capacities on public finance management and statistical capacity.
- It has increased its field presence and as a result has strengthened the Bank's engagement with RMCs and other development partners.
- It has made efforts to strengthen the broad-based ownership of its Country Strategy Papers and align country programmes with RMCs' priorities.
- The Bank has strengthened Africa's leadership on development through support of regional institutions promoting economic and financial governance.
- Practices for mutual accountability are emerging as a result of stronger partnerships at country level.

- IV. **Progress has been generally better where the Bank's mission has overlapped with the aid effectiveness agenda.** For example, RMC ownership is at the heart of

the Bank's mission and the Bank has taken country ownership seriously prior to the Paris Declaration. The Bank has communicated its commitment to ownership consistently through policies and strategies and its efforts to building RMC capacities for effective leadership were consistent with this commitment. The Bank has been a reliable partner for RMCs and, as a result, has performed well on policy alignment and predictability of funding.

- V. **Progress has been inconsistent in areas that are not supported by its corporate strategy.** Alignment with country systems has been on an ad-hoc base, often as a result of demands by country governments. A long-term approach has been missing. Performance related issues (e.g. time lapse between approval and effectiveness, low disbursement rates, slow procurement of goods and services procedures) have often been addressed through short-term solutions (e.g. training, consultants). Disbursement targets still provide a strong incentive to maintain Project Implementation Units (PIU). The Bank's cautious approach to risk management has made it reluctant to use country systems, therefore slowing down progress. The Bank has no strategic stance on the use of more aligned modalities other than budget support and, as a result, progress in the use of common instruments (such as participation in pooled funds or sector budget support) is slow and variable.
- VI. **The transition to new ways of working under the aid effectiveness agenda is creating dilemmas and conflicts.** Bank staff perceive the inherent tension between the key drivers of Bank performance (risk awareness, disbursement pressure) and the new ways of working under the AE agenda. An example is the dilemma over whether the Bank should be supporting parallel PIUs or their equivalents. The existing Bank documents do not provide clarity on how choices and challenges resulting from the AE agenda should be addressed at the operational level.
- VII. **Decentralisation** offers a unique opportunity to harness the latent capacities and intrinsic motivation available within countries. Country offices show significant commitment and intrinsic motivation that drives their engagement in the country's AE agenda. Good practices, for example on mutual accountability, are emerging at country level despite the Bank's failure to promote them in a strategic way. Within the countries, the Bank has benefited substantially from joint work with other development partners. Delegation of authority to field offices and a stronger focus on technical capacity within the country will help to harness those potentials. The Bank as a whole could learn from country-level experiences with AE.
- VIII. **The Bank has not yet realised the opportunities of policy dialogue within the new aid architecture.** The Bank has traditionally treated budget support as a funding mechanism rather than as part of a package to support effective country leadership which includes policy dialogue. The Bank is keen to respect governments' views in the dialogue and tends to refrain from pushing difficult issues. For example in the transport sector, the Bank is leaving the more difficult change management aspects to donors such as the World Bank and EU. The Bank often lacks the critical mass of qualified staff on the ground that would enable an effective role in policy dialogue.
- IX. **The Bank has missed opportunities to link institutional performance with aid effectiveness principles within its corporate strategy.** Reference to AE is scattered throughout the Bank's corporate strategies and there is no overall strategy document that would guide the Bank's approach to AE in line with its mission. For example, the Bank does not have a consistent approach to conditionality. It has reduced project conditionalities to speed up implementation, but it still tends to address strategic and institutional issues through conditions rather than dialogue. The Bank's focus on short-term performance targets lacks a long-term view on partnerships and has hindered more aligned and harmonised ways of working.
- X. **The Bank has not invested substantially in developing and implementing an organisation-wide approach to implement aid effectiveness principles.** The Bank's efforts over time have been fragmented, inconsistent and under-resourced. In the absence of a clear rationale and strategy for implementing AE principles, AE was often treated as add-on. AE principles have been addressed on a case-by-case basis rather than in response to an overarching strategy for AE. For example, progress with the harmonisation of procurement practices and assessment of country procurement systems could have been better if there was a consistent strategy and sufficient resources to support it.
- XI. **Institutional arrangements for aid effectiveness have not been adequate and have led to a fragmented approach.** Different parts of the organisation have taken some efforts to address AE principles, but overall progress was fragmented across the organisation. The Bank did not have an effective approach to mainstreaming AE principles in the organisation. It did not provide the organisational arrangements and resources for an AE strategy. Capacity to coordinate an action plan on AE was insufficient.
- XII. **Responsibility to engage on the ground:** The Bank has achieved much with regard to AE. The Bank's commitment to RMC ownership meant that it was exemplary in its efforts to strengthen country leadership. The

## Conclusions

- XII. **Responsibility to engage on the ground:** The Bank has achieved much with regard to AE. The Bank's commitment to RMC ownership meant that it was exemplary in its efforts to strengthen country leadership. The

Bank's approach to partnership builds on mutual trust and accountability. But the Bank has a responsibility to respond fully to the AE agenda at country level, and to fulfil its vision of being Africa's premier financial institution. AE principles of ownership and alignment require close dialogue with RMC governments, civil society and the private sector. In a strong partnership, there will be many sensitive issues to deal with as well as the means to address and resolve differences of opinion. The Bank should not shy away from addressing controversial issues. As an equal partner in the policy dialogue, the Bank needs to develop a strategic stance on sensitive issues that are complex and require a long-term perspective (e.g. governance and accountability issues, use of country systems).

- XIII. **Case for strategic change:** The Bank could strengthen its institutional performance if it integrated AE principles into its corporate strategy. There is a strong case for AE as part of the Bank's strategy to improve performance and standing within RMC. For this the Bank needs to address the entire spectrum of AE principles. The Bank has generally performed well in terms of ownership and policy alignment and it has made some commendable efforts on management for development results. More needs to be done on systems alignment, harmonisation and mutual accountability, with increased focus on long-term goals and partnerships.
- XIV. **Call for institutional reform:** The main bottlenecks for the implementation of the AE agenda on the ground are weak capacities and conflicting incentives. The Bank as an organisation has not invested strategically into the capacities and skills required within the new aid architecture. Strong incentives relating to financial performance have been driving country portfolio management often at the expense of AE principles. The move to new truly country-led ways of working will take further, far-reaching institutional reforms. For a consistent and coherent approach to AE there needs to be a strong and sustained commitment in all parts of the organisation.

## Recommendations

- XV. **Establish the case for aid/development effectiveness within the organisation:** The President of the Bank has already made a powerful case for focusing on development effectiveness.<sup>1</sup> The evaluation endorses this move. In order to achieve better coherence between AE (in the following referred to as "development effectiveness") principles and its corporate strategy the Bank has to make the case that it is in its own interest to strengthen country capacities and leadership if it wants to improve its performance in the long-term. The upcoming strategic process will be an opportunity to establish

<sup>1</sup> The Tunis Consensus – Targeting effective development: From Aid Effectiveness to Development Effectiveness. Tunis, 4-5 November 2010.

the relevance of development effectiveness principles within the Bank's corporate strategy.

### Action points:

- The Policy Department (ORPC) is well placed to lead the process. Based on the policy documents review undertaken with this evaluation, ORPC should examine the strategic fit between development effectiveness principles and corporate strategies. ORPC should clarify the Bank's policy stance on issues where there are gaps (e.g. conditionalities, funding instruments).
  - The Chief Economist (ECON) should prepare a background paper – as part of the examination of critical issues – of the relevance of development principles for the Bank's strategy. This paper should be prepared in a similar process as that for a new mid-term strategy. It needs to take into account the outcomes of the discussions around development effectiveness to be held during that process. In the background paper the ECON in cooperation with the Strategy Office (STRG) should also clarify the Bank's comparative advantage based on development effectiveness principles.
  - The Chief Operating Officer's (COO) office and Vice President for Country Operations, Regional Programs, and Policy Complex (ORVP) should lead the Bank-wide debate around critical issues that seem to create tensions between AE and elements of its strategy. A priority issue for debate is the use of country systems. The Procurement and Fiduciary Services Department should present a strategy to strengthen the use of the country system for a wider debate in the Bank that includes field offices. ORVP's seminars on operational knowledge could provide the platform for these discussions.
- XVI. **Mainstream development effectiveness principles:** The Bank will only be able to address development effectiveness in a consistent way if the principles are integrated ("mainstreamed") in all parts of the organisation. The Bank needs to make sure that there are clear responsibilities and incentives and that all staff are pulling in the same direction with regard to development effectiveness. The Roadmap for AE has been a first step to raise awareness and consolidate efforts through a Bank-wide approach.

### Action points:

- ORPC should prepare a central document that provides guidance on how AE principles will be addressed through the Bank's support. The document does not have to replace existing policy documents, but it should provide clear reference on how AE principles are addressed in the various policy documents.

- ORPC should also provide detailed guidelines for task managers on how AE principles should be taken into account at the operational level.
- The Bank should appoint development effectiveness champions in all three operational complexes who would lead on the preparation and execution of development action plans to implement AE principles at operational levels.
- Action plans will focus on priority areas that are lagging behind. These are likely to differ between countries and sectors and it is therefore recommended that regions/countries/sectors should prepare their specific action plans. The action plans will establish clear responsibilities and targets to be monitored. Activities need to be budgeted and time bound.
- The preparation of action plans will be an important process to deepen the understanding of AE principles. They must be prepared through a consultative process involving field offices. The Bank should disseminate guidance on AE terminology (glossary) early on to enable informed discussion.
- The Performance Management System should require the inclusion of development effectiveness related objectives on a mandatory base. Country Strategy Papers need to include consistent strategies on development effectiveness related issues (e.g. choice of funding modalities, use of country systems). Country portfolio performance reviews must report on development effectiveness indicators as part of a more standardised format.
- The Bank needs to review its approach to risk management. Risks need to be managed (and monitored) at four levels: corporate, divisional, country and project. The Bank should develop a Fiduciary Risk assessment instrument which would help senior management to monitor aligned aid modalities (e.g. budget support) on a more systematic basis.
- Quality Assurance and Results Department will monitor AE targets on an annual base. We recommend focus on a few SMART targets that are

critical to achieve if the Bank is going to fulfil its commitment to AE principles.

- XVII. **Manage strategic decisions:** It is not sufficient to formulate policies and strategies and take strategic decisions. Strategic decisions need to be managed purposefully and systematically. This requires a proactive approach to anticipate and mitigate the challenges and risks that accompany change. The example of decentralisation shows that key organisation-wide reforms should be accompanied by the full package of complementary reforms and strategies required, and by management arrangements that ensure a strategic and responsive approach to implementation.

**Action points:**

- “Change management” can be purposefully linked to the ongoing decentralisation reform. In line with the Decentralisation Roadmap we propose that the office of the COO should be responsible for monitoring the transition to new ways of working. The COO will be reporting to the board on the change initiatives.
- The Decentralisation Roadmap has a strong focus on strengthening existing field offices. It should explicitly address the need for technical capacity to lead country dialogue and stronger selectivity and focus on comparative advantage within the new aid architecture.
- The Bank’s human resource strategy has to address the need for new skills and capacities as part of the new aid architecture, in particular the “soft skills” needed for effective management of development cooperation in an era of harmonisation and alignment. This includes training for existing staff and deployment of additional staff to provide strong capacities on the ground. Training should include soft skills (negotiation, dialogue etc) as well as technical issues (risk management, funding modalities, analysis of governance related issues etc.).
- The Bank needs to make sure that activities in relation to AE (training, workshops, and studies) are sufficiently resourced.

# Evaluation of the Implementation of the Paris Declaration

## Donor Study

### AUSTRIA

## Executive Summary

### Introduction

#### – scope of the evaluation

Austria endorsed the Paris Declaration on Aid Effectiveness (PD, 2005) and the Accra Agenda for Action (AAA, 2008). In these two documents development agencies and partner countries agreed to carry out necessary qualitative improvements in order to enhance aid effectiveness and to achieve the Millennium Development Goals (MDG, 2000). Austria set out an Action Plan on Aid Effectiveness (2006-11) as well as an Action and Implementation Plan for the AAA (2009-11).

Austria participates in the evaluation of the PD (1) by contributing to the evaluation of Uganda, (2) by a Headquarter study, and (3) by participating in the monitoring rounds. The present Austrian Headquarter study is focused on the Austrian Development Cooperation (ADC) system, including the concerned ministries, the Austrian Development Agency (ADA), the Austrian Development Bank (OeEB) and Non-Governmental Organisations (NGOs) as intermediary or implementing agencies in Vienna as well as the cooperation offices in the priority countries of the Austrian Development Cooperation.

The focus of the evaluation is on the three enabling conditions commitment, capacities and incentives specified in the generic terms of reference.

For the Austrian headquarter study an Austrian reference group composed of representatives of the Ministry of European and International Affairs, the Ministry of Finances (BMF), the Austrian Development Agency and Civil Society Organisa-

tions provided most useful feedback to the terms of reference, the inception report and the first version of the draft report.

Methodology included the reading of both international and national documentations about the Paris Declaration, a series of 42 semi-structured interviews with representatives of involved organisations carried out in Vienna (September 20 - 28, 2010) as well as an electronic survey in all 12 coordination offices.

### Main Findings and Conclusions

**Key features:** Austrian ODA is regressing from € 1.321 million in 2007 (0.50% of Gross National Income) to € 820 million in 2009 (0.30%). Austrian ODA is highly fragmented: in 2009, 136 countries (out of 150 eligible for ODA) receive Austrian ODA, with an average of € 1.9 million. Austria is almost renouncing to a selection, yet the trend is still towards even more fragmentation. In 2008, only *three* of the Austrian priority countries were among the top 10 ODA recipients (Iraq, Bosnia and Herzegovina, Chad, Egypt, Turkey, China, Kosovo, Europe regional/multicountry, Sub-Saharan Africa regional, Uganda). In the last couple of years, country programmable aid represented a low share of around 10% of Austrian ODA. Austria is placed at the last but two positions among DAC bilateral donors for the share of country programmable aid and at the next to last position for concentration (2009 OECD Report on Division of Labour, p. 21 and p.28). The volume of the other shares in Austrian ODA is oscillating very much: debt relief (55% - 5%), contributions to EU development cooperation (25% - 15%) and contributions to international financing institutions (23% - 6%).

**Legal set-up:** Austrian laws (Federal Ministries Act, Federal Act on Development Cooperation, different acts for financial contributions to IFIs, Guidelines for the Federal Finances, and several others) provide an unbalanced basis for the overall Austrian development aid and create diverging operational conditions for the different parts of ODA. Differences are specifically found among bilateral development cooperation, contributions to international financing institutions and contributions to international organisations (UN, EU).

**Development policy:** An overarching Austrian strategy for development cooperation is missing. There are various attempts to create coherence in Austrian development policy at the next lower strategic level, the ministerial and interministerial guidelines. Yet, they are very general in nature and overruled by the Guidelines for the Federal Finances. Moreover, they are not conducive for a proper political steering of Austrian ODA and they are not backed up by strong strategic monitoring mechanisms.

**Structural problems:** These structural problems, which cause high fragmentation of Austrian ODA, low internal coherence and strong oscillations in funding, are not on the domestic political agenda. In its statements towards an international public, the Austrian government does not address these problems.

**Research for solutions:** Austria has, however, made several attempts to overcome this situation. These attempts match well with the PD principles although they were made without direct reference to the PD. The most important of these attempts was the Foundation of ADA in 2004, in order to create a flexible and competent organization capable to manage roughly the double amount of ADC. Since ADA was endowed with low institutional flexibility, unclear role distribution with Ministry of European and International Affairs (BMeiA) and by far less funds than anticipated, this attempt was not successful. Other attempts failed, such as the ODA-path towards the EU ODA-target of 0.51% in 2008 or the "White paper approach" in 2009.

**Implementation of PD principles:** Under these circumstances, the implementation of the PD principles was restricted to the country programmable aid. In that small share of overall ODA (around 10% of total ODA), Austria is making slow but good progress towards the implementation of the PD.

**Potential for further progress** is limited because of the low priority of development cooperation in the Austrian political agenda, the unclear role distribution of the involved actors, the complicated processes and the inadequate formats of policy and strategy documents.

The involved actors searched solutions mostly in top-down procedures such as the amendment of the law on development cooperation (2003), the ODA path (2008), a "White paper approach" (2009) or in out-of-the middle procedures such as the interministerial strategic guidelines on Environment and

Development or Security and Development (2009-10), but these attempts did not achieve strong results or even failed. There was almost no attempt to adjust unsatisfactory existing instruments such as the Three Years Programmes (3YP) in bottom-up procedures.

**Assessing contextual factors:** There is no development cooperation strategy that could guide an overall implementation of the PD in Austrian ODA. Austria disposes of a specialized agency for Austria development cooperation, the Austrian development Agency, founded in 2004. Immediately after its foundation, ADA did embark on the implementation of the PD principles. The Ministry of European and International Affairs, responsible for coordinating Austrian development policy and for development cooperation, sets other priorities in the overarching agenda higher than PD principles, e.g. participation in UN councils or Austrian widespread visibility. The Ministry of Finances, responsible for contributions to the IFIs, gives the PD principles high priority, but implementation is to a great extent the responsibility of the supported IFIs themselves. The involved Austrian actors do not share the same view on the internationally legal binding character of the PD. In the absence of an overall development cooperation strategy, it is difficult to assess to which degree the approaches of the different actors are coherent and complementary. So far, evidence for direct influence of the PD principles on the country programmable aid is very limited (in 2009 around 45 % of new ADA commitments, representing approximately 5% of total ODA are actively programmed according to the PD principles).

**Assessing commitment:** The fall of the Austrian ODA volume by 31.2% in 2009 did reveal some structural problems in policy setting that did not receive sufficient attention in a large public before, as long as Austria scored well on the way to the EU 2010 ODA target of 0.51%. There is no domestic policy mechanism in place covering all Development Aid. Being a mixture between an overarching strategy and an operational plan for BMeiA and ADA, the 3YP cannot be used as such a mechanism in its present form. A shift to a politically endorsed medium-term development policy is therefore necessary for reducing overlaps and divergences among ODA and ADC. A decisive point for the Austrian commitment will be the Government programme for the 25<sup>th</sup> Legislation period 2014-17. Other commitments for individual targets of the PD, as e.g. increased joint missions and joint project implementation units, the further deployment of delegated cooperation, increase of the share of pooled funding, etc. are of minor importance but should nevertheless be tackled in a redesigned programming procedure.

**Assessing capacities:** Austria has remarkable capacities for delivering innovative solutions in small units in specific working contexts, but these efforts fall short of being extended to system-wide operational plans, to systematic mutual learning about potentials and risks. There is room for more delegation of competencies, for redefining working relations as well as for improving collaboration and exchange among the main parties. A rapid improvement of Austrian capacities could be

achieved, if the three main actors BMeiA, BMF and ADA would cooperate better, bringing bilateral and multilateral, financial and technical development cooperation into closer working relations under the following premises:

- Filling the gap at the head of the hierarchy of policy documents by an overarching Austrian strategy for development cooperation
- Reducing the total amount of policies, strategies and programmes at inferior level
- Transferring discussions from working groups into the line responsibilities
- Simplifying the division of labour among the three involved parties

The best means for remedying the problem of the limited deployment of capacities would be providing ADA with more institutional independence from BMeiA as well as a funding adequate to its size by an amendment of the federal act on development cooperation.

**Assessing incentives:** Incentives and disincentives are not well balanced. The staff of ADC has good intrinsic motivation. Disincentives stem from weak political support, missing overall development cooperation policy, distortions in ODA, a share of country programmable aid which is too small, inappropriate division of labour between BMeiA and BMF, unclear role allocation between ADA and the ministries, complicated communication of the Ministries with the coordination offices, inadequate volume of country programmes, and missing result orientation. Another hindering factor for result orientation is the Austrian cultural specificity to give higher priority to the willingness to do something than to the quality of its result.

**Assessing implementation issues:** At strategy level, PD principles are partly implemented in the 3YP and the interministerial strategic guidelines. They are fully implemented in the new country programmes for priority countries since 2010 and the strategic guidelines on IFIs. At operational level, they are fully implemented in ADA. However, they are scarcely implemented in other institutions. Increased complementarity and division of labour in the priority countries are likely to reduce duplications (because of less sectors and more donor coordination, etc.). But this positive trend is affected by adverse tendencies such as the increase of ODA fragmentation and the high number of overlapping policies and strategies. At financial level, the downwards trend in ADC represents an obstacle for implementing the PD principles. Multi-year commitments in the bilateral cooperation are still not sufficiently built up. In more than half of all ODA recipient countries, financial volumes are so small that proper programming cannot be done cost-effectively. The main problem with regard to mutual accountability is the missing platform for discussing Austrian political accountability at Government or Parliamentary level.

**Beyond the term of the PD:** The high degree of fragmentation in Austrian ODA is undermining its credibility of Austrian ODA.

Austrian has to reduce the number of recipient countries of small Austrian ODA contributions in order to avoid further reputation damages.

## Recommendations

### General Recommendations

- 1) **Repositioning Austrian development policy:** The external evaluator recommends to the Austrian Government: to carefully prepare the repositioning of Austrian development policy not only for a post PD period but much more so also for the next government programme.
- 2) **Designing new regional programmes according to PD principles:** The external evaluator recommends to the Austrian Government: sharpening the focus of future regional programmes (e.g. the Black Sea Region) according to the five PD principles.
- 3) **Step-by-step approach for restructuring Austrian ODA:** The external evaluator recommends to BMeiA: developing a step-by-step approach for restructuring Austrian ODA with the objective to create a legally binding, multi-annual financial framework for the overall ODA, setting deliberate priorities in strategic partnerships with other ministries.
- 4) **Streamlining strategies:** The external evaluator highly recommends to BMeiA and ADA: continuing the streamlining process that has resulted in some good achievements so far such as the two action plans 06-11 and 09-11, the new format of the country strategies, and the baseline for aid modalities despite the presumable difficult financial situation.
- 5) **Simplifying procedures:** The external evaluator recommends to BMeiA and ADA: creating transparency on strengths and shortcomings of the present ADC in a pragmatic approach, analysing the basic choices for the specific profiles in the concentration/fragmentation consequently, simplifying procedures, shifting more to a hands-on work style in the international development cooperation.

### Specific Recommendation to BMeiA

- 6) **Interministerial task group:** The external evaluator recommends to BMeiA to mandate its Division VII by establishing an interministerial working group at division level including representatives of the Ministries of Finance, Science and Research, Environment, ADA, and others, with the objective of defining a step by step approach for restructuring Austrian ODA. Tasks of the group should include:
  1. Assessing options such as an amendment of the law on development cooperation, a redesign of the 3YP, a clarification of the thematic priorities, the bundling of existing strategic instruments, a redesign of



ODA financing mechanisms, shifts in attribution of responsibilities among the Ministries

2. Prioritizing the options
3. Listing the necessary measures for implementing options with the highest priorities
4. Setting a proposal for implementation including a time-frame
5. Informing the Ministries involved in the task group on parallel notes on the proposal.

The first step above should at least include the adjustment of the 3YP to the requirements of the PD, namely by:

- a) Formulating objectives and related results with quantitative indicators
- b) Making reference to objectives and results achieved in the prior programme period
- c) Making clear-cut reference to international agreements and Austrian commitments
- d) Distributing responsibilities for results among the involved Ministries.

#### **Specific Recommendation to BMeiA division VII**

- 7) **Focus on strategies:** The external evaluator recommends to BMeiA Division VII to concentrate on timely delivery

of concise strategic guidelines that include clear-cut distribution of responsibilities, planned results, planned financial inputs, and to reduce operational programming.

#### **Specific Recommendation to ADA**

- 8) **Reduce and simplify strategies, concepts and programmes:** The external evaluator recommends to ADA to reduce duplications of documents (e.g. company statute/company concept, working programme/sectoral working programme) and overlaps (e.g. 3YP – working programme); to reduce own policy considerations in all documents, and to refer to policy documents of Austrian or partner governments where necessary; and to include in all documents review-outlook comparisons and results backed by indicators.

#### **Specific Recommendation to Austrian NGOs**

- 9) **Shift from appeal to alliances:** The external evaluator recommends to NGOs to strengthen their domestic advocacy competences, to argue less in methodological or project implementation terms but more in political terms, and to forge stronger alliances in campaigns.

# Evaluation of the Implementation of the Paris Declaration

## Donor Study

### IRELAND

## Executive Summary

### Background

- i. This is a joint evaluation that assesses Ireland's ability to implement its international aid effectiveness commitments, as set out in the 2005 Paris Declaration and the 2008 Accra Agenda for Action. It is one of several similar exercises that contribute to a wider evaluation into aid effectiveness. The team comprised an independent evaluator (who led the work) and two senior staff from the Department of Foreign Affairs. Findings are those of the team alone.
- ii. This exercise primarily considered three institutional dimensions; a) commitment b) capacity and c) incentives within Irish Aid (and across government) to further aid effectiveness. Like the other donor HQ evaluations, the focus was institutional capacity, not conclusions on how well Ireland was implementing its commitments, although the team were asked to comment on some specific achievements. A set of partner country evaluations is being undertaken which will provide firmer conclusions on whether aid delivery has improved.

### Irish Aid

- iii. Irish Aid is the Development Co-operation Division of the Irish Department for Foreign Affairs (DFA). It transferred nearly € 4.5 billion between 2005 and 2010 to governments, multilaterals and NGOs, 80% being spent in Africa. It provides over € 1 million annually in a total of 48 countries, prioritising work in Ethiopia, Lesotho, Ma-

lawi, Mozambique, South Africa, Sierra Leone, Tanzania, Timor Leste, Uganda, Vietnam and Zambia.

- iv. Ireland had progressively increased its Overseas Development Assistance allocation up to 2008 and retains the aim of meeting the 0.7% UN target of Gross National Income (GNI). However, as a result of the global recession, aid allocations were reduced in 2009 by 29% from the previous year's budget, resulting in a 2009 spend of € 464.6 million. ODA as a percentage of GNI remains at 0.54%, down from a peak of 0.59%.
- v. Irish Aid is a comparatively small organisation, with less than 300 staff in total across all its locations. In Ireland it is based in Limerick, away from the main Department of Foreign Affairs HQ in Dublin (though it also retains a presence there). This relatively small number of personnel enables a collaborative, positive and open culture to be maintained. However, there are concerns about a recent rapid turnover of staff and associated retention of skills. Additionally, having a split location appears to be making it more difficult to recruit diplomatic staff into Irish Aid from the rest of the Department of Foreign Affairs.

### Key Findings

#### Commitment

- vi. Commitment to aid effectiveness in general and to Paris and Accra principles in particular is high in Irish Aid. Staff understand and own not just the letter but the spirit

of these principles. As a recent OECD/DAC Peer Review noted, Ireland is leading efforts to develop common approaches to aid effectiveness, particularly in Europe. While commitment is strong, respondents acknowledge more can be done. The rest of the Department of Foreign Affairs has not fully absorbed the agenda. Some elements were prioritised (partnership, alignment, harmonisation) with others (notably managing for development results) taking longer to be fully adopted. However, against an already high level of commitment by politicians, managers and staff, it was notable that respondents were self critical and anxious to improve.

### Capacities

- vii. There are no policy constraints to achieving Ireland's aid effectiveness undertakings. Irish Aid explicitly ensures consistency of policies and plans with Paris and Accra obligations. A Policy Planning and Effectiveness section owns and drives this process, reviewing and commenting on new plans. A dedicated action plan was put in place to ensure implementation of the Accra Agenda for Action. However, while policy and planning are excellent, more could be done to report on how these plans are implemented. Reporting on performance is not yet fully developed, and there is no effective performance-related management information system on aid effectiveness. This is a key deficit.
- viii. Irish Aid emphasises financial accountability, with a strong role for auditors at HQ and in the field. While important, these skills need to be complemented with Public Financial Management expertise. The focus on accountability to Irish taxpayers has not inhibited support for country-led approaches. Indeed there is a recognition that partners are clear about the need for mutual accountability, including in relation to financial probity. Ireland supports strengthening of country system capacity in these areas.
- ix. Irish Aid has been forced to constrain its planned increase in aid spending due to the global recession. It sought to act responsibly as it reduced budgets, favouring bilateral obligations over other parts of the programme and activities that sought to drive improved harmonisation (such as the UN Delivering as One reform pilots). It also acted to communicate rapidly to partners once decisions were made. Clearly, however, this had an impact on Ireland's ability to deliver predictably.
- x. Staffing policies support efforts to improve how aid is delivered. There is a high level of operational delegation and innovation is enabled on the whole. In recent years, largely as a result of the aid effectiveness agenda, there has been a rebalancing of skills away from reliance on technical expertise to ensuring personnel can also provide leadership and advocacy among peers and with partners; what might be termed the more diplomatic competencies.

- xi. The key immediate risk that might undermine Irish Aid's future achievement of aid effectiveness commitments relate to staff skill levels, retention and turnover. A result of both the move to Limerick and government-wide embargoes on recruitment and promotion, the institutional competencies and experience within Irish Aid will have to be carefully monitored.

### Incentives

- xii. Paris Declaration and Accra Agenda for Action priorities are seen as a means to advancing Irish foreign policy. Ministers take an active interest in the agenda, as do other parliamentarians. This is a key driver. However, and notably, there is little external pressure placed on Irish Aid to improve its aid delivery from wider civil society. Engagement in the agenda by academics, and indeed NGOs (even those funded by Irish Aid) should be stronger. Staff are given incentives and guidance on aid effectiveness implementation, and there are no constraints on, for instance, the choice of modalities. An interesting reflection from respondents was that they sometimes felt inhibited by partners or peers commitment to aid effectiveness, with Irish Aid staff being the primary advocates for the agenda.

### Other issues

- xiii. Irish Aid's practice is to work in a highly collaborative way, both operationally and in the development of policy. However, its assistance can be fragmented; while a small donor it supports many NGOs and around 30 UN agencies, with little knowledge of the results achieved in each. In some cases, funds are transferred to NGOs in country without the Irish Aid country office being informed.
- xiv. The predictability of funding has been hampered by the constraints placed on ODA as a result of the reduction in the government-wide budget. Ireland has always sought to minimise conditionality.
- xv. While it appears transaction costs have reduced, there is no definitive data on the costs of implementing the aid effectiveness agenda.
- xvi. There is recognition of the need to improve policy coherence across government in interventions concerning trade, agriculture, climate change, food security, environment and defence.

## Key Recommendations

### Senior Management – Irish Aid

1. Maintain the leadership role that Ireland has assumed in furthering aid effectiveness at country and multilateral levels.
  - Deepen understanding and commitment across the Department of Foreign Affairs.

- Maintain the current policy commitment and allocated resources.
  - Strengthen policy coherence across government departments.
  - Extend the length of each overseas posting to four years.
  - Build staff skills for aid coordination and negotiation, particularly pre-posting.
2. Develop more systematic dialogue within the Department of Foreign Affairs and across Irish Aid on the implementation of the Paris Declaration and Accra Agenda for Action principles.
    - Policy Planning and Effectiveness (PPE) section to comment on how annual reports reflect effectiveness and system-wide coherence.
    - PPE to provide concise annual report on performance on aid effectiveness.
  3. Continue to make results management, impact assessment and monitoring, and evaluation and audit more robust.
    - Ensure there is sufficient management information to make judgements on the comparative effectiveness of aid across the programme.
    - Use management information on performance and effectiveness more systematically to make decisions on allocations.
    - Consider how to use performance criteria to inform allocations between programme countries and the different CSOs and multilateral agencies.
    - Avoid the danger that results frameworks become too complicated to be useful.
    - Ensure that all elements of the programme are subject to equal scrutiny.
    - Ensure that Audit Committee deepens its practical experience and expert knowledge of Public Financial Management in a developing country context.

### Senior and Middle Management – Irish Aid and Embassies

4. Continue to strengthen management practices in accordance with Paris Declaration and Accra Agenda for Action principles.
  - The role of local staff could be enhanced by delegating more responsibility and increasing skills.
  - Managers in Irish Aid should ensure that aid effectiveness behaviours are included in staff role profiles and assessments.
  - Induction programmes for staff new to Irish Aid should continue to include a module on aid effectiveness.
  - A mentoring system for new staff should be established that explicitly seeks to transfer knowledge of how to operate according to best practice.
  - Strengthen staff skills on Public Financial Management in a developing country context.

### Senior Management – Department of Foreign Affairs

5. The strategy for engagement of the Department of Foreign Affairs with the public on international development should continue to evolve.
  - Enable the public, civil society organisations, academics and politicians to understand better how Ireland is delivering aid according to best practice.
  - Deliver different messages to different audiences, using different channels.
  - Integrate Irish Aid objectives fully into the DFA's public diplomacy strategy.
6. The Department of Foreign Affairs needs to ensure that Irish Aid remains attractive to all staff employed in the Department (diplomats, general service staff and development specialists).
  - Carefully manage the challenges posed by the move of the main Department to Limerick.

# Evaluation of the Implementation of the Paris Declaration

## Donor Study

### JAPAN

## Executive Summary

### 1 Purpose and Background

Under the evaluation framework of the Paris Declaration, the central mandate of “Donor/Agency HQ Studies” is described as to “supplement and strengthen the basis for the main focus of the Phase 2 evaluation; a strong set of Country-level Evaluations”. Accordingly, the main focus of “Donor/Agency HQ Studies” – which our Evaluation Team has carried out – is placed on the *input and output level*, with a particular interest in answering the following question: “How the Paris Declaration is understood and interpreted at the HQ level, and how such interpretations are reflected in the assistance policies and processes?”

Recognising the backdrop of the PD evaluation as described above, our Evaluation Team has carried out research and analytical work based upon the Generic ToR, thus placing particular emphasis on understanding the following two questions: “how the Official Development Assistance (ODA) system of Japan has interpreted the Principles and Partnership Commitments of the Paris Declaration, and how such interpretations have been reflected in the country’s policy actions?”; and “whether or not such policy actions can be assessed as being consistent with the Paris Declaration, by ultimately targeting at improving the overall efficiency of the country’s development assistance processes?”

### 2 Overall Conclusions

#### 2.1 Assessing Japan’s Implementation of the Paris Declaration

While Japan’s overarching policy documents appear to indicate somewhat ambiguous stance with regard to the princi-

ples of *harmonisation and mutual accountability*, when we look at the agency or individual staff level, we can observe quite a few undertakings that closely correspond to each of the PD principles, including those two mentioned above.

However, with particular regard to the principles of *managing for results and mutual accountability*, the Evaluation Team recommends that Japan should strive to further expand the provision of technical assistance, along with similar efforts by other donors, in order to reinforce the administrative capacities of partner countries to pursue these principles.

#### 2.2 Assessing Japan’s Commitment to the Paris Declaration

As far as its principles of *ownership, alignment and managing for results* are concerned, Japan’s commitment to the Paris Declaration, as it appears in the overarching policy documents, can be assessed explicit (being clarified in most overarching policy documents), consistent (having appeared since the old ODA Charter approved in 1992), and further enhanced (i.e., being given concreteness by the PD Action Plan).

Although *harmonisation* is one of the most important among the PD principles in terms of aid effectiveness, Japan’s commitment to the principle, as it appears in the overarching policy documents, is assessed relatively weak or ambiguous. The ODA Charter and the Medium Term Policy allude to *harmonisation* in the words “coordination” and “collaboration”, but do not clearly claim that Japan collaborates with other donors in order to harmonise their assistances. It is unexplainable that the PD Action Plan, which is dedicated to implementing the Paris Declaration,

lacks a clear-cut reference to *harmonisation*. Even the ODA Review Final Report, the latest and forward-looking overarching policy document on ODA, does not directly advocate for *harmonisation* but only requires increasing aid-coordination specialists. JICA's Mid-term Plan is a rare exception in making decisive and fruitful assertion of *harmonisation*.

The remaining PD principle of *mutual accountability* is not mentioned in any main ODA policy documents with the exception of JICA's Mid-term Plan. Although its undertakings are practically observed in several activities, Japan's explicit commitment to, or leadership for the principle can scarcely be recognised.

Furthermore, as our questionnaire survey revealed, the actual content (principles and details) of the Paris Declaration is not so well-absorbed by the ODA staff at overseas posts. In addition, amongst the five principles of the Paris Declaration, the level of understanding of overseas ODA officials with regard to *managing for results* and *mutual accountability* appears to be lower than that with the other three principles.

### 2.3 Assessing Japan's Capacities for the Implementation of the Paris Declaration

It can be concluded that Japan has made substantial progress in the capacity facet, in light of the Paris Declaration. Among other things, it could be said that Japan is in the leading position in terms of South-South Cooperation engaging the emerging donors, especially Asian countries such as Malaysia, Singapore, Thailand, etc. On the other hand, there are three points which could bear improvement.

Firstly, Japan has made significant progress in both systemic and institutional capacities. Japan's recent efforts include joining budget supports, inter-institutional reform between JICA and JBIC, intra-institutional reform of the MOFA and the JICA, and so on. Only a few years into the new administration structure for ODA policy formulation/implementation, it is still too early at this stage to draw definitive conclusions as to whether the institutional reforms to both MOFA and JICA have born their intended outcomes, and/or whether further improvements would be necessary. However, for accountability purposes, it is recommended that the Government of Japan makes an effort to identify and evaluate the outputs and outcomes of the progress in capacities in light of aid effectiveness. In particular regard to the budget support, the Evaluation Team believes that the Government of Japan should clarify the criteria or the factors that it considers when deciding whether or not to provide the budget support to a particular partner country, since that would help explain why the overall number of the partner countries provided with Japan's budget support is still limited as of September 2010.

Secondly, it is claimed that Japan's delegation of authority to the field level has made progress, but there is still room for improvement. In particular, considering the findings of the Evaluation Team's questionnaire and interview surveys, donor

coordination-related activities may be one area where Japan could reinforce the decision-making authorities of the field offices, which will most likely strengthen Japan's responsiveness to the fast-paced evolution of donor-coordination activities at various partner countries.

Lastly, Japan's personnel posts such as Coordinator for Economic Cooperation of the MOFA and the Project Formulation Advisor of the JICA, that consist of temporary employees at present, are substantially devoted to the aid coordination. According to a specialist's observation, staff members are directly involved in aid coordination at the field level in the partner countries where Japan's engagement in aid coordination is relatively successful. Therefore it would be recommended to strengthen staff members' involvement with aid coordination and/or share more experiences on aid coordination between temporary employees and staff members and among temporary employees (coordinators and his/her successors) – in order to accumulate Japan's institutional memory on the aid coordination.

### 2.4 Assessing Japan's Incentives/Disincentives for the Implementation of the Paris Declaration

As a whole, there are both incentives and disincentives for the implementation of the Paris Declaration in Japan. Although a certain number of staff at agency-level and field-level are intently working, both governmental, explicit commitments and institutional follow-ups are insufficient to motivate individuals. For further assistance, given that agency staff in the field offices (both Economic Cooperation Divisions of Japanese Embassies and JICA offices) are still in need of more powerful leadership by the government and immediate managers; more concrete and comprehensive guidelines, training and support would be useful to promote incentives to comply with the PD principles for ODA agencies and working staff. Also, as for utilizing the specialist personnel in MOFA, it is significant to introduce a career path programme for those who aspired to a career in the field of development assistance.

With regard to the government level assessment, although Japanese government has engaged in policy coordination among institutions, beyond ministries involved in development assistance to accomplish policy coherence of overseas economic assistance, it is not much more than ODA-bound coordination. In order to pursue development effectiveness in partner countries, ODA and non-ODA policies should be coherent and mutually supportive of developing countries, corresponding to the philosophy of the Paris Declaration. Consequently, there is need for a lot of legitimate and authorized commitment by the government to promote policy coherence for development in order to overcome the ODA/non-ODA policy boundary.

## 3 Recommendations

First of all, the Evaluation Team recognises a strong need for enhanced educational efforts, such as a more frequent hold-

ing of the distance seminar to ODA Task Forces with a focus on the Paris Declaration and its principles, so that the officials engaged in the ODA field can have more intensive exposure to the accumulated experiences of the PD implementation. As our questionnaire survey revealed, the portion of ODA officials who are well acquainted with the actual content of the Paris Declaration appears to be insufficiently small-sized. This situation certainly needs to be improved, if Japan opts to take a leadership role in navigating the future course of the Paris Declaration beyond Year 2010.

Secondly, based upon the surveys we have conducted, the Evaluation Team recommends that the Government of Japan should make a more clear-cut revelation of its will of commitment to, or leadership for the promotion of *harmonisation*, which constitutes a crucial part of the PD principles. Although the essential function of *harmonisation* can be viewed as to complement or strengthen the principle of *alignment* – as is asserted by the Government of Japan – it is nonetheless *one of the PD Principles* to which every signatory member is supposed to attach an *equal* level of commitment for implementation.

On the other hand, as our interview and questionnaire surveys both revealed, the actual cases of undertakings in the spirit of aid harmonisation can in fact be recognised as increasing in number nowadays. This attests to the fact that the appreciation of the harmonisation principle has gradually penetrated internally within the Government of Japan, at both the agency and individual level. However, in order to solidify the commitment to the harmonisation principle as an integral position of the government, and in order to clarify that for the benefits of the general public, it is still well advised that the Government of Japan make a clear-cut statement to that effect as part of an overarching policy document, such as the ODA Charter. Alluding to the harmonisation principle, simply as part of commitment statements for the alignment principle, does not suffice for the aforementioned purpose.

Furthermore, expressing a clear-cut governmental commitment to the principle of harmonisation should effectively convince the domestic civil society that sharing resources and approaches for development assistance with the other members of the international donor community is of significant value in today's context. As is often said, the general public of Japan tends to be inclined toward a mode of ODA provision that signals *who makes aid contributions* (visibility/distinctiveness of Japanese aid contributions), which does not necessarily sit amicably with the principle of harmonisation. However, as the focus of international development efforts seem to concentrate more and more on the Sub-Sahara African region, where Japan relatively lacks experience of providing ODA, it is crucial that Japan proactively harmonises its assistance approach

with the other more experienced donors, in order to improve the development effects of the ODA it provides to that region. Furthermore, given the stringent budgetary conditions which the Government of Japan is faced with, strengthening the harmonisation approach is of critical importance, as it can promote the “cost and benefit” efficiency of Japan's ODA by enabling it to focus on areas where Japan holds a comparative advantage.

In this regard, the Government of Japan needs to reinforce its public relations strategies so as to construct and solidify the general public's support for the pursuit of *harmonisation* principle. Moreover, it is critical that such PR efforts for the pursuit of the harmonisation principle are carried out not only by MOFA and JICA, but also by other actors, especially the Diet (Japan's legislature), who is deeply engaged with the ODA policy, and thus carry a significant level of responsibility for explaining to the domestic constituency what is expected of Japan in relation to the international donor community. It is also important that these actors collaborate with other actors such as NGOs, academia and mass media, in order to extend the outreach of the PR efforts, thereby establishing a broader, and deeper public support for Japan's commitment to the principle of harmonisation.

The same recommendation is applicable to the principles of “*mutual accountability*”, to which the Government of Japan has also shown somewhat ambiguous commitment. As is the case with the principle of harmonisation, the actual cases of undertakings that adhere to these principles can be observed, both at the agency and individual staff level. Therefore, as we discussed with regard to the harmonisation principle, in order to solidify the commitment to the mutual accountability principle as an integral position of the government, and in order to clarify that for the benefits of the general public, it is well advised that the Government of Japan make a clear-cut statement to that effect as part of an overarching policy document, such as the ODA Charter.

As many of the respondents to our questionnaire survey replied, seeing a well-articulated commitment at the highest level of the government is one of the most powerful incentives for them to strive towards fulfilling that commitment on behalf of the government. Whilst the Government of Japan indeed has introduced a wide range of incentive measures for the promotion of the “aid effectiveness” agenda, making a clear-cut commitment to both the “harmonisation” and “mutual accountability” principle at the overarching policy level will further improve the effectiveness of those incentive measures, thereby strengthening the leadership role of the Government of Japan in navigating the future course of the Paris Declaration.

# Evaluation of the Implementation of the Paris Declaration

## Donor Study

### SPAIN

## Executive Summary

The Spanish evaluation process has been particularly thorough in ensuring the methodological and temporal parameters, as well as the scope of the evaluation, that were established in its original design. In this respect, special attention has been paid to define the following: a) the time frame for evaluation (Master Plan II, 2005/2008, and the first two years of the Master Plan III, 2009/2012); b) the institutional range and c) the geographical scope, including the case studies of the Autonomous Communities of Catalonia and Extremadura, as well as Bolivia and Senegal, even though the bulk of the evaluation focused on governing and aid managing bodies of the Ministry of Foreign Affairs and Cooperation (MAEC) (e.g., the State Secretariat for International Cooperation (SECI), the Directorate-General for Planning and Evaluating Development Policies (DGPOLDE); and the Spanish International Cooperation Agency for Development (AECID)).

### Main findings and conclusions

The evaluation results highlight a series of key issues within the PD implementation process within Spanish Cooperation as a whole, but especially in the central system (SECI, DGPOLDE, AECID). According to the findings of the first phase of the PD evaluation, these results are related to the three conditions enabling its implementation: **commitment and leadership** with regards to the Paris Declaration, **capacity** to take action, and **incentives** for its implementation.

#### Commitment and leadership

The evaluation highlighted the following aspects with regards to the adaptation to and motivation for change, to the degree

of change and ownership at different levels of the system, and to how the changes are perceived. The evaluation highlights the following:

- The Spanish Cooperation's policies and strategic documents reflect, to a good extent, the effectiveness agenda, indicating the agenda's importance and assimilation with the Spanish Cooperation, particularly by the Central System (SECI, AECID, DGPOLDE).
- Sets of strategic and operational tools that allow for its application are being defined. Thus, the strategic planning exercises targeting the Spanish Cooperation system (Country Partnership Frameworks) and the operational planning exercises (in the AECID), as well as the Strategic Partnership Framework Agreements with Multilateral Organisations are processes which – should they be institutionalised – will be key elements for promoting the implementation of the Paris Declaration and the Accra Agenda for Action.
- The decentralised cooperation is starting to identify how to transform the existence of multiple actors into an opportunity to foster aid efficiency at multiple levels by working from and with decentralised government bodies in partner countries. This is particularly true in the case of those Autonomous Communities with more experience in the field of development cooperation.
- Other relevant actors, such as non-governmental development organisations (NGDO), are making significant progress in articulating the Accra Agenda with their own



processes, identifying what and how they can improve aid effectiveness from their own sphere of action within the cooperation landscape.

- The evaluation also highlights the following issues:
  - The pace with which this group of measures is finally launched in order to put the principles of the Paris Declaration into operation, and the leadership to support and apply the processes through which these measures are developed, are neither sufficient nor consistent.
  - The current situation demands that a roadmap (which is not available at the moment) be defined. This roadmap should include realistic expectations, clear and comprehensive commitments to new processes, such as the Partnership Frameworks and Operational Programming, and to management tools, followed by demonstrated efforts to define and share this roadmap with the larger Spanish Cooperation community.
  - There are limited measures for monitoring and evaluating commitments and holding stakeholders accountable within the Spanish Cooperation system. This is linked to the need to develop an evaluation culture that allows for ad hoc decision-making.

### Capacities

This evaluation focused primarily on the institutional capacities within the Spanish Cooperation, and particularly within the Central System (SECI, DGPOLDE, AECID), to meet commitments and provide effective leadership. The staff's knowledge and understanding of the PD, the degree of current adaptation of institutional capacities, and how the impact of changes is perceived at field office level were analysed. The evaluation highlights the following:

- The open and transparent strategic and operational planning processes are exposing deficiencies in institutional and individual capacities that require practical solutions. Attention should also be paid to securing adequate information systems, and training personnel to implement and assume responsibility for Management for Development Results practices. To achieve this, it is essential that senior management teams support these measures and that accountability measures are in place at all levels of the system.
- The analysis of good practices and processes that generate critical know-how needed to make the appropriate effectiveness changes has shown that the strategic and operational planning exercises (Operational Programming, Partnership Frameworks), as well as the creation of discussion and proposal groups on effectiveness within the Central System (Aid Effectiveness and Quality Work Group, Operational Programming Committee and Group) have been adapted effectively to this process. This reinforces the relevance of initiatives targeted at expanding the knowledge and understanding of the

elements of effectiveness, as well as the on-going nature of this process, based in practice and fortified by opportunities for feedback and follow-up.

- Within the organisational restructuring process, mainly at the central system level, there is a clear and visible improvement. These improvements are mainly the result of creating specific planning and quality units (UPC), Programme Assistance units, while also creating new cross-sectional work groups within the Spanish International Cooperation Agency for Development (AECID), as well as formalising existing ones.
- Decentralisation is a key issue for the implementation of the PD, and one that has not yet been fully tackled. The new tools (Partnership Frameworks and Operational Programming) contribute to the redefinition and appropriate distribution of roles and responsibilities between headquarters and the field (and internally), as well as the improving relationships and coordination between organisations and units.
- The evaluation exposes existing limitations to identifying the results and indicators that are expected from each person and team in relation with the implementation of the PD (for example, AECID Management Contract), and from tools for monitoring (processes and results) and further evaluations (key for decision-making).
- Despite efforts made to increase coverage and to regularise human resources, especially in AECID Technical Cooperation Offices, there are still a number of key issues that must be addressed: a) team stability and consistency in Spanish Cooperation, and, therefore, improving knowledge management and creating an efficient distribution of roles and responsibilities required by an effectiveness agenda; b) the possibility to develop a professional career within the sector, including mobility between headquarters and field offices, and among organisations (both at international level and between public and private entities); and c) defining and ensuring coherent roles and profiles for various positions.
- The current capacity of the system to generate and manage meaningful feedback is not sufficient to effectively reflect the progress and limitations in the implementation of the PD, nor to share and socialise experiences in an efficient manner.

### Incentives

Lastly, the evaluation focuses on the specific incentives offered to staff in order for them to fulfil the objectives of the effectiveness agenda, and on the perception of potentially discouraging factors. In this section, the study also addresses the practical application of the Management for Development Results approach. The evaluation points out at least three issues:

- Regardless of the possibility to develop an incentive system, the fact that processes are not institutionalised or completed and lack continuity is one of the major disincentives for staff.
- Currently, staff performance in achieving the aid effectiveness objectives are not linked to greater possibilities of professional development and promotion.
- The limited progress in effectively implementing a Managing for Development Results (MfDR) System, which should have been implemented in 2010, negatively impacts the Spanish Cooperation system because the latter moves forward without having objective qualitative and quantitative indicators to measure the Official Development Assistance results. Spain's 2009 International Cooperation Action Plan (PACI) committed to establishing an MfDR System by the end of 2010, in response to the III Master Plan.

## Main recommendations

The recommendations have been drawn up on the premise that the ongoing strategic planning processes at their different political, institutional, and operational levels, can be the key areas for improvement in order to successfully implement the Paris Declaration and the Accra Agenda for Action.

**Figure 1. Planning process: policy, institutional, strategic and operational levels**



### Recommendations focused on the central system (SECI, DGPOLDE, AECID)

#### Commitment and leadership

- Reposition the AECID Management Contract (MC) as a strategic reference that establishes a clear approach to aid effectiveness. Increase its utility by organizing the specific actions within the MC into a logical sequence (road map) with adequate specificity and definition to facilitate monitoring and evaluation.
- Institutionalize the management process of the Partnership Frameworks within the cooperation system and the AECID Operational Program. Ensure a sustained commitment from senior management.
- Develop an integrated information system that contributes to the implementation of strategic processes (in the planning, monitoring, and evaluation stages).

- Articulate and integrate the different strategic planning and operational processes, maintaining the momentum of the planning phase during the monitoring and evaluation phases. Follow through on institutional processes and capitalize experiences.
- Develop the Action Plan for Aid Effectiveness as a road-map for Spanish Cooperation, ensuring widespread participation and ownership from throughout the system.

#### Capacities

- Adapt and improve the consistency between job descriptions and responsibilities, and create strategies that encourage mobility between headquarters and the field.
- Link changes in functions at headquarters and the field to the overall decentralization process. Develop manuals defining specific roles and responsibilities as a way to overcome deficiencies in the staffing and operational structure.
- Integrate training and capacity building into operational processes. Educational initiatives are most effective when they are based in direct practice, with emphasis on support and feedback.
- Encourage spaces and channels of communication and coordination among the institutions that form the central system for Spanish Cooperation (SECI, DGPOLDE, AECI), between departments, between headquarters and field, and among field offices.
- With leadership from senior management, ensure the stability of, strengthen, and support operational units, work groups and teams committed to implementing the aid effectiveness agenda.

#### Incentives

- Develop and execute a career development plan and a system of incentives that reflect PD principles (AECID Management Contract).
- Assume the decision and task of integrating aid effectiveness indicators throughout the system so that they no longer are only associated with budget management.

### Recommendations related to the central system's external context

#### Commitment

- Recognize and value the initiatives being spearheaded by the decentralized cooperation actors to identify specific opportunities and PD-related development priorities that reflect their particular perspectives and realities.
- Develop a strategy to disseminate information about, and increase understanding of, aid effectiveness at all

levels of Spanish cooperation. Convey the relevance of the Partnership Frameworks and how each actor relates to them.

- Clarify the involvement of different Spanish actors, including Ministries and other units outside the Central Government, in ongoing processes in Spain and abroad, with a special emphasis on the Partnership Frameworks.
- Promote the development of an integrated information system with other actors within Spanish Cooperation that will improve multilateral cooperation operations, with a special focus on enabling timely decisions and fomenting complementarity between bilateral partners.
- Promote coordination at multiple levels and between Ministries based on operational agendas.
- Promote active and sustained participation of the governing, advisory and coordinating bodies in tracking and monitoring progress toward Spain's aid effectiveness goals.
- Maintain an active and influential presence at the international level. Continue and further support for Triangular and South-South cooperation.

## Summary of main lessons learned

Finally, the evaluation highlights important lessons learned from the Spanish Cooperation's experience in implementing the aid effectiveness agenda.

- The evaluation indicates how important the **system's capacities** to implement and consolidate relevant processes are in determining the impact of the aid effectiveness agenda. It highlights the importance of the system's ability to adapt its structure, organization, and human resources to new standards and procedures, and that these adaptive measures are realistic and properly sequenced given existing internal capacities.
- The analysis reflects the importance of bridging the gap between discourse and **practical implementation** in terms of the aid effectiveness agenda. This process has to do with creating intentional training initiatives, taking advantage of existing spaces and/or exercises for strategic and operational planning, and creating opportunities for exchanging experiences and practices (not just information) at all system levels.
- **The system's capacity to generate meaningful and useful feedback** (and, by extension, learning and incorporating new elements for more effective aid) is one of the most critical areas for improvement.
- In practice, **internal and external instruments to monitor PD implementation and progress** are not being converted into meaningful feedback for the Spanish Cooperation system. This should reinforce the need for internal and comprehensive information and monitoring systems that support the effective incorporation of PD principles and guidelines into operational work streams and inform and facilitate relevant decision making processes.
- Finally, the evaluation exposed a number of promising examples of how incorporating **high quality systems** into some of the Spanish organisations and structures can contribute to a more effective and efficient management of aid. It is critical that these examples serve as models and are adapted to the specific context and characteristics of the development cooperation sector.

# Evaluation of the Implementation of the Paris Declaration

## Donor Study

### SWEDEN

## Executive Summary

### Purpose and background

As part of the agreement on the Paris Declaration on Aid Effectiveness 2005, an international monitoring and evaluation mechanism was introduced. At the meeting in Accra, where the Accra Agenda for Action was endorsed, the first phase of the evaluation was completed. Later the same year Phase 2 was launched. This phase of the evaluation included 28 country evaluations and seven headquarter studies on the implementation of the Paris Declaration. The findings from Phase 1 and Phase 2 respectively will be synthesised and reported at the High Level Forum in South Korea November-December 2011.

This evaluation is one of the seven headquarter studies that together with the country evaluations and a number of special studies will form the synthesis report.

### Methodology

The evaluation deals with the Swedish implementation of the Paris Agenda, not with its effects. It is focused on Swedish bilateral development cooperation through Sida's headquarters. It should, however, be noted that the degree of delegation to embassies is high.

The Swedish cooperation through multilateral channels – approximately half of Swedish development cooperation – is mentioned but not analysed. Primary data has been collected through review of documents, interviews and a questionnaire. The analysis is of a qualitative rather than quantitative character.

### Overall conclusions

The Paris Declaration and the Accra Agenda for Action are two crucial agreements, which when implemented, increase the effectiveness of development cooperation as tools in achieving development results. It is equally clear that the Paris Declaration and the Accra Agenda for Action cannot be applied uniformly in all countries with which Sweden is a partner in development. Contexts do matter. The principles contained in the Paris Declaration do not carry the same weight in all countries. In some countries, non-alignment is a deliberate choice given the political conditions in that country. This may also change over time. The practical application of the Paris agenda and the Accra Agenda for Action, therefore, needs to be constantly revised and updated as contexts change.

### Key lessons

It is not possible to give a firm answer to whether recent changes in Swedish development cooperation have also been a result of the Paris Declaration as many of the elements of the Declaration were already present in Swedish development cooperation before 2005.

The Swedish Government has incorporated much of the Paris Declaration in steering and policy documents and Sweden has been highly active in advancing the aid effectiveness agenda internationally.

The progress of implementation has varied between contexts and sectors. Sweden has a long tradition of emphasising national ownership, and the status in this area seems to be good.

In relation to *alignment* there has been progress in respect to several indicators.

The progress and status in relation to *harmonisation* is satisfactory, and this seems to be the principle in which most achievements have been made.

Despite a number of initiatives from Sida and Swedish government/Ministry for Foreign Affairs much still remains to be done in implementing *managing for results*.

Hardly any signs of progress are found in terms of *mutual accountability*<sup>1</sup>, and the practical implications of this principle are not well understood.

The fundamental principles of the Paris Declaration generally enjoy strong support and commitment at all levels of Swedish development cooperation.

Capacity raising measures have been taken and the quality of for example training and guidelines appears to be high.

There are practically no specific incentives, neither at individual nor at organisational level, to facilitate the implementation of the Paris Declaration. What drives the implementation process, apart from formal steering and strong signals by government, is rather the commitment of individuals to contribute to better and more effective aid, as well as a belief that the Paris Declaration can be a part of this endeavour.

The practical application of the Paris Declaration and the Accra Agenda for Action needs to be constantly revised and updated as contexts change.

## Key recommendations

Based on the observations and conclusions in this report, the government, the government offices/Ministry for Foreign Affairs and Sida are recommended to address the following issues.

### The government is recommended to:

- *advance* the aid effectiveness agenda both internationally and at country level, and, recognising different contexts, operationalise the Paris Declaration and Accra Agenda for Action;
- *maintain* reporting to Parliament on results of international development cooperation, with emphasis on challenges and opportunities to improve aid effectiveness;

<sup>1</sup> Although a reportedly higher degree of predictability due to longer-term commitments might be a sign of progress.

- *communicate* efforts on “Managing for Results” and “Results-based Management”;
- *clarify* the applicability of Paris/Accra in fragile and conflict/post conflict states, Eastern European countries and so called Category 4 countries.

### The government offices/Ministry for Foreign Affairs and Sida are recommended to:

- *advance* the aid effectiveness agenda both internationally and at country level, and, recognising different contexts, operationalise the Paris Declaration and Accra Agenda for Action;
- *maintain* the dialogue between the government offices/Ministry for Foreign Affairs and Sida in line with the Joint Action Plan, to facilitate further implementation of the agenda;
- *enhance* the system for competence development in a way that maximises knowledge sharing and learning between headquarters and embassies;
- *include*, in training programmes, training modules covering aid effectiveness, coordination and negotiation in complex environments;
- *ensure* that staff, both at headquarters, and embassies, deepen the experience and expert knowledge of Public Sector Management in a developing country context;
- *enhance* and increase the use of skills of local staff.

### The government offices/Ministry for Foreign Affairs is recommended to:

- *communicate* the Paris Declaration and the Accra Agenda for Action, as an instrument for advancing the aid effectiveness agenda;
- *communicate* the relations between the five principles of the Paris Declaration, as well as the meaning and practical implication of each principle, in particular the principles of “Managing for Results” and “Mutual Accountability”;
- *ensure* that results frameworks are useful and easy to understand;
- *develop* means to enable the public, civil society organisations, academics and politicians to better understand how Sweden is delivering aid according to the effectiveness agenda;
- *communicate* the difference and relationship between the policy for global development and international development cooperation.

### **Sida is recommended to:**

- *seize* the opportunity when reorganising Sida to provide the necessary conditions and resources for implementation of the aid effectiveness agenda;
- *ensure* knowledge and understanding among staff of the Swedish governance model;
- *ensure* understanding of the Paris Declaration and Accra Agenda for Action, including the preconditions for implementing the Declaration and Agenda in a particular context; and
- *invest* in competencies, including negotiating skills, knowledge of different aid modalities, public sector management, and sector competencies.

# Evaluation of the Implementation of the Paris Declaration

## Donor Study

### USA

## Executive Summary

### USG Paris Declaration Evaluation Synthesis Report Summary

The purpose of this report is to review and assess implementation by the U.S. Government (USG) of the principles of the Paris Declaration on Aid Effectiveness. The PD remains a dominant statement on aid relationships; its initial “Statement of Resolve” of 12 points is followed by 56 commitments, organised around five key PD principles.

The methodology included an examination of relevant documents from each of seven USG agencies that manage official development assistance, key informant interviews at the headquarters levels of each of the agencies, a questionnaire survey of overseas staff of four agencies, and selected interviews of staff in cross-cutting “apex” entities in executive and legislative branches that play important roles regarding development assistance policy and resource allocation.<sup>1</sup> This synthesis report brings together the main findings from these sources, grouped by the factors or conditions identified by the framework for the Paris Declaration evaluation as enabling donor implementation of the commitments and principles of the Paris Declaration. These enabling factors are: Leadership,

<sup>1</sup> Apex agency interviews were conducted with selected staff in the National Security Council and the Office of Management and Budget in the executive branch and the Government Accountability Office, the Committee on Foreign Affairs and the Committee on Appropriations of the U.S. House of Representatives, and the Committee on Foreign Relations of the U.S. Senate, in the legislative branch. The case study agencies were selected by the U.S. Government and provided to Social Impact in their Terms of Reference. They are: Department of State, USAID, Health and Human Services, Millennium Challenge Corporation, United States Dept. of Agriculture, Department of Labor and the Department of Treasury.

Awareness and Commitment; Capacity; Incentives and Disincentives; and Coherence. Report findings and conclusions include policy changes influenced by the Paris Declaration and enabling factors related to the implementation of foreign assistance by those responsible for program management. The report then draws relevant conclusions and sets out matters for consideration by the USG.

The report uses the term “USG” to refer collectively to those policies and actions which influence or affect U.S. foreign assistance programs, processes and procedures in general. It is important to note that there is no single USG agency with authority over all seven agencies included in this assessment, although the President with the advice of the National Security Council does set overall policy. However, the U.S. Congress plays a major role through the appropriations process, frequently mandating agency programs as well as setting specific limitations and conditions on how and for what purposes foreign assistance is to be provided.

### Key Conclusions

The conclusions presented below are based on research conducted mainly in the period of March to September 2010 and described in the findings sections of the report. By late September the administration’s ongoing efforts to develop a new global development policy, to address the issue of policy and operational coherence, and especially to reform and rebuild the United States Agency for International Development (USAID) began to bear fruit. This has included issuing specific guidance for strategic planning, undertaking a serious examination of how to improve aid effectiveness, and identifying

constraints that can be relaxed without congressional action as well as those that will require new statutory authorities. The new U.S. Global Development Policy (also referred to as the Presidential Policy Directive on Global Development) focuses on policy and structural reforms necessary to increasing the effectiveness of USG assistance. This, and the just released Quadrennial Diplomacy and Development Review prepared by the Department of State and USAID represent the results of nearly two years of intensive study and discussion by senior staff and policy makers in the National Security Council, the Department of State and USAID. Both documents are informed by Paris Declaration principles, and the Quadrennial Diplomacy and Development Review specifically cites the Paris Declaration and the Accra Action Agenda as the source for its development assistance principles. This acceleration of aid effectiveness policy along with the implementation of the Feed the Future and Global Health initiatives, is allowing for these new protocols and practices to be tested. While much of this effort has been driven by a more general recognition that, to serve U.S. interests, U.S. foreign assistance has to become more effective and focused, there is little doubt that the Paris Declaration, the Accra Agenda for Action, and the Rome Principles (with regard to food security) have had a major impact on the direction of U.S. aid effectiveness reforms. However, as any student of organisational behavior well knows, the transformation of reform policies into reformed implementation procedures and practices is not automatic. For this reason, many of our conclusions focus on the operational constraints that must be overcome if the new policies are to produce the desired results.

- 1) U.S. foreign assistance has lacked an overall conceptual and organisational architecture, in spite of efforts to give it conceptual unity under the “Three D” mantra: Defense, Diplomacy and Development. It involves many federal agencies and is heavily earmarked and influenced by the U.S. Congress and a variety of interest groups. It is therefore difficult to develop generalizations about the degree of Paris Declaration/Accra compliance. Several agencies, such as the Millennium Challenge Corporation, Department of Treasury, and Health and Human Services, claim a high degree of consistency with Paris Declaration/Accra principles and accords, but the reasons for whatever consistency that does exist are different for each agency. Among the larger programs – USAID, Department of State, Health and Human Services and the Millennium Challenge Corporation – the Millennium Challenge Corporation enjoys a degree of greater freedom with regard to source of procurement, multi-year funding (up to five years) and more flexibility in personnel decisions afforded by its status as a government corporation.
- 2) Respondents in USG agencies that did follow assistance management practices consistent with the Paris Declaration tended to stress principles and practices, including country alignment, engagement with host

country institutions, capacity building through extended technical assistance, and efforts to gradually shift program implementation responsibility to host country institutions. The Health and Human Services case study perhaps shows the greatest responsiveness in this regard. One of the reasons for this degree of alignment is an already-extant global network of public health professionals, as well as a close affiliation between public health development experts and the larger health research and scientific community. Health programs, insofar as their technology is concerned, usually are well grounded in existing evidence and practice, and therefore represent known solutions, the efficacy of which, if properly administered, is not in doubt. Another factor is that health programs do not challenge political arrangements in a host country, unlike economic and, in particular, democratic development programs. Efforts to improve the rule of law generally are not appreciated by kleptocratic or authoritarian regimes.

- 3) Within the Department of State, the Office of the U.S. Global AIDS Coordinator is responsible for coordinating the major USG commitment to fighting HIV/AIDS, and other major global health threats. The oldest and largest commitment has been the President’s Emergency Plan for AIDS Relief (PEPFAR) program, which since 2009 has made significant progress in developing operational and strategic guidance for moving PEPFAR towards explicit adherence to Paris Declaration principles, including country ownership and harmonisation with other donors, although it is too early to tell whether this new approach will produce desired improvements in aid effectiveness.
- 4) The findings on coherence lead to the conclusion that inherent tensions exist between the three major strategic purposes of USG foreign policy – diplomacy, defense and development – that affect the ability of aid effectiveness policies to be internally consistent and coherent. Some of this tension arises from the pressure to produce results in a relatively short time period. Most observers would agree, for example, that capacity building is a long-term process, especially with regard to the establishment of effective, transparent, and accountable institutions of democratic governance. Political and statutory pressure to report positive outcomes on a yearly basis works against the kinds of time frames and long-term efforts most likely to be effective, making “the long run” simply too long. Good development practice may end up subsumed under short-term diplomatic and defense objectives.

Another source of incoherence lies in the potential tension between helping to develop a country’s comparative advantage through development investments and free-trade regimes, and the objectives of American producers and exporters, especially the farm sector, which



may face stiff competition from abroad, now or in the future. In addition, a tension exists between the moral basis for development – including advancing democracy and human rights, protecting women and children from trafficking, and protecting endangered species – on the one hand, and on the other, the USG’s need to develop alliances and cooperative security relationships with regimes that show little interest in U.S. values-based objectives.

- 5) There are conditions under which certain Paris Declaration principles, or aspects of them, may not fully apply. For example, aspects of country ownership and alignment may not apply in situations of fragility, lack of accountable governance, or immediate post-conflict situations. In particular, alignment with country systems is not likely to be feasible under these conditions. Even aspects of harmonisation, managing for results, and mutual accountability may be difficult. For example, some joint donor efforts and a division of labour among donors may be difficult to achieve. Nevertheless, close coordination among donors at the information-sharing level and some kinds of joint efforts, such as fact-finding missions, will be essential in post-conflict situations. Managing for Results and Mutual Accountability in these circumstances may need to be joint among donors, rather than joint with the country.
- 6) A key conceptual issue for many respondents and case study analysts is whether “host country” means host government (especially those without credible representative claims), or whether it applies more broadly to all sectors, including civil society, the private for-profit sector, universities, and more.<sup>2</sup> Moreover, are assistance programs that work directly with civil society or the private business sectors, without host government involvement, permissible under the Paris Declaration principle of host country ownership, or is some direct involvement of the host government a necessary requirement of country ownership? The recent “U.S. Global Development Policy” clearly anticipates working with host governments by stating: “Investing in systemic solutions for service delivery, public administration, and other government functions where sufficient capacity exists; a focus on sustainability and public sector capacity will be central to how the United States approaches humanitarian assistance and our pursuit of Millennium Development Goals.”
- 7) It is unlikely that the USG will ever achieve full compliance with the Paris Declaration and Accra Agenda for

<sup>2</sup> One agency stated that this is a settled issue in the PD/AAA; that country means more than just government. However, discussions with the U.S. international NGO member organisation, InterAction, raised this issue as a major concern. Country government participants at the Third Meeting of the International Reference Group of the Evaluation of the Paris Declaration, December 7-10, 2010, expressed the view that civil society organisations needed to conform to the government’s strategic plan – a view that worries many local and international NGOs who perform advocacy roles with respect to social, rule of law, and other human rights issues.

Action. To do so would require a sea change in the way U.S. interests influence both domestic and foreign assistance policy and practices. Full compliance would also require a profound change in the behavior and capacity of the regimes now in place in some partner countries in the developing world. However, the present US administration clearly is motivated by the normative challenge presented by the USG’s commitment to the Paris Declaration, and appears determined to continue to take specific steps to move toward Paris Declaration-like aid effectiveness.

### **Matters for Consideration**

The findings and conclusions presented generate ideas and suggestions for improvement and raise additional questions and issues that require further review.

#### ***Overarching considerations for U.S. Government executive and political leaders***

The operational and procurement reforms already under way in the USAID should be monitored for success and their applicability to other agencies.

#### ***Leadership, Awareness and Commitment***

Awareness is not the same as commitment. USG agencies involved in foreign assistance need to strengthen the level of commitment by program managers with the responsibility for day to day implementation of U.S. foreign assistance programs. Issuing directives and guidance documents is a necessary step, but more needs to be done to address the constraints and lack of positive incentives that are more powerful influences on the behavior of implementing managers. (see below)

#### ***Capacity***

As part of the “USAID Forward” reform process, USAID is analysing and developing guidance to address a variety of operational constraints to improving aid effectiveness. This effort should be broadened to require all agencies to prepare an inventory of their substantive capacities and skills in order to assess training, recruitment, placement, orientation, mentoring and other approaches required to adequately implement the Paris Declaration principles.

#### ***Incentives and Disincentives***

- 1) All USG agencies managing foreign assistance accounts need very specific guidance on acceptable conditions and arrangements for promoting host country ownership, alignment and greater donor harmonisation. Agency officials should be provided with the appropriate means and incentives to ensure appropriate risk taking in developing host-country capacity, while being protected from legal or bureaucratic repercussions if problems of accountability or mismanagement do arise.

- 2) The administration, on behalf of USG agencies managing foreign assistance accounts, should ask Congress to eliminate or ameliorate those requirements that inhibit implementation of Paris Declaration principles.
- 3) Detailed Paris Declaration guidance should include an analysis of favourable and unfavourable conditions for implementation of the different components of Paris Declaration principles. USAID currently is preparing guidance for the use of country systems under the Alignment principle of the Paris Declaration. Guidance should also address the role of capacity strengthening in helping to improve conditions for Paris Declaration implementation. It should be made clear, however, that these detailed considerations are part of a serious USG-wide effort to move toward compliance with the Paris Declaration principles.

### **Coherence**

- 1) Building on the Paris Declaration and the recent U.S. Global Development policy, agencies should establish a

continuing mechanism to ensure the greatest degree of coherence possible among policies and programs affecting the developing countries.

- 2) The USG executive should dialogue with the U.S. Congress on the potential incoherence among legislative restrictions, trade protection amendments, mandates, and earmarks and the need for greater policy coherence as a critical part of the overall aid effectiveness reform effort. As noted in the Quadrennial Diplomacy and Development Review, some of the degrees of freedom afforded the Millennium Challenge Corporation legislatively should be provided to the USAID and other implementing agencies. The USG should also resolve the definitional confusion about what kind of foreign assistance is included in the effort to strengthen its aid effectiveness, consistent with Paris Declaration principles.

**ANNEX 3**  
**Executive Summaries of**  
**Updates of Phase 1**  
**DONOR AND AGENCY UPDATES**



# Evaluation of the Implementation of the Paris Declaration

## Update of Phase 1 Donor Studies

### ASIAN DEVELOPMENT BANK

#### Executive Summary

This is a summary of an update of the Asian Development Bank (ADB) headquarters-level study that evaluates the implementation of the Paris Declaration (PD)<sup>1</sup>. The Phase 1 study was carried out in 2007 and published in 2008.<sup>2</sup> ADB's management has positively responded to the findings and recommendations of the Phase 1 study. ADB has (i) made PD implementation more visible through internal action plans and briefing notes and monitoring surveys in partner countries on the Paris/Accra commitments, and; (ii) set up focal points for managing for development results and aid effectiveness in its headquarters; (iii) increased the use of program-based approaches; (iv) stepped up staff guidance and training on PD principles; and (iv) increased staff and budgetary resources for operations (including resident missions).

### Context (PDE Q1)

The five PD principles – ownership, alignment, harmonisation, managing for results and mutual accountability – underscored

1 ADB. 2011. *Joint Evaluation of Paris Declaration Phase 2 Headquarters - Level Study Update*, Draft, Manila

Special Evaluation Study Paris Declaration Evaluation ADB HQ-level. The full report is being finalized.

2 ADB. 2008. *Evaluation of the Implementation of the Paris Declaration at the Asian Development Bank: A Development Partner's Study for an OECD-DAC Joint Evaluation*. Manila (February).

<http://www.adb.org/Documents/SES/REG/SST-REG-2008-03/SST-REG-2008-03.asp>

It was reported to the Accra High Level Forum, September 2008. The update study was desk-based and it carefully reviewed relevant ADB documents and monitoring survey results, as well as other related literature on aid effectiveness. It was complemented by a questionnaire survey of ADB resident missions, interviews with a cross-section of staff, management, and board members at ADB.

many of the already ongoing initiatives and approaches at ADB. In 2001 ADB brought out a Long-Term Strategic Framework for 2001-2015 for assisting in reducing poverty and promoting economic growth and in 2004 an enhanced poverty reduction strategy, which emphasized the importance of country ownership and aligning ADB assistance with the development priorities of partner countries and aid harmonisation. Country ownership, aid alignment and harmonisation and results orientation were further emphasized in ADB after it endorsed the Paris Declaration in 2005.

ADB started implementing results-focused country partnership strategies in 2005 which have been mainstreamed. ADB did some fine-tuning to its internal organisation in 2006 with a view to better meet the evolving opportunities and challenges in delivering its assistance in the region. It also introduced a three-year action plan (2006-2008) for managing for development results (MfDR). A new long-term strategic framework (2008-2020), also called Strategy 2020, was brought out in 2008, together with a corporate-level results framework to monitor the implementation of the strategy and its outcomes.

The key push factors for aid and development effectiveness may be summarized as country needs, the potential for reducing transaction costs and improving institutional effectiveness, and increased awareness about transparency in policy and procedures and accountability of actors for development results. Working with other development partners is important for regional development banks like ADB because resources must be pooled to meet the huge financing need of its partner countries to reduce poverty and improve

people's welfare in a sustainable manner. Another important enabling factor is the continued support of ADB's Board of Directors and Management for implementing the PD in ADB and also in its partner countries. On the other hand, institutional capacity and varying political will in partner countries, and often exogenous factors like natural disasters, economic crises, and political conflicts limited the progress in PD implementation.

## Process and Intermediate Outcomes (PDE Q2)

ADB has already substantially implemented PD and AAA commitments. The PD has been useful in improving ADB's effectiveness in delivering assistance. Increased awareness and efforts are much more pronounced in the area of managing for development results. Efforts are under way to meet the observed shortfalls so far in the three key areas, i.e., country procurement system, aid predictability, and program-based approaches.

ADB has supported partner countries with advisory technical assistance in formulating or preparing their national development strategies and sector development master plans with a view to contribute to enhancing **ownership** in aid funded projects. ADB's country partnership strategy and business plans have increasingly been aligned with partner countries' development priorities since 2005. **Alignment** has been further strengthened under the newly streamlined business procedure that became effective in January 2010. Alignment of the country partnership strategy with the national development strategy is a requirement in ADB's business process and is adhered to by its operations departments. In 2009, 89% of ADB's aid disbursements were reflected in partner countries' national budgets.

About 53% of the technical assistance program in 2009 (against the target of 50%, Indicator 4) was coordinated with partner countries' capacity development program. The score was less than 50% only in seven partner countries surveyed.

ADB has encouraged partner countries and also assisted them with advisory technical assistance for improving country systems. ADB has increasingly used country public financial management (PFM) systems by relying on existing institutional arrangements rather than on a cadre of individual financial management specialists. In 2009, 92% of ADB's assistance used country PFM. In 2009, the adoption of a country PFM system was not possible for only five countries because of structural problems. ADB also helps some of these partner countries strengthen their PFM capacity. ADB used the country system for national procurement for only 45% of aid disbursement in 2009, which was lower than the 59% in 2008 (against the target of 78% of aid disbursement use of the country PFM system). This is a significant shortfall. ADB is implementing a technical assistance (USD 1.3 million) to

encourage better collaboration, policy dialogue, knowledge sharing, and capacity building by partner countries in reforming and carrying out procurement.

All ADB assistance is channeled through government budgetary systems. ADB has a system of three-year-rolling country operations business plans (assistance programs), which provides an indication of likely approvals and disbursements. About five years ago, ADB introduced a multitranche financing facility for investment programs, single tranche program loans and sector-wide approaches. Conditionalities have been simplified and country ownership strengthened in ADB's assistance programs. In 2009, 77% of ADB's aid disbursements were effectively disbursed and recorded in the accounting systems of 25 partner countries surveyed, down from 84% a year ago and short of the 89% target for 2010. ADB reached the target in only 10 partner countries. All ADB assistance is untied. However, the ADB charter requires procurement of goods and services from ADB member countries. Where procurement from non-member countries is deemed necessary, the Board of Directors may grant a waiver.

**Harmonisation.** ADB uses parallel project implementation units (PIUs) only in a few cases. The number of PIUs was reduced from 11 in 2008 to five in 2009. In 2009, ADB conducted 54% of its field missions jointly with other development partners, a significant improvement from the previous year (44%). About 63% of ADB's country analytical work was conducted jointly with other development partners.

Administration of aid projects has been increasingly delegated to resident missions/field offices. The corporate-level target for 2012 is 43%. Field offices formulate the country strategy and operations business plans, except in a few cases where field offices are not yet established.

**Managing for Results.** Enhancing the orientation to results of ADB's country assistance strategy and programs was first piloted in 2005. An action plan to implement MfDR was also launched and ADB commenced mainstreaming MfDR in its corporate management as well as in its assistance operations. Since 2008, ADB has monitored corporate results and reports results through its annual Development Effectiveness Review (DEFR) report. DEFR is being embraced as a management tool. Recognizing scope for improvement in its coverage and rigor, the corporate level results framework is scheduled for review in 2012. ADB provides technical assistance for strengthening developing partner countries' capacities to plan, manage, and implement results-driven national strategies. A network of MfDR community of practice has been developed. Capacity Development for Development Effectiveness provides further opportunities in this regard.

**Mutual Accountability.** The corporate-level results framework has improved on ADB's orientation toward development results and accountability. Reporting by the annual report, DEFR, and the annual evaluation review report has enhanced transparency, public awareness, and accountability of the institution.

ADB conducts regular consultation with non-government organisations/civil society organisations (NGOs/CSOs) in formulating country assistance strategies and business plans and preparing assistance projects. ADB's experience shows that cooperation with NGOs/CSOs improves the effectiveness, quality, and sustainability of ADB-assisted activities. ADB's accountability mechanisms include a compliance review panel, an integrity office, auditor general, independent evaluation, and public disclosure.

### **Development Outcomes (PDE Q3)**

The process and intermediate outcomes achieved by ADB discussed above indicate that they have potential to contribute to long term development outcomes of the assistance. More progress is anticipated in country procurement system, aid predictability, and program-based approaches. The PD provided further impetus to improving the efficiency of aid delivery through increased country ownership, simplification and harmonisation of aid modality and procedures, and results-focused management of the development process. Like other multilateral development banks, ADB has actively participated in PD activities, supported its partner countries in various aspects of PD implementation, and implemented itself many of the PD principles in its business processes. Its experience indicates

that MfDR can be very useful in planning and managing the aid delivery.

A successful application of the PD principles was evident in the education sector, e.g., pooling of resources from multiple donors and simplified procedures such as a common focal point in the partner countries for aid agency partners. PD provided further encouragement to reducing poverty in addition to other international initiatives and development goals including the MDGs. Enhanced awareness and related capacity development in some cases have been experienced through the adoption of results-focused national development plans, country partnership strategies, and portfolio management. Partner countries can still play a more active and bigger role in promoting mutual accountability in technical assistance and other aid implementation. Aid agency partners need to harmonise further.

Aid is still important in the economic development process of Asia Pacific region. Cost saving is an important incentive in aid harmonisation and delivery. Sector-wide approaches can be useful in pooling resources and delivery aid at lower transaction costs to the recipient governments. The five PD principles are still relevant in aid delivery, where managing for results plays an important role as it synergizes with other PD principles.

# Evaluation of the Implementation of the Paris Declaration

## Update of Phase 1 Donor Studies

### AUSTRALIA

## Executive Summary

This report contributes to Phase 2 of the international evaluation of the implementation of the Paris Declaration on Aid Effectiveness. It updates the findings of AusAID's headquarters study under Phase 1 of that evaluation, conducted in 2007. The update responds to both the questions set for donor updates and to those for donor headquarters studies. In line with guidance for headquarters studies, the update concentrates on learning by addressing the twin questions 'are we doing the right things' and 'are we doing things right' – that is, it examines the relevance of Australia's choices and the effectiveness of Australia's actions, respectively. It also focuses on three overarching themes considered to be of particular relevance to Australia: scaling up the aid program, operating in fragile states and measuring performance on effectiveness.

### Key findings

Australia is committed to improving aid effectiveness and has taken clear steps to implement effectiveness principles. Since 2001, successive Australian governments have been engaged in efforts to increase the effectiveness of Australia's aid and have participated actively in work to develop the international effectiveness agenda. The current policy statement on Australia's international development assistance, contained in the 2009-10 budget statement, highlights the importance of effectiveness. In particular, it emphasises the need to create genuine partnerships between Australia and partner governments, adapt the aid program to the circumstances of individual countries, use and strengthen country systems to deliver aid, and ensure that the Australian aid program is both transparent and accountable.

Reflecting the renewed commitment of the Australian Government to improving the effectiveness of its aid program, an independent review of aid effectiveness was announced on 16 November 2010 by the Minister for Foreign Affairs. The review, which will complete its work in April 2011, will examine the effectiveness and efficiency of the Australian aid program, and make recommendations to improve its structure and delivery. As a far-reaching review with a central focus on aid effectiveness, its outcomes are expected to provide timely guidance for aid policy and practice against the background of rapid growth in the program.

Since 2007, implementation of the effectiveness agenda in the Australian aid program has been influenced by five key inter-related factors – the government's firm commitment to rapidly increasing the aid budget, Australia's strong commitment to international development, the large number of fragile states with which Australia has aid relationships, the determination to identify new, more effective ways of doing business, and the associated, very substantial, organisational changes introduced in support of these. These factors have all given particular impetus to Australia's determined efforts to improve aid effectiveness.

### Scaling up

The Australian Government is committed to increasing official development assistance to 0.5% of gross national income by 2015-16. A change in the formula for gross national income in 2010-11 means \$ 2.5-3.0 billion more will be required during the period to 2015-16 than was expected in 2009. As a result, the aid budget is forecast to increase from \$ 4.35 billion in

2010-11 to about \$ 8 billion in 2015-16. The government has confirmed that it 'remains resolute' in this commitment.

### **Elevating Australia's role in international development**

Since its election in November 2007, the current Australian Government has increased the role Australia plays in international development, reflecting its firm commitment to global efforts to achieve the Millennium Development Goals. This has been reflected, for example, in its commitment to do more in Africa, the Caribbean and Latin America, and in its support in the Pacific for the Cairns Compact on Strengthening Development Coordination and for the Partnerships for Development. This latter initiative – aimed at building stronger partnerships with Pacific island countries based on principles of ownership and mutual respect and responsibility – has proved to be critical in providing impetus for reforms in line with the priorities of the Accra Agenda for Action.

### **Working in fragile states**

Most of Australia's closest neighbours are developing countries and most are fragile in some way, either through weak governance, civil conflict or enduring development constraints. Many are struggling to achieve their own targets for achieving the Millennium Development Goals. Further, the Australian aid program is increasingly involved in complex national security, conflict, peace-building and state-building operations. In total, expenditure in fragile states in 2010-11 is expected to account for 53% of Australia's total bilateral and regional assistance Australia is taking a 'fit for purpose' approach to implementing the Paris Declaration principles in fragile states, because of the difficulties encountered in these contexts.

### **New ways of working**

AusAID is expanding the range of delivery modalities it uses in an attempt to move away from discrete projects towards program-based approaches. It has recently overhauled its processes for developing and negotiating country aid strategies and has strengthened its sectoral and thematic focus and expertise. It is adopting a partnership approach, not only with partner governments, but also with whole-of-government and community stakeholders in Australia, and with bilateral and multilateral development partners internationally. It is also doing some hard thinking on its approaches to technical assistance and capacity development, recognising their critical role in development, particularly in fragile contexts. The aid program is also increasing its focus on aid effectiveness in managing and reporting its development results.

### **Significant organisational change**

The Australian Government is committed to ensuring its expanding aid program is managed effectively and efficiently so that it delivers better development impacts. In support of this, AusAID has engaged in a series of major policy, institutional and delivery reform processes, all focused on optimising the

effectiveness of Australia's official development assistance. Recent program and policy reforms include new operational policies, country strategy architecture and quality reporting systems, which together aim to provide practical guidance and support for implementing the effectiveness agenda. These reforms build on work predating the Paris Declaration and give new impetus to this commitment.

Prior to Phase 1 of the evaluation, Australia had made the decision to untie its aid and created the Office of Development Effectiveness to monitor the quality and evaluate the impact of the aid program more rigorously. Most significantly, AusAID devolved program management to country offices, recruited substantially more in-house sectoral expertise, established a quality framework for the program, and began strengthening corporate systems.

## **Challenges and priorities for improving effectiveness**

Australia's commitment to increase the volume of aid to 0.5% of gross national income over the next five years presents the aid program with some significant challenges. Building on existing achievements and innovation AusAID is positioning itself to manage a substantially larger aid program and to support its partner countries to make productive use of the additional funds.

In this context, it will be crucial to focus on aid effectiveness across all areas of the aid program. Tools are being introduced to support delivery strategies that promote less time-intensive and labour-intensive modalities and include appropriate risk management. Efforts are also under way to accelerate the building of staff skills and capacity, particularly in those areas related to support for fragile states, innovative delivery modalities, new ways of working and, potentially, new themes and sectors. Staff numbers will also need to increase to meet the needs of the changing and rapidly growing aid program.

Australia's heavy engagement in fragile and weak capacity environments will continue to present challenges for the aid program's effectiveness. Australia is committed to delivering effective aid in such contexts, but recognises that such operating environments are likely to remain difficult for some time and that innovative ways of delivering assistance may be required. In this regard, the potential of the new Partnerships for Development in the Pacific cannot be understated.

In policy and programming terms Australia is doing many of the 'right things' to support its aid. All programs are implementing the principles of the Paris Declaration in some form. Australia is also on the right track to 'doing things right' – it has invested heavily in recent years to improve the prospects for increasing its effectiveness.



# Evaluation of the Implementation of the Paris Declaration

## Update of Phase 1 Donor Studies

### DENMARK

### Executive Summary

Denmark is strongly committed to the aid effectiveness agenda by putting partner country ownership at the heart of Denmark's planning and programming.

Denmark has a long history in promoting ownership and alignment to partner country priorities and continues to push for more effective aid in line with the Paris Declaration and the AAA and works for a better division of labour based on results-oriented and focused development in cooperation with other bilateral donors, as well as with multilateral organisations.

#### **Update on Denmark's progress in implementing the AAA "Beginning Now" commitments**

Denmark's development cooperation is decentralized, and all Danish embassies and missions in partner countries have developed harmonisation and alignment action plans based on the Paris Declaration (PD) and the Accra Agenda for Action (AAA) which are adapted to the specificities of the partner country.

Denmark has therefore not developed an action plan as such for the implementation of the AAA, but rather focused efforts on implementing the aid effectiveness commitments in practice and in the field, according to the specific needs of each partner country. However, progress in Denmark's overall implementation of the AAA in terms of its mainstreaming in Danish policies and guidelines has been closely monitored and are subject to discussion at management level in the Danish Ministry of Foreign Affairs.

Denmark's development cooperation policies, its performance management framework and its guidelines and procedures have to a large extent already taken account of the needed actions identified in the PD and the AAA, which was recognised during the DAC Peer Review of Denmark in 2007 and reaffirmed at the DAC mid-term review in September 2009 as well as in the Peer Review of Denmark in 2011.

The main task for Denmark's implementation of the AAA has therefore been to support Danish missions in the field in these endeavours through flexible guidelines that reflect the aid effectiveness commitments. Focus has thus been on reviewing the Danish Aid Management Guidelines to ensure greater consistency, explicit reference to the AAA and enhance the usefulness of the guidelines for staff that are to implement them. The Danish Aid Management Guidelines, including the Guidelines for Programme Management, are available on [www.amg.um.dk](http://www.amg.um.dk).

The AAA contains 43 donor commitments. Of these, 33 are issues that Denmark has a direct possibility to act upon – the remaining donor relevant commitments cover initiatives, which are to be followed up in a multilateral context.

Denmark has mainstreamed 29 of the 33 commitments in the AAA in policies and guidelines by July 2009, 10 of which necessitates further joint activities. Of the four remaining commitments within the Danish realm, one is on-track, and three others require a continuous effort as well as a joint approach.

In the AAA four areas have been identified for 'immediate start'. Denmark has taken the following specific steps to meet these commitments:

### ***Developing plans on using country systems (para. 15d)***

At country level Danish missions in partner countries have over the course of the last years developed a 'Harmonisation and Alignment Action Plan' based on the PD and AAA commitments which include furthering alignment through specific actions for using country systems.

Denmark has in June 2008 established the use of sector budget support as the default modality for programming of Danish development assistance (this implies maximum use of country systems, ref. AAA para.15.a). Should sector budget support not be used as a modality, the reasons should be made clear and a plan for furthering alignment (para. 15.b) should be made. This requirement is integrated in the Danish Aid Management Guidelines (available at [www.amg.um.dk](http://www.amg.um.dk)), including in a technical note on Programme Support Preparation.

### ***Making public all conditions linked to disbursements (para. 25b)***

Any conditions linked to development disbursements are either embedded in the underlying government agreement

or in such documents as policy matrixes related to general budget support and are therefore clear to partners.

### ***Providing full and timely information on annual commitments and actual disbursements (para 26b)***

Danish missions are, based on requirements in the Danida Action Plan for Fighting Corruption, required to provide information through inter alia their websites on the development activities, including financial information.

### ***Providing regular and timely information on their rolling three to five year expenditure and/or implementation plans (para 26c)***

Danish disbursement and commitment data are published in the national budget and five-year rolling plans. Danish missions provide quarterly disbursement data through their websites and rolling five-year commitment plans in connection with high level consultations with partner countries.

# Evaluation of the Implementation of the Paris Declaration

## Update of Phase 1 Donor Studies

### GERMANY

## Executive Summary

### Questions:

1. What changes have been proposed and implemented following the Phase 1 evaluation?
2. Did the Accra Agenda for Action provide further impetus to the PD process and result in any specific changes?
3. What reporting has been made to domestic or international accountability structures on the implementation of the PD (with copies of the reports)?

### Response to Questions 1 & 2

Both questions are answered together since German Development Cooperation has been and is undergoing a continuous reform process which has taken up recommendations from both the **2005 DAC Peer Review** and the **2008 PD Evaluation (Phase 1)** and responds to the new challenges of the **2008 Accra Agenda for Action (AAA)**.

The Phase 1 PD Evaluation focussed on commitment (evaluated as high), capacity (evaluated as adequate) and incentives (evaluated as strong for intrinsic motivation). Among others, one key recommendation to enhance capacities and organisational and individual incentives for aid effectiveness was to continue reforms towards reducing the institutional complexity of German Development Cooperation and decentralizing decision-making. In this context, one major institutional reform is the merger of the governmental development organisations GTZ, DED and InWEnt which was completed by the signature of the merger agreement in December 2010.

Since then, the concrete integration of the three major technical cooperation agencies into the *Gesellschaft für Internationale Zusammenarbeit (GIZ)* is ongoing – a major contribution towards streamlining German support for capacity development and other technical cooperation and making it even more responsive to partner country demands.

After the AAA, an important instrument for the reform process has been the **2009 Plan of Operations for Implementing the PD of 2005 and the AAA of 2008 to Increase Aid Effectiveness** which contains measures with regard to seven areas of action: ownership and alignment; division of labour and complementarity; predictability and transparency; accountability with a special emphasis on civil society participation; engagement in fragile states and situations of conflict; cooperation with all development actors; and incentives and monitoring. The implementation of this Plan of Operations is being monitored continuously.

In 2010, Germany participated in another **DAC Peer Review**. Prior to the Peer Review, a *Country Memorandum for the DAC Peer Review of Germany* (2010, BMZ) was prepared that also contains a chapter on "Aid Effectiveness" and an Annex on "Follow-up to the DAC Peer Review for Germany 2005". Germany's progress in implementing the Aid Effectiveness Agenda is summarized as follows:

*"German development policy has established a track record of progress for all the PD indicators monitored. Significant improvements have been achieved for a number of indicators (capacity development within the scope of coordinated programme-based*

approaches, use of partner procurement systems, reduction of the number of project offices not integrated into partner structures, country analyses jointly discussed and coordinated with other donors). Internationally, German development cooperation is located in the upper half of the league table of donors overall; for eight out of 10 indicators Germany's scores are above the international average."

A short overview on **Germany's support** for the implementation of the Aid Effectiveness Agenda:

- At the **international level**, Germany is active e.g. in the OECD context as Co-Chair of the WP-EFF Cluster C Transparent and Responsible Aid and its Task Team on Division of Labour and Complementarity and, in the EU context, as Co-Chair of the EU Fast Track Initiative on Division of Labour as well as country-level facilitator in five of the about 30 countries supported through this initiative;
- Within the **German system** of development cooperation, specific attention has been dedicated to areas in which PD Monitoring results are still below expectations, starting from analyses of obstacles. With regard to programme-based approaches, a guidance note was elaborated and trainings on PBA were institutionalised. In late 2008, a Strategy Paper on Budget Support – an aid modality which still leads to controversial discussions among German parliamentarians and general public – defined clear eligibility criteria. Also, a plan for further untying of aid has been developed. Finally, a position paper on use of country systems, stressing the need for a gradual approach, is being elaborated.
- In addition, aid effectiveness issues were **streamlined** into policy papers and reporting systems and included into the annual institutional targets and the communication and training systems of both the Federal Ministry for Development and Economic Cooperation and its implementing agencies;
- At **partner country level**, based on the 2009 Operational Plan, almost 30 country-specific action plans were developed to both improve deficiencies reported in the PD Monitoring and support the new priorities coming out of the AAA. These plans are being monitored at country level. Major issues will be integrated into the country and sector strategy papers, when they come up for revision.

Towards the future, the BMZ Management gave the following **strategic orientation (Source: Country Memorandum 2010)**:

*"Germany will not restrict its development activities merely to the implementation of the (Aid Effectiveness) Agenda. Rather, it will take a **pro-active role in moving forward the Paris/Accra Process** both politically and in terms of substance, and will offer its own initiatives as input into the process. The following are four examples of what the German government plans to do:*

- *Greater efforts need to be made to **mobilise partner countries' domestic resources** ...*
- *The transaction costs of the fragmented way in which aid is provided around the globe are considerable for both the partner countries and the donors. By improving the **division of labour** amongst the donors, the number of interfaces can be reduced and processes of coordinating aid made more effective ...*
- ***Budget support** can be a suitable instrument of development cooperation if the government of the partner country, based on cooperation between government and parliament, takes on responsibility for the outcome ...*
- *Germany's development policymakers support the idea that the allocation of funds to partner countries must be focused more on **development results** and that, in this context, greater accountability must be demanded from the governments of the partner countries."*

The results of the 2010 Peer Review are publicly available at the OECD webpage ([www.oecd.org/dac/peerreviews/Germany](http://www.oecd.org/dac/peerreviews/Germany)). Chapter 5 of the Peer Review report deals with Germany's performance in the field of Aid Effectiveness and gives important impulses on how Germany can make its development cooperation even more effective. In general, the report notes that Germany "has made **good progress** in many areas of its development cooperation" (Main Findings, p. 2) and "is improving its performance against all of the key Paris Declaration indicators" (Full Report, p. 21).

### Response to Question 3

With regard to **accountability**, Germany **regularly reports** to a large number of domestic and international accountability structures, e.g.

- For **domestic audiences**, and especially for the **Federal Parliament**, the Federal Government regularly publishes the "*Entwicklungspolitischer Bericht der Bundesregierung*" (Development Policy Report of the Federal Government). The next edition of the report will be published during the present legislative term 2009-2013.

Also, the German *Bundestag's* Committee on Economic Cooperation and Development (AWZ) received briefings before and after HLF 3 and will be informed again with regard to HLF 4, and parliament in general receives extensive specific briefings upon request.

- In addition, since HLF 3, BMZ has held two high-level meetings with German **civil society organisations** organised in VENRO (*Verband Entwicklungspolitik Deutscher Nichtregierungsorganisationen*) on the aid effectiveness agenda and will continue to do so.

- **At European level**, Germany regularly contributes to the so-called Monterrey Questionnaire which feeds into the European Commission's "Aid Effectiveness – Annual Progress Report" (last report April 2010, SEC(2010) 422 final; the 2011 report is in preparation).
- In the context of the **Working Party on Aid Effectiveness**, Germany has contributed to the "Summary Analysis of 'Beginning Now' Commitments" (Doc. 4, 5th Meeting of the Executive Committee, 26 March 2010; see Annex 2), to Phase 2 of the PD Evaluation and to the third Round of the PD Monitoring Survey.
- Germany demonstrates its commitment to improvements in accountability and transparency also as Co-Chair of WP-EFF **Cluster C on "Responsible and Transparent Aid"** which hosts a Task Team on Transparency and as founding member of IATI (International Aid Transparency Initiative). In addition, Germany participates actively in discussions about improving transparency in the context of the European Union (TR-AID).

# Evaluation of the Implementation of the Paris Declaration

## Update of Phase 1 Donor Studies

### THE NETHERLANDS

### Executive Summary

This summary provides an update of the findings of the report *Ahead of the Crowd? – The process of implementing the Paris Declaration, Case study the Netherlands*. This agency-level evaluation was conducted during the first phase of the joint evaluation of the implementation of the Paris Declaration. The update covers the period between the publication of *Ahead of the Crowd?* until mid-October 2010 when a new coalition Government assumed office in the Netherlands.<sup>1</sup> It is descriptive and should not be considered to be an evaluation. It draws on documentation, in particular *the Netherlands Action Plan Paris/Accra* and internal documents of the Ministry of Foreign Affairs produced by the Department for Effectiveness and Coherence.

In his policy reaction to Parliament on the report of the Phase 1 evaluation of the Paris Declaration, the Minister for Development pointed out the importance of the findings of the synthesis report as well as the Dutch case study. He reiterated that the Netherlands would continue to be fully committed to the implementation of the Paris Declaration. Whilst taking note of the fact the Netherlands had already a relatively good track record, the Minister pointed out that more should and can be done to achieve the Paris agenda in practice.

Stepping up the efforts to achieve the Paris agenda has taken place as a follow-up to the High Level Forum in Accra, where the Netherlands has played a very active role. The Netherlands

<sup>1</sup> The coalition Government instituted in mid-October 2010 has decided to cut the ODA budget of the Netherlands in the coming four years and to focus ODA on a limited number of thematic priorities. At the time of writing of the update note it is not clear how these general decisions will work out in the bilateral aid programme with the current set of partner countries.

Action Plan Paris/Accra entitled *Extra Efforts for Better Aid* was published in early 2009. It offers a broad framework, sets priorities for the Netherlands regarding its obligations under Paris and Accra, and advocates an approach in which development activities are tailored to the specific conditions in the respective partner countries taking into account opportunities and obstacles. More particularly, the following priority issues were to be addressed:

1. the use of country systems
2. predictability of aid and conditions
3. transparency and mutual accountability
4. a results-oriented approach
5. fragmentation and division of labour
6. harmonisation
7. the special challenges posed by post-conflict countries and fragile situations.

In a number of areas, such as registration of the Netherlands contribution in the budgets of partner countries, the use of country systems and predictability of aid, the Netherlands aims to improve its performance. In others (untying of aid, the use of programmatic approaches, avoiding parallel implementation structures and joint or coordinated implementation of missions), the Netherlands aims to maintain its overall performance whilst trying to improve its performance on these priority areas in specific countries if needed.

The Dutch response to the implementation of the Paris Declaration and the Accra Agenda for Action will continue to have a country-specific approach. It will vary depending on the

category of partner country outlined in the policy document *'Our Common Concern: Investing in development in a changing world'* (October 2007). A distinction is made between three groups of countries:

- *Profile 1 countries.* For these countries, which are fairly stable, relatively dependent on aid, and increasingly well governed, the emphasis is on meeting the MDGs as swiftly as possible. It is vital to minimise the transaction costs associated with the multitude of financial flows. In its support to these countries, the Netherlands is strongly committed to realising all the Paris objectives.
- *Profile 2 countries* are struggling with a dominant security problem, a weak government or major social tensions that have the potential to flare up into conflict. Here the support by the Netherlands is mainly focused on creating the conditions that will assist the country move closer to the MDGs. A key objective is to keep transaction costs associated with aid as low as possible.
- *Profile 3 countries* have reached the status of middle-income country or are considered to reach that status in the very near future. In these countries the Dutch development partnership will be scaled back, and succeeded by other types of bilateral relationship. The Dutch aid programme will focus on the particular MDGs on which the country is lagging behind and on broadening the bilateral relationship. In the context of the latter goal, agreements may be made with these countries that do not necessarily lead to better scores on the Paris targets.

By 'customizing' its approach taking into account the specific context of the different countries in each of the three categories of partner countries, the Netherlands aims 'to improve its own performance, fostering international dialogue, and where appropriate, directly approach donors at head-office level'. In addition the Netherlands is committed to realise specific objectives as set by the European Union.

Using **country systems** will be the first option in Netherlands bilateral development cooperation. Even where these systems are not perfect, the Netherlands will try to use them provided that they meet minimal requirements and the partner country has credible plans to improve its systems. The Netherlands will be a 'pioneer' in using country systems within acceptable risks and provided there is a 'relationship of trust' with the government of the partner country. The use of country systems is not an 'all or nothing proposition' implying gradations in the use of some systems and not or not yet using others. In the event the Netherlands considers it impossible to use country systems the reasons will be made clear to the partner country at issue. Where appropriate, the Netherlands will work towards strengthening locally rooted capacity building processes.

The Netherlands will aim for (greater) **predictability of aid**, which will take place in the context of a partnership of trust

between donor and partner country following a 'business-like approach'. If a partner country does not adhere to agreements or violates trust in some way, the amount of aid and the timetable for its disbursement can be affected. When the Netherlands is unable to honour the principle of multi-year commitments (or indicative commitments) for valid reasons, such reasons will be communicated to the partner country. These consultations will be harmonised to the extent possible with other donors with the aim to strengthen the political dialogue.

A multi-pronged approach will be followed to improve **transparency and accountability** as well as fostering those of its partner countries, other donors and multilateral institutions. In order to make Dutch aid more transparent, the Netherlands actively participates in the International Aid Transparency Initiative and information about bilateral aid allocations by country and sector will be published on the websites of the embassies and the Ministry of Foreign Affairs. Support will be provided to strategic partners in recipient countries involved in strengthening the relations between the government and the public with the dual objective to strengthen ownership and accountability. Mechanisms for mutual accountability with a preference for existing mechanisms will be supported in order to minimise the additional burden for the parties involved. In pursuing its sector-wide approach the need to involve civil society organisations and the emphasis on domestic accountability are to be stressed. Where general or sector budget support is not yet possible, the Netherlands will work towards gradual alignment with the partner country's procedures; it will also continue its efforts on harmonising donors' working methods. The Dutch parliament and the public will be regularly informed about the Dutch aid efforts *inter alia* by two yearly *Results in development* reports.

Efforts in the field of **management for development results** need be undertaken in a harmonised and aligned manner. Therefore Netherlands fully supports the activities undertaken by the Joint Venture on Management for Development Results whilst simultaneously providing support to partner countries trying to work in a more results-oriented manner. An important element of the latter support is strengthening statistical capacities in these countries, with the Netherlands continuing its support to international initiatives.

**Division of labour** between donors is a means to an end and should be organised and implemented with a view to increase the effectiveness and efficiency of aid. As of 2007, the Netherlands has been focussing its bilateral aid efforts on a limited number of partner countries. In each country bilateral aid is in principle focused on three sectors. Continued support will be provided to a further division of labour among donors at country level in order to minimise partner countries' workload as well as that of the donors. The Netherlands aims to contribute to more effective cooperation among the multilateral organisations. The European Commission will be supported in its efforts to streamline its activities. Effectiveness and efficiency

will be a central focus in the policy for and financial arrangements with Dutch development NGOs. Dutch organisations focusing on private sector development will be encouraged to collaborate and harmonise their policies and approaches amongst themselves as well with the Dutch embassies in the respective partner countries. If the international dialogue on cross-country division of labour results in a shift of Dutch (bilateral) financial flows, the Netherlands aims to channel its support where appropriate and possible through civil society organisations, the EU and international financial organisations. Dutch policy towards multilateral organisations strives for joint positions and a division of labour with like-minded donors as well as better cooperation and better division of labour among the multilateral organisations. Finally, the Netherlands will refrain from establishing new global or vertical funds whilst putting an emphasis to address the shortcomings of existing funds.

Where alignment with partner countries' policies and procedures may not (yet) be possible, the Netherlands considers it very important that donors **harmonise** their activities to avoid duplication and put excessive burdens on the recipient countries. The Netherlands will further reduce its parallel implementation structures whilst increasing its involvement in joint analytical work and the number of joint missions. It is aimed that at least half of all Dutch-funded technical support for capacity building in partner countries is to be provided through coordinated programmes. Joint financing arrangements will be used to a greater extent as will models for delegated cooperation. Financing multilateral organisations will mainly take place through non-earmarked and pooled multiyear funding. The Netherlands will contribute to the international Legal Harmonisation Initiative.

The strategy *Security and development in fragile states* (November 2008) points out that the principles of ownership and domestic accountability will be applied in fragile states. Where possible the Netherlands will act in harmonisation and jointly with other donors and international organisations bearing in mind possibilities and challenges for alignment. Under the auspices of the OECD DAC International Network on Conflict and Fragility, the Netherlands is leading the process of setting priorities for peacebuilding and state-building. In a more general sense, the Netherlands wishes to actively contribute to promote more effective international efforts in fragile states through targeted support to international organisations and engaging in a critical dialogue with these organisations focusing on improving cooperation among them.

Progress of the implementation of the Action Plan has been monitored. The monitoring results were used to discuss the 'state of the art' of this implementation and to point out which improvements are warranted.

In the 2008 the OECD DAC survey on the extent to which donors were implementing the agreements in the Paris Declaration, 29 partner countries filled in the questionnaire on Dutch aid. In general terms, the Netherlands scored relatively well. For five of the 10 indicators the targets have been achieved or nearly achieved: coordinated technical cooperation on capacity development, avoiding parallel project implementation units, untying aid, applying a programme-based approach, and conducting joint field missions (see Table 5.1). The Dutch score was well below the Paris target for 2010 on the following indicators: the extent to which aid is incorporated into the budget of the partner country, the use of country systems for public finance management, joint country analytical work and the predictability of aid. The report *Results in development*, which was provided to Parliament in 2009, points out that still much should be done to improve the use of country systems as well as predictability and transparency. The report provides an insight on whether the Netherlands will be able to reach the Paris Declaration targets for these indicators.

Finally with regard to aid modalities it can be noted that budget support has been a component of Dutch development cooperation policy for quite some time. However, the combined share of general budget support, sector budget support and sector basket funding in total ODA has remained relatively small. In addition, the levels of budget support have been fluctuating because of several reasons. In the first place, as a result of the changing political and governance contexts in a number of partner countries the Netherlands decided to review its position in terms of providing general budget support. Second, in a number of countries budget support has gradually been phased out. This applies for instance to some countries belonging to the *Profile 3* category which have reached or are about to reach the status of middle-income country. In these countries the Dutch development partnership will be scaled back, and succeeded by other types of bilateral relationship. General budget support, sector budget support and sector basket funding are applied in a very limited way in *Profile 2* countries. In these countries which are characterised by security problems, a weak government or major social tensions that have the potential to flare up into conflict, the conditions are not conducive to provide such support.



# Evaluation of the Implementation of the Paris Declaration

## Update of Phase 1 Donor Studies

### NEW ZEALAND

## Executive Summary

### Summary of findings

Consistent with the prevailing situation in 2007, the principles of the Paris Declaration are integrated into the way of thinking within the New Zealand Aid Programme, but implementation is not yet systematically or comprehensively pursued. The planned recruitment of an Aid Effectiveness Advisor has not occurred and the lack of this focal point and leadership has undermined efforts to more fully embed practical application of the PD to date.

The PD principles have remained visible. A recent Ministry of Foreign Affairs and Trade (MFAT) survey found that the PD remains as important to New Zealand Aid Programme partner countries in 2010 as it was in 2007. The 2008 Accra High Level Forum was taken seriously by the International Development Group (IDG) of MFAT, and reinforced the focus on Aid Effectiveness. An Aid Effectiveness (AE) Action Plan was developed and adopted in mid-2010, which should provide fresh impetus for efforts to address barriers to improved aid effectiveness if it can be appropriately resourced.

A number of the 2007 recommendations and some Paris Declaration intentions are being implemented, despite the lack

of a fully developed, systematic approach. However, analysis undertaken for this report found that a number of institutional barriers to more effective aid remain. These include:

- the need to further improve business processes and develop practical resources and training for staff relating to aid effectiveness
- financial and technological constraints on devolution
- continued fragmentation and dispersal of the aid programme.

Ongoing effort is required to address these barriers and to sustain progress, particularly to maintain commitment to making further gains in a challenging context of organisational change.

New Zealand's involvement in the Cairns Compact indicates ongoing commitment to improving aid effectiveness and provides an avenue for progress to be made beyond the internal organisational changes that still need to be implemented.

# Evaluation of the Implementation of the Paris Declaration

## Update of Phase 1 Donor Studies

### UK (DFID)

### Executive Summary

#### What changes have been proposed and implemented following the Phase 1 evaluation?

DFID accepted and is implementing almost all the recommendations of the Synthesis donor study and the DFID Donor HQ case study. These included suggestions to:

- update Parliament and the public on progress on aid effectiveness and establish explicit transparency objectives
- improve medium term predictability of aid flows to feed into partner country budgeting and reporting
- delegate more authority to field offices
- if requested, DFID should strengthen support to partner countries to adjust to Paris agenda.

DFID did not accept some recommendations on special budgets and resources and benchmarking because these were not considered necessary given other processes.

The 2010 DAC peer review of DFID gives further information about DFID's progress on aid effectiveness.

#### Did the Accra Agenda for Action provide further impetus to the PD process and result in any specific changes?

The Accra Agenda for Action definitely did provide further impetus to DFID's implementation of the Paris Declaration.

It resulted in a DFID action plan, "Beyond Accra", approved by ministers, setting out how we would implement Paris and Accra commitments. It was published in July 2009 on the DFID website and submitted to the DAC. We provided two progress reports to the DAC on implementing the 'Beginning Now' Accra commitments.

#### Since Accra:

- DFID has published conditions linked to disbursements from April 2010 onwards.
- The majority of our country offices report that they provide information on annual commitments to partner governments.
- We provide rolling three-year indicative resource allocations to partner country governments in our focus countries where we provide resources through government.
- We publish indicative country allocations for DFID's country programmes for the three and soon to be four years of the current UK Spending Review period.
- DFID has worked to improve aid transparency, in line with Paris and Accra commitments. The Secretary of State launched a UK Aid Transparency Guarantee in June 2010. We will begin publishing full information on all new DFID projects over £ 500 by January 2011. We launched a searchable database of project information on the DFID website in August 2009.

- We have led the International Aid Transparency Initiative, which was launched at Accra to help donors implement their commitments on transparency. In June 2010, the 18 donor signatories agreed what information they will publish in the first phase, plus common definitions and formats, with implementation to start by January 2011.
- DFID has worked with other donors and partners in countries like Ghana, Zambia, Bangladesh and Uganda to improve mutual accountability. To support faster progress at country-level, we have analysed barriers to establishing mutual accountability processes in eleven countries where we have programmes and produced top tips on mutual accountability for our country offices. These were also used by the Working party on Aid Effectiveness Task Team on mutual accountability. And we have worked closely with the UN Development Cooperation Forum on their survey of country-level mutual accountability.
- In 2009 DFID reviewed our incentives for aid effectiveness, using a self-assessment tool which was presented at Accra. We have shared the results with the DAC and implemented recommendations to improve.
- DFID has strengthened its results focus to ensure that programme and policy decisions are based on evidence

of what works and what's value for money, and that it learns and improves results using information from research, reviews and evaluations.

### **What reporting has been made to domestic or international accountability structures on the implementation of the Paris Declaration?**

#### ***Domestic:***

DFID reports on Aid Effectiveness in its public Annual Report. DFID is accountable to Parliament and the public to ensure that UK aid achieves maximum effectiveness. Part of this is responding to the International Development (Reporting and Transparency) Act 2006, which requires the Secretary of State to report on the progress made in specified areas related to aid effectiveness. The latest report, DFID in 2009-10, is on DFID's website.

DFID reported to the All Party Parliamentary Group for Debt Aid and Trade who led a Parliamentary Inquiry into Aid Effectiveness which reported in March 2010.

#### ***International:***

DFID reports to the DAC and annually to the EU on aid effectiveness. The DAC Peer Review of DFID in 2010 included reviewing aid effectiveness.

## ANNEX 4

# Terms of Reference for Phase 2 of the Evaluation of the Paris Declaration

### Introduction

In response to the Paris Declaration commitment of conducting an independent cross-country evaluation, it has been decided to conduct a two-phase evaluation, commissioned and overseen by an International Reference Group, comprising representatives of donors and multilateral agencies (chiefly members of the DAC Evaluation Network), partner countries and representatives of civil society. Day-to-day management of the evaluation is entrusted to a small Evaluation Management Group supported by an Evaluation Secretariat.

The evaluation complements the monitoring of the implementation of the Paris Declaration, undertaken through the Cluster D of the OECD DAC Working Party on Aid Effectiveness “Assessing Progress on Implementing the Paris Declaration and the Accra Agenda for Action.

The first phase of the evaluation<sup>1</sup> ran from March 2007 to September 2008 and aimed at providing information on the “HOWs and WHYs” of the implementation process of the Paris Declaration to deliver practical lessons and help take stock of implementation performance at the 3<sup>rd</sup> High-Level Forum on Aid Effectiveness held in Accra, Ghana in September 2008. The emphasis of this phase was on input and output levels, through a series of partner country, development partner<sup>2</sup> headquarters, and thematic evaluations. These evaluations were of a formative nature, capturing the incremental and incidental behavior changes associated with the Paris Declaration.

The second phase of the evaluation will run from the 3<sup>rd</sup> High Level Forum in 2008 up to the 4<sup>th</sup> High Level Forum in Korea in 2011. This second phase will examine whether the intended long-term effects of the Paris Declaration are being achieved with an emphasis

<sup>1</sup> Wood, B; D. Kabell; F. Sagasti; N. Muwanga; Synthesis Report on the First Phase of the Evaluation of the Implementation of the Paris Declaration, Copenhagen, July 2008. The report can be found at: [http://www.diiis.dk/graphics/Subweb/paris\\_evaluation\\_web/index.htm](http://www.diiis.dk/graphics/Subweb/paris_evaluation_web/index.htm).

<sup>2</sup> By Development Partners is meant donors, multilateral agencies, IFIs and other organisations engaged in development assistance.

on outcome and results. The evaluation’s primary focus will be at the level of country studies (that assess donors/agencies as well as country stakeholders), with a few supplementary “studies” where essential to ensure adequate coverage of important issues. 21 partner countries have expressed a strong interest in conducting country-level evaluations and four donor countries have indicated that they would undertake a headquarters-level study to complement those conducted in Phase 1 by other 11 donors/agencies.

The substance and the nature of the evaluation and its conduct are presented in the annexed Approach Paper which is an integral part of the present Terms of Reference. Other source documents referred to should also be consulted by potential contractors as they too contain important and additional background information<sup>3</sup>.

The Terms of Reference are organised into seven sections:

1. *The Paris Declaration and this evaluation.* This introduces the Paris Declaration and the governance structure for the evaluation.
2. *Objectives of the evaluation.*
3. *Approach and methods.* The overall evaluation model and approach that recognises the distinctive methodological challenges of evaluating the Paris Declaration.
4. *The role of the Core Team.* This locates the Core Team within the architecture of the Phase 2 evaluation. It relates the Core Team’s work to that of country-level teams. It also identifies the specific responsibilities of the Core Team over the course of the Phase 2 evaluation.
5. *Timetable and deliverables.*
6. *Profile of the Core Team.*
7. *Expected level of input.*

<sup>3</sup> The source documents can be found on the OECD/DAC Website at: [www.oecd.org/dac/evaluationnetwork](http://www.oecd.org/dac/evaluationnetwork).

# 1. The Paris Declaration and this Evaluation

## 1.1 The Paris Declaration

The Paris Declaration<sup>4</sup> was endorsed at the 2<sup>nd</sup> High Level Forum held in Paris in 2005 by 52 donor and partner countries and 30 other actors in the development cooperation field (UN and other multilateral agencies & NGOs). It aims to strengthen “partnerships” between donor countries and countries receiving aid in order to make aid more effective and to maximise development results. The Declaration consists of 56 “Partnership Commitments” grouped under five overarching ‘principles’:

- **Ownership** by aid-receiving developing countries of their own development strategies and plans
- **Alignment** of donors by using country systems and procedures in support of country plans
- **Harmonisation** of donor actions to minimise administrative burdens and transaction costs on partner countries
- **Managing for Development Results** by partner countries and donors becoming focused on results and using results oriented information to improve decision-making
- **Mutual Accountability**, such that both donors and partner countries take on a joint commitment to achieve development results both to each other and to their own constituents and publics.

The Paris Declaration expresses a broad international consensus developed in the 15 years that preceded 2005 stipulating that new partnership relationships and ways of working between developed countries and partner countries are essential if development results are to be assured, aid well spent and aid volumes maintained.

## 1.2 Evaluation Governance

Considerable thought has gone into ensuring that the governance of this evaluation will be consistent with Paris Declaration partnership principles and entail appropriate involvement, cooperation and ownership by the main stakeholders in the Paris Declaration. This is intended to ensure that the evaluation will be relevant to stakeholders, its results will be used and that evaluators will be able to access needed information. There is also a prior expectation that all stakeholders will be committed to the independence and professional credibility of the evaluation.

A diverse International Reference Group made up of both participating partner countries, donors and multilateral institutions together with international civil society observers will oversee the Phase 2 evaluation. Operational management

<sup>4</sup> The full Declaration can be found at: <http://www.oecd.org/dataoecd/11/41/34428351.pdf>.

will be the responsibility of a smaller Evaluation Management Group, also made up of donor and partner country representatives. The Management Group reports to the International Reference Group. It is explicitly responsible for ensuring the quality and independence of the evaluation, including, among other things, selection of the Core Team. There will also be a Country Reference Group for each country-level evaluation to guide country-level evaluation teams, the country evaluation design, and country-specific evaluation questions; monitor progress, review report drafts and ensuring that country-level evaluations are relevant and well integrated. Similar Reference Groups will be established for the donor/agency headquarters-level evaluations.

## 2. Objectives of the Evaluation

The overall aim of the Phase 2 evaluation is to assess the relevance and effectiveness of the Paris Declaration and its contribution to aid effectiveness and ultimately to development effectiveness, including poverty reduction.

To this end the evaluation will document and analyse the results of the Paris Declaration in terms of improving the effectiveness of aid and the contribution of aid to development results.

The evaluation design as outlined in the Approach Paper, acknowledges the importance of country-specific differences and other differences in policy, history, and resources both among donors and the recipients of aid. The evaluation is therefore expected to analyse results in context, taking into account preconditions or enabling conditions that may lead to or inhibit positive development results supported by aid.

Specific objectives include:

- To document the results achieved through implementing the Paris Declaration.
- To enable country-based “partnerships”, partner countries and donors/agencies to clarify, improve and strengthen policies and practice consistent with the Paris Declaration in pursuit of aid effectiveness and development effectiveness.
- To highlight barriers and difficulties that may limit the effectiveness of the Paris Declaration and its effects and impacts – and how these barriers and difficulties may be overcome.
- To strengthen the knowledge-base as to the ways in which development partnerships can most effectively and efficiently help maximise development results through aid in different development contexts – including various degrees of “fragility”.
- To enable sharing and exchange of experience among stakeholders, countries and partnerships so as to facilitate reflection, lesson-learning and policy improvement.

This evaluation will therefore be summative *and* formative – allowing judgements to be made about what has been achieved whilst at the same time also supporting policy development and improvement across different constituencies and stakeholders.

The political support for the Paris Declaration as a development strategy that was evident at the High Level Forum in Paris in 2005 remains strong. This was underlined at the most recent High Level Forum held in Accra in September 2008. The Accra Agenda for Action further specified some of the Paris Declaration's commitments with the aim in particular of strengthening country ownership; building more inclusive partnerships; and sharpening the focus on development results. The Phase 2 evaluation will therefore need to pay particular attention to implementation of these commitments. These address the concerns of many stakeholders – including policy makers in partner and donor governments; Parliaments, other tiers of government including municipalities; development agencies and IFIs; civil society including the private sector, NGOs and citizens in both partner and donor countries. The Core Team will need to be responsive to this complex multi-stakeholder environment.

### 3. Approach and Methods<sup>5</sup>

An overall evaluation model and approach has been developed that recognises the distinctive methodological challenges of evaluating the Paris Declaration.

The evaluation is expected to provide answers to evaluation questions that stakeholders and constituencies want answers to and can then use to strengthen policies that will improve the effectiveness of aid and the achievement of development results. These questions are detailed in the Approach Paper (paragraphs 42-52) (See the annexed Approach Paper dated xxxx).

*The main elements of the evaluation approach* include:

- Several (15-20) country-level evaluations focusing on country-donor partnership functioning and their development outcomes at country-level, thus including consideration of the effects of donor policies as well as country-level actors on country development prospects.
- A few (four-five) donor/agency headquarters studies to supplement those undertaken in Phase 1.
- Addressing all the five main principles: mutual accountability and managing for development results as well as ownership, alignment and harmonisation.
- Attempting to explain and attribute results to the Paris Declaration, despite predictable difficulties – hence the importance of comparative elements in the proposed design.

<sup>5</sup> See Approach Paper Chapter II, Scope and Focus.

A mix of suitable methods for this evaluation has been identified including:

- Syntheses of existing evidence (e.g. secondary sources), evaluations and research in order to avoid unnecessary duplication of effort.
- Comparative case studies that address common themes and sectors – important because more information may be available for some sectors and comparative findings require a focus on common themes.
- Comparative studies, for example between Paris Declaration and non-Paris Declaration type policies (e.g. different aid modalities, global funds etc.) in order to disentangle the contribution of Paris Declaration related and other strategies.
- Backward tracking to past Paris Declaration-like initiatives and their results so as to demonstrate effects over longer periods of time.
- 'Theory based' (longitudinal) studies that are forward looking (i.e. anticipate development results that are in formation but have not become fully evident) by mapping out the plausible links in the causal chain from aid to development results and measure as far as possible "direction of travel" and "distance travelled". This is especially important for some of the longer term effects of the Paris Declaration that will not be evident by 2011.
- Given the intentions of this evaluation to support improvements in policy and practice as well as document/measure achievements and failures, there will need to be a focus on mechanisms of change<sup>6</sup> (i.e. those causal factors that help explain results in context) so as to be able to make credible recommendations.

The challenge of attribution and causal inference is given particular attention in the Approach Paper. The challenges include:

- Different ways in which the Paris Declaration is being implemented.
- Importance of different political, economic and institutional contexts for implementation ("intervening variables").
- Significance of key actors' intentions and priorities.
- Possibilities of multi-directional causality between the main elements in the model.
- Iterative nature of policy implementation associated with the Paris Declaration.
- Limited availability of adequate and relevant data, especially for results and outcomes.

<sup>6</sup> Of the kind identified in paragraph 54 of the Approach Paper.

- The challenges are particularly daunting if development outcomes and results are to be explicitly identified, quantified and attributed.

Despite the relatively detailed level of preparation and agreement about evaluation approach and methods, the difficulties of operationalising these aspirations and intentions across many countries should not be underestimated. This will be a challenge for the Core Team in particular. It is agreed that as part of the evaluation comparisons between experiences will be important. The purposes of these comparisons are also clear: to test attribution claims for the Paris Declaration. The particular form, focus, methods and techniques to be applied will be proposed and justified by the Core Team – both in their proposal and as part of the inception report once work has begun (see below in Section 5.2 for details of expected reports and outputs).

## 4. The Role of the Core Team

### 4.1 The Core Team within the Phase 2 Evaluation Architecture

The importance of the Core Team follows from the architecture of the evaluation.

The Phase 2 evaluation will focus on effects at the level of partner countries and their partnerships, i.e. the joint arrangements between donors and the recipients of aid that have been put in place to support the implementation of the Declaration. There will be country-level evaluation teams in each participating partner country responsible for undertaking independent evaluations of aid effectiveness and development results. These teams will address both:

- 1) Implementation or “process” – a continuation of Phase 1 investigations both in “old” and “new” countries. The “Core Questions”<sup>7</sup> should be relatively few and precise concerning changes of behaviour of countries and donors while allowing countries to adapt these studies to their particular interests, and
- 2) Results or outcomes in terms of aid and development effectiveness. In order to allow meaningful aggregation and synthesis the “generic ToR” including the “core questions” needs to be rather precise, leaving limited room for variations in scope and methodologies.

Whilst most evaluative activity will be undertaken by country-level teams, there may also be a small number of “supplementary studies” where it appears that insufficient evidence will be available from the country studies to allow for firm conclusions to be drawn. These supplementary studies will draw from evidence provided by the country-level studies and on evidence from other countries drawn to the greatest extent possible from secondary sources.

<sup>7</sup> The Core Questions should be drawn from the ToR for Phase 1 country evaluations.

A familiar problem in decentralised evaluations such as this is how to draw valid and defensible general conclusions once all country-level studies are complete. This problem derives from a number of technical reasons. For example, methods and data gathering may not be consistent; specialist skills may be weaker in some teams compared with others; and potential cross-cutting themes are identified too late in the evaluation cycle to allow for comparability.

The Core Team is expected to facilitate coherence and quality across country-level studies as well as donor/agency headquarters-level studies so as to ensure that these are reliable, authoritative and useful bases for synthesising.

### 4.2 Specific responsibilities of the Core Team

The Core Team will be expected to contribute to the Phase 2 evaluation at all stages: at planning and set-up; on an ongoing basis to ensure consistency and solve problems that may arise; and in the final stages when it will be expected to bring together all evaluation findings in a free-standing Synthesis Report. In order to fulfil these responsibilities the Core Team should be in place and working at least five to six months before country-level teams are contracted. The Core Team will report and be responsible to the Evaluation Management Group through the Evaluation Secretariat.

At *planning and set-up* the Core Team will:

*Review and synthesise relevant existing research material and evaluations.* There is a considerable body of research, evaluation, monitoring and data base material that pertains to the countries that will participate in the Phase 2 evaluation. This material needs to be reviewed and collated in a consistent and efficient fashion preferably in a database so that preparatory dossiers are provided to country-level teams when they begin their work.

*Design, subject to the approval of the Evaluation Management Group and the International Reference Group, a “template” for the common elements of country-level studies.* It is important to ensure consistency in data gathering and fieldwork at country level for the common (shared) elements of country-level studies<sup>8</sup>. Consistency should be assured by applying a “Generic Terms of Reference” for the core evaluation questions, methods, types of evidence, quality standards and quality assurance systems that should be applied. Developing such a “template” will ensure that results will be comparable and that synthesis across country-level studies will be possible. The Core team will prepare detailed design to operationalise the Approach Paper’s evaluation framework, propositions and questions into a guide for feasible country studies and, as appropriate, supplementary studies. The Core Team will prepare and manage the four Regional workshops to facilitate this.

<sup>8</sup> The same level of consistency will not be needed for country specific aspects of the evaluation.

*Provide professional input into the selection of country-level teams.* Country-level Reference Groups will take many considerations into account when selecting and contracting their country-level teams. These may include the track-record of potential contractors, their understanding of country and development topics, and the value for money of the offer, as well as national competitive procurement procedures. The Core Team should provide an independent professional input into this process.

On an **ongoing basis once the evaluations have begun**, the Core Team will:

*Provide ongoing advice and support to Country Teams.* In multi-method evaluations decisions always have to be made on an on-going basis once an evaluation begins. Problems of data availability will require substitution of data sources; choices will have to be made about sampling activities or interview respondents; and balance will have to be maintained across the different components of the evaluation. Impartial advice in the face of such decisions will assist country-level teams, facilitate sharing of knowledge, information and experience across teams and reinforce the coherence and comparability of the evaluation as a whole. An interactive web-site will be established by the Core Team to support these activities.

*Propose for the approval of the Evaluation Management Group, any additional supplementary studies and how they should be undertaken.* As has already been noted whilst most evaluative activity will take place at country level some supplementary studies may also be needed. Once the design of country-level studies has been complete it will become clearer which topics may be adequately addressed in which countries and where

additional data and targeted studies may be needed to reach firm conclusions<sup>9</sup>. Some of these supplementary studies may be conducted by the Core Team itself. They are likely to involve cooperation with some if not all country-level teams and (depending on the subject and skills required) they may also involve supplementing Core Team members with other experts as appropriate. The budget for such studies should not be included in the present bid. Each study will be negotiated and contracted separately.

At the **final stages of the evaluation**, the Core Team will:

*Synthesize evaluation results and prepare a final overall evaluation Synthesis Report.* Source material at this stage will have been generated at country level through supplementary studies; and through reviews of existing research, evaluations and data. Synthesis work in preparation of the final report will have to begin before all country-level evaluations are complete, underlining the importance of careful time planning of country-level activities. It will also require working closely with country-level teams to ensure that the overall conclusions of the evaluation are adequately founded on country-level evidence. The final synthesis report should meet the DAC Evaluation Quality Standards.

*Assist with the dissemination of evaluation results.* A comprehensive dissemination plan will be prepared by the Evaluation Secretariat to ensure that the results of the evaluation are available well before the 4<sup>th</sup> High Level Forum, planned for late 2011, and to other constituencies and stakeholders. The Core Team will support and participate in these activities, for example by preparing targeted evaluation products and attending regional workshops.

The full TOR can be found on  
[www.oecd.org/dac/evaluationnetwork/pde](http://www.oecd.org/dac/evaluationnetwork/pde)

<sup>9</sup> It may be that one or more supplementary studies are judged by the Evaluation Management Group to be pressing and therefore need to be started closer to the beginning of the evaluation.



# ANNEX 5

## The Evaluation of the Paris Declaration Phase 2

### Technical Annex to Synthesis Report including List of Key Sources Consulted

May 2011



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## 1. Purpose

The Technical Annex has two aims:

- Firstly, to expand on the concise description of the Evaluation's approach and methodology within the main Synthesis Report.
- Secondly, given that this study is one of the largest joint Evaluations ever undertaken, to draw out lessons learned for any similar exercises in the future.

The text makes reference to a number of additional documents that were produced during the Evaluation process.

These are available on the OECD/DAC website or on request.<sup>1</sup>

They will also be shared as part of the final repository of Evaluation information. A list of key sources consulted is also attached as part of this Annex.

## 2. Background and Initial Approach

The Paris Declaration (2005) contains a commitment to independent, cross-country evaluation, to provide an understanding of how increased aid effectiveness can contribute to meeting development objectives. The Accra Agenda for Action (2008) specifically committed to "assess whether we have achieved the commitments we agreed in the Paris Declaration and the Accra Agenda for Action, and to what extent aid effectiveness is improving and generating greater development impact."<sup>2</sup>

In 2006, the OECD/DAC Network on Development Evaluation commissioned an Options Paper to help it select an appropriate way to follow up on the 2005 implementation of the Declaration. The paper concluded that, subject to some limitations, the Declaration was broadly 'evaluable' and that an optimal approach would be a set of four connected but loosely integrated evaluation activities; the development of a common framework; country led evaluation initiatives; a set of thematic case studies across donors; and a medium to long-term programme of analytical work.<sup>3</sup>

The Options Paper was internationally circulated to both partner countries and donor agencies. Partner countries in particular expressed their interest in playing major roles within any future evaluation. Subsequently, the Evaluation was designed and implemented, applying a fully joint approach. The design called for two phases, which have been broadly shaped around the first three of the Options Paper components.

<sup>1</sup> Documents will be made available on the OECD website/the Extranet or contact IOD PARC.

<sup>2</sup> Accra Agenda for Action, para. 11.

<sup>3</sup> Booth, D and Evans, A (2006) *Evaluation Network Follow-up to the Paris Declaration on Aid Effectiveness: An Options Paper* (submitted for discussion at the fourth meeting of the DAC Evaluation Network, 30-31 March 2006).

Across both phases, the four main stages of development have been as follows:

### Stage 1 (2005-06) Developing the initial approach

Formation of the international Reference Group (comprised of half partner countries, half donors) plus an Evaluation Management Group that was tasked to secure voluntary participation and funding; developing the Terms of Reference for Phase 1; the establishment of the Evaluation Secretariat (March 2007)

### Stage 2 (2007-08) Implementing Phase 1

The implementation of Phase 1 (carried out at both donor and country level) which considered three main areas: trends or events around early implementation; influences affecting the behaviour of countries and their Development Partners in relation to implementing their Paris commitments; whether implementation appeared to be leading towards the five Principles.

Phase 1 included the "Linkages" study<sup>4</sup> which proposed key elements of design & governance for Phase 2

### Stage 3 (2009-10) Preparation for Phase 2

First meeting of the International Reference Group for Phase 2 (Auckland, February 2009) which resulted in the main Approach Paper for the study.<sup>5</sup>

Production of the Terms of Reference for the Core Evaluation Team (hereafter 'Core Team'). Procurement competition and appointment of the Core Team

### Stage 4 (2009-11) Implementing Phase 2

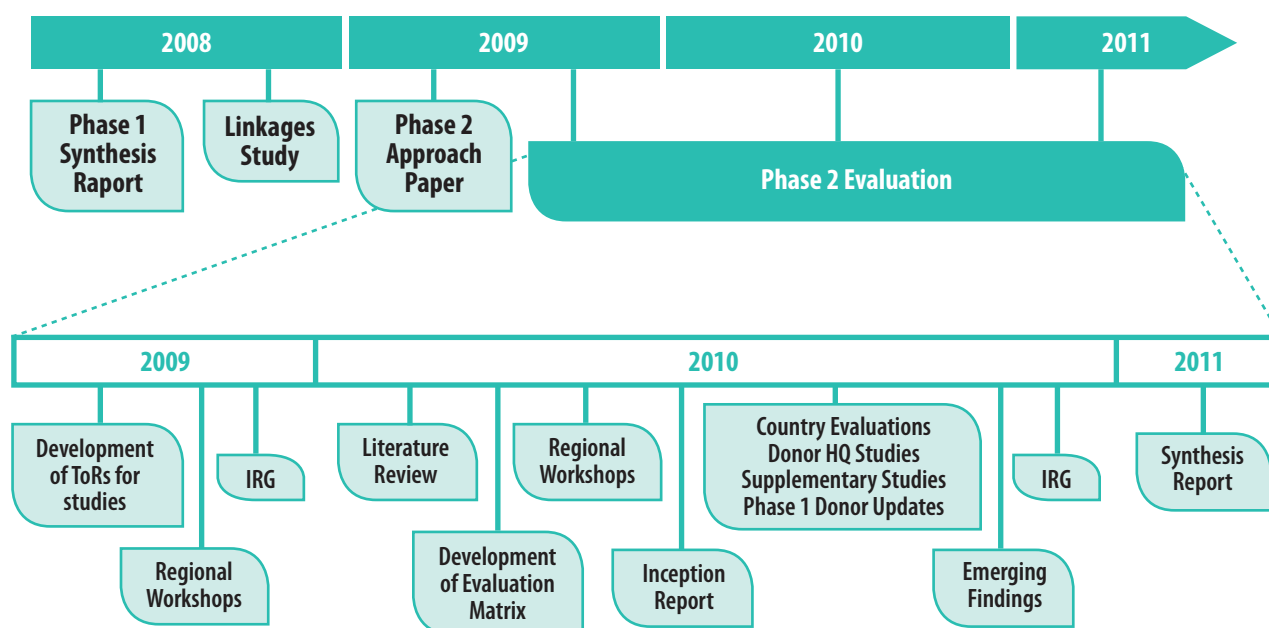
Implementation of Phase 2, which expanded participation to a wider group of countries and donor agencies than Phase 1. Completion of country evaluations and donor/agency studies and updates. Production of the Synthesis Report, working within the international and national level governance structures of the Evaluation, drawing on all the different components of the Evaluation (see Figure 2 on page 199).

<sup>4</sup> Stern, E et al (2008) *Thematic study on the Paris Declaration, Aid Effectiveness and Development Effectiveness*, Copenhagen: DIIS.

<sup>5</sup> Evaluation of the Paris Declaration Phase 2: Approach Paper (25 May 2009).

The key events of the Evaluation are summarised in the timeline below:

Figure 1. Stages of the Evaluation Process



### Components of the Evaluation

The main components of the overall Evaluation have been:

- In Phase 1 (2008): nineteen studies (eight in countries and 11 lighter-touch donor and multilateral agency reviews)
- In Phase 2 (2011): twenty eight studies (21 country evaluations and seven donor/agency headquarter studies) plus more limited updates from donors who were studied in Phase 1 (seven agencies).<sup>6</sup>
- Also in Phase 2, supplementary inputs including studies on “Development Resources Beyond the Current Reach of the Paris Declaration” and a Latin American Survey; the findings from a targeted literature review; and additional specific materials drawn upon as required.

The following diagrams (Figure 2) indicate the components of the Phase 2 Evaluation overall and the geography of the participating countries/agencies.

### Phase 2

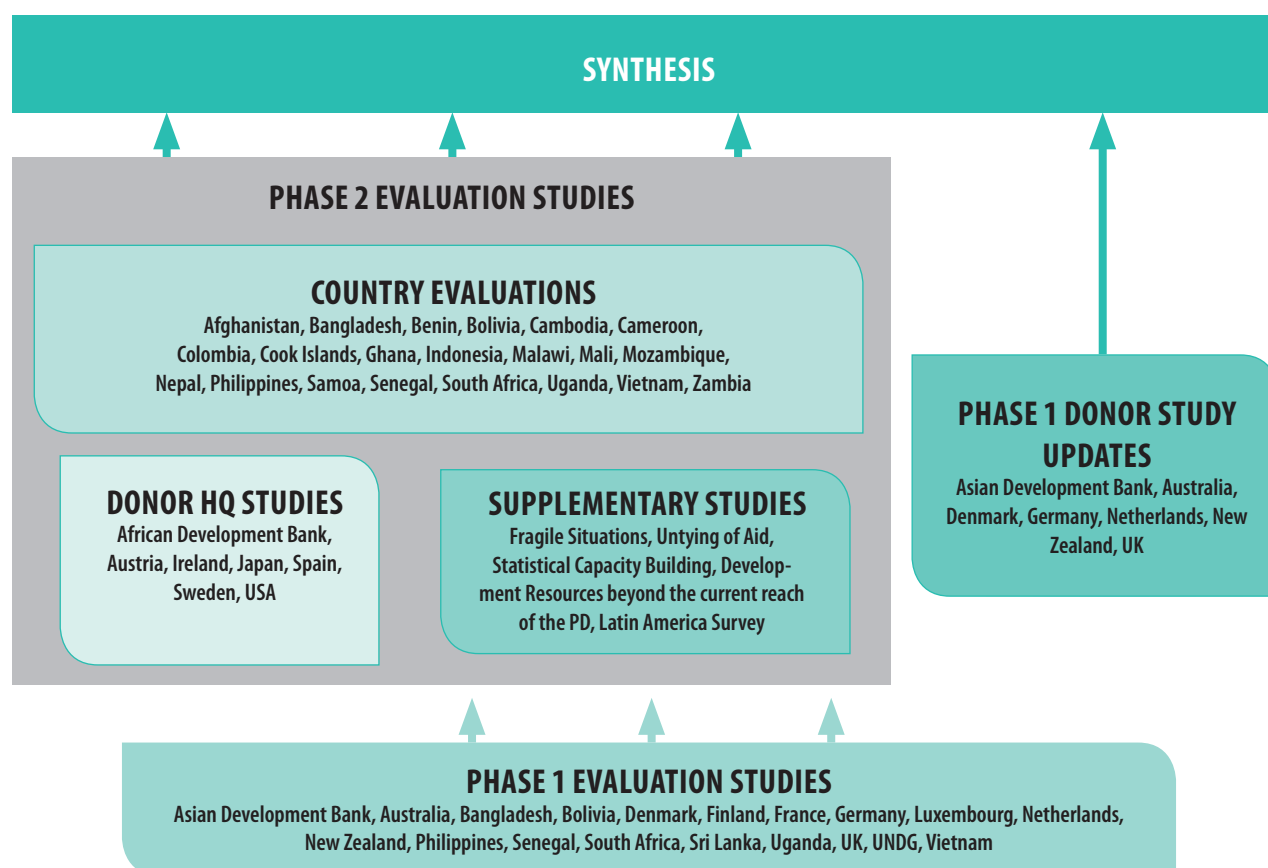
Phase 2 of the Evaluation commenced in September 2009 with the award of contract, following a competitive pro-

urement process, to IOD PARC<sup>7</sup> a UK-based development consultancy. Members of the Core Team were subsequently appointed.

<sup>6</sup> Two proposed country evaluations (in Kyrgyzstan and Sri Lanka) were cancelled because of political change and uncertainty. Considerable effort was made to expand the number of countries in Latin and Central America but Bolivia and Colombia were the only eventual participants; the Latin America survey aimed at addressing this gap in part.

<sup>7</sup> IOD PARC is the trading name of International Organisation Development (IOD) Limited.

Figure 2. Evaluation Components



The **Core Team** comprised experienced development professionals from seven countries, with expertise in a range of

specialist areas related to aid effectiveness. Main areas of responsibility are summarised below:

Name	Location	Areas of responsibility
Bernard Wood	Canada	Team Leader; overall direction and oversight; lead author (Synthesis Report) and core drafting team
Julian Gayfer	UK	Project Director; overall planning and coordination of delivery; process support to country evaluations; core drafting team
Julia Betts	UK	Core Team; Literature review, process support to country evaluations, core drafting team, and lead author (Synthesis Technical Annex)
Florence Etta	Nigeria/US	Core Team; Africa region specialist and support
Dorte Kabell	Denmark	Core Team leading on support to donor headquarter studies and francophone evaluations
Mallika Samaranayake	Sri Lanka	Core Team; Asia region specialist and support
Francisco Sagasti	Peru	Core Team; Latin America region specialist and support
Naomi Ngwira	Malawi	Core Team; process support to Southern/East Africa country evaluations
Ronnie MacPherson	UK	Project support; Knowledge management and communications
Marika Weinhardt	UK	Project support; team process management, Core Team focal point for exchange with evaluation/study teams
Julianna Hyjek	UK	Literature Review

The Core Team organised itself around a set of defined workstreams, with regular team interaction through virtual meetings and face to face meetings at key milestone points in the process. The main phases were: orientation and team organisation (September 2009); inception, including preparation of Inception report (October-March 2010); support to country studies (May-September 2010); preparation for Synthesis process (September-November 2010); Emerging Findings meeting (December 2010); and Synthesis drafting (January-April 2011).

### 3. Developing the Approach and Methodology

Some aspects of Phase 2 were fixed; that is, they were predetermined before the Core Team were contracted. These included:

- **The joint nature of the Evaluation** – it would be conducted across donor agencies and partner countries, and within a governance structure that reflected this.
- **The governance structure**<sup>8</sup> at national and international level, which was devised to ensure the joint nature of the process, above, the participatory, and consultative approach adopted, and to facilitate quality assurance. This briefly comprised: an international structure responsible for conducting the management and assuring the integrity and independence of the process overall; and a 'mirror' system reflected at country/donor headquarter level, with the same responsibility for individual studies.
- **The voluntary basis of participation**, which meant that inclusion in the sample of countries/agencies was essentially on the basis of self-selection.
- **The primacy of the country** as the main arena for evaluation, to allow a focus on how aid effectiveness reform has played out in practice.
- For **donor headquarter studies**, the application of the same Terms of Reference as those from Phase 1.
- **A trilingual exercise**, in order to serve the participants and intended users of the Evaluation as fully as possible, the process was organised to operate throughout in the English, French and Spanish languages.

From September 2009 through to June 2010, the Core Team, in consultation with the Management Group and through two rounds of Regional Workshops, focused on developing

<sup>8</sup> Considerable effort was devoted to mapping out exact roles and responsibilities for the respective layers of governance. Full details are set out within the Evaluation Framework of 2009 (which contains a full section on Accountabilities and Responsibilities) and in the Note on Quality Assurance and Governance Arrangements (May 2010).

and refining the Evaluation's approach and methodology. Participants at the Workshops included, for Round One, mainly national coordinators and members of National Reference Groups, and for Round Two, national coordinators and the team leaders of country evaluation teams who were already contracted.

#### Regional Workshops

Round 1	Round 2
Asia: 27-29 October 2009 (Siem Reap)	Pacific: 3-5 March 2010 (Wellington)
Latin America: 4-6 November 2009 (Bogota)	South Asia: 20-22 April 2010 (Dhaka)
Anglophone Africa: 10-12 November 2009 (Lilongwe)	Africa: 27-29 April 2010 (Tunis)
Francophone Africa: 18-20 November 2009 (Cotonou)	South East Asia: 4-6 May 2010 (Ha Long, Vietnam)
	Latin America: 25-26 May 2010 (Bogota) & 16-17 August 2010 (La Paz)

Tasks at the Workshops included: defining the key principles of the methodology; shaping the Evaluation Questions; confirming the approaches to the methodology; working out how to operationalise the methodology; finalising the evaluation components; and setting out guidance on methods for country and donor studies. The sections below describe how these tasks were approached.

#### Principles Applied

As the Core Team's Terms of Reference stated, the Evaluation was intended to be summative and formative. It needed to allow judgments to be made about what has been achieved in terms of aid effectiveness and development results, whilst also supporting forward-looking policy development and improvement among different constituencies and stakeholders.

At an early stage (drawing on early inputs such as the Approach Paper), the Core Team identified some key principles to apply, endorsed by the Management Group. These were:

- **Utility:** Given the very high stakes involved, the Evaluation was intended above all to be useful – meaning that the evaluation processes, the findings and the way these are reported needed to be handled in credible, relevant and accessible ways.
- **A joint Evaluation:** The Evaluation's governance structures recognised that many participating countries and agencies would be closely involved in all stages of the process – consequently a process of full engagement would be needed to ensure the credibility and utility of the results.

- **The importance of context:** This built upon many of the inputs leading up to Phase 2 including the original Options Paper, was demonstrated by Phase 1, and was noted again in the Approach Paper and Core Team Terms of Reference. It was emphasised even more strongly as the basis for a major evaluation question in the Framework for Phase 2.
- **Comprehensiveness:** The Evaluation was intended to address all the five main principles of the Declaration.
- **Comparability and relevance:** Phase 1 showed the importance of a robust common basis for research and analysis if evaluation at an aggregate level was to take place with confidence, but the importance of treating country-specific issues was also encouraged.
- **Country ownership:** Given the centrality of partner countries and their experience within the Evaluation, this meant ensuring the fullest possible participation in the Evaluation design and applying a common approach, language and methodology across studies.
- **Partnership at country level:** This called for a focus on the workings of country-donor partnerships and development outcomes at country level, to explore the effects of donor policies as well as country-level actors on aid and country development prospects.
- **Knowledge-sharing:** The Evaluation hoped to build capacity in part through a process of continuous sharing of learning, support, peer review and quality assurance.

These principles have helped guide the Evaluation's conduct throughout, including governance processes, methodology design, implementation of country and donor studies, and analysis and synthesis. The following sections of this annex discuss each of these individual areas.

### Shaping the Core Questions and Framework for Conclusions

The broad areas for the Core Questions for the Evaluation were outlined in the Approach paper. This drew in turn on the schema of the Linkages Study and subsequent discussions at the Auckland Workshop, and set out four classes of Evaluation questions for Phase 2. These were:

- the starting conditions in which the Declaration has been implemented;
- results in terms of aid effectiveness and development more directly;
- processes that can help explain results and make it clearer how far these results can be attributed to the Declaration;
- policy alternatives i.e. other ways of achieving the same results.

Two key issues shaped the final formulation of the Core Questions:

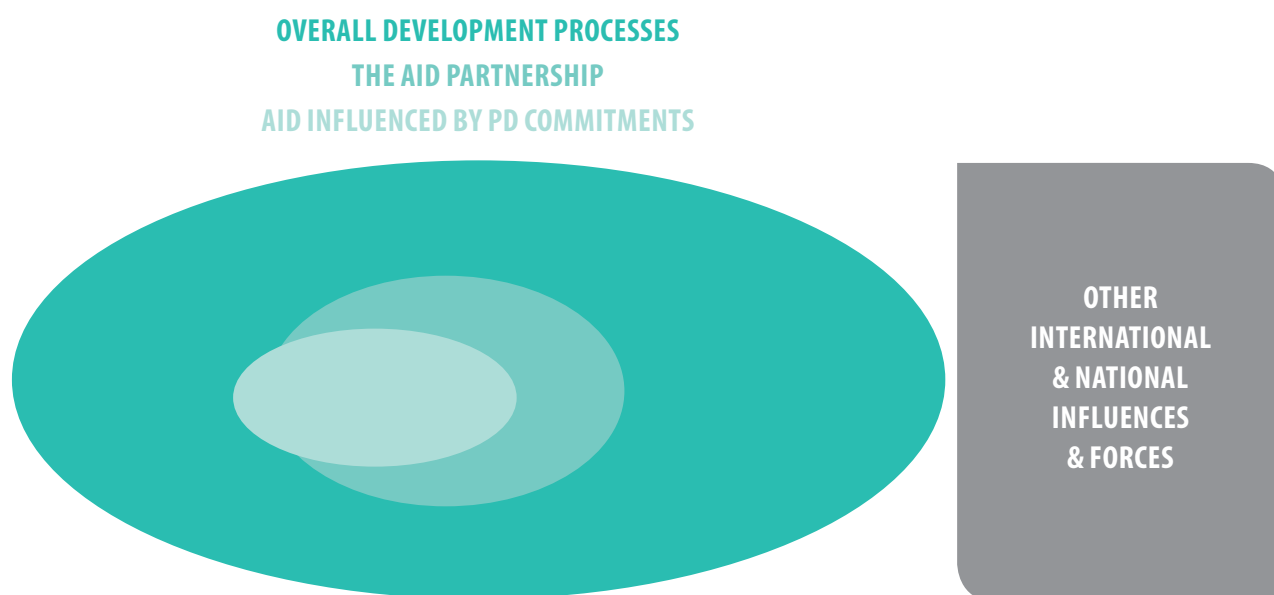
- The centrality of context and particularly the context pre-2005. As the Evaluation Framework (2009) set out, a key starting point was '*...to recognize that the 2005 Declaration itself brought together a variety of reform efforts and initiatives that had been underway in different settings for some years before. Thus the Evaluation should explicitly include assessment of these "upstream" or precursor steps as an integral part of its scope*'<sup>9</sup>
- The recognition that aid is only one part of the many different elements contributing to the processes of development and growth. Its contribution varies in different contexts according to its scale relative to other important factors (such as other resource flows and drivers or obstacles to development).<sup>10</sup>

In trying to capture some of these complexities, and work towards finalising the Core Questions, the following diagram was developed by the Core Team and shared in workshops. It illustrates the logic of the Core Questions and also tries to place the part of aid subject to Declaration commitments in its real context, relative to other sources of development finance and drivers of development in countries. This was intended to encourage a realistic assessment in all studies of the Declaration's (and aid's) possible contributions to development results.

<sup>9</sup> See Figure 1. Sources of the Paris Declaration on Aid Effectiveness; p.2 of Synthesis Report.

<sup>10</sup> See Figure 5. The Context for Implementing the Paris Declaration: Complex Pathways to Change, below.

Figure 3. Aid Reform in Perspective



The Core Questions and sub-questions were then refined and finalised through the first series of Regional Workshops listed above. A participatory approach was adopted, with participants (mainly comprising national evaluation coordinators and reference group members) discussing the first draft suggestions in groups, with the aim of eliciting maximum input, debate and feedback. All workshop documents were posted on the Evaluation Extranet. Subsequently, the draft Framework and Workplan, integrating the results of all the regional workshops, was validated with the full International Reference Group (comprised in large part of regional workshop participants) in December 2009.

The final Core Questions of the Evaluation, confirmed in the Inception Report of June 2010, aimed to help explain:

**1) To what extent the Paris Declaration has been implemented in different countries and donor/agency systems;**

- *Core Q1. "What are the important factors that have affected the relevance and implementation of the Paris Declaration and its potential effects on aid effectiveness and development results?"*

**2) What the effects have been in advancing the specific improvements in aid effectiveness targeted in the Declaration;**

- *Core Q2. "To what extent and how has the implementation of the Paris Declaration led to an improvement in the efficiency of aid delivery, the management and use of aid and better partnerships?" (Process and intermediate outcomes)*

**3) What contributions can aid effectiveness reforms plausibly be judged to have made to development results;**

- *Core Q3. "Has the implementation of Paris Declaration strengthened the contribution of aid to sustainable development results? How?" (Development outcomes)*

These questions were supported by a number of sub-questions, set out in the Operational Matrix (described below).

Through the same process, the framework for Conclusions was also finalised. This was in good part informed by discussion at the Auckland Workshop, and eventually formed part of the narrative framework for the Synthesis Report.

### Defining Terms

From a very early stage in the study, different understandings were apparent around some of the basic working terms of the Evaluation, including 'aid', 'capacity', 'social capital' and 'division of labour'. A Glossary was consequently developed and disseminated to teams. This applied OECD/DAC definitions where available. Specific guidance was also produced on more complex issues such as institutional capacity and social capital and on the use of the term 'aid' in the Evaluation (See 'Guidance' p. 210).

### Approach to Methodology

The evaluation methodology for Phase 2 had to meet – as the main Synthesis text expresses – the challenge of assessing the effects of a broad reform agenda which is expressed in a political declaration and which is being applied to both partner and donor countries with widely differing circumstances.

In being an agreed set of principles and commitments to improve the effectiveness of aid (rather than a project or programme, the more usual object of a development evaluation), the Evaluation has more in common with the evaluation of policies or a strategy. As the main Synthesis text notes, the latter is a domain where evaluation is just beginning to be tested.<sup>11</sup> It was also informed by growing experience in evaluating policy influence.<sup>12</sup>

<sup>11</sup> Patrizi, P and Patton, MQ, "Evaluating Strategy" *New Directions for Evaluation*, No. 128, Winter 2010, American Evaluation Association.

<sup>12</sup> Jones, H (2011) *A guide to monitoring and evaluating policy influence*, London: ODI Background Paper.



To address this challenge, it was agreed to use a tested evaluation technique for assessing complex change processes. The Options Paper of 2006 had asserted that the “programme theory” or set of hypotheses that give the Declaration its logic had not been fully articulated. It also concurred with the earlier guidance that this evaluation would need to apply the “theory based” approach of most modern evaluation; that is, to bring to the surface implicit theories of change.<sup>13</sup> On this basis the Core Team returned to the source of the evaluation object itself, the Declaration text, and drew from this the Declaration’s implicit “Programme Theory,”<sup>14</sup> below. This described the underlying logic of the Declaration, including the desired goals expressed (desired outcomes), both intermediate (in improved aid effectiveness) and longer-term (in contributions to improved development results) and the description of how these goals would be generated (programmatic actions).<sup>15</sup> This was presented in the Inception Report of May 2010.

To situate the Programme Theory in its real-world context, and to highlight some of the assumptions implicit within it, the Core Team also illustrated some of the “complex pathways to change” from development objectives to development results in a schematic also attached to the Inception Report (Diagram B, Figure 5 next page). This illustration depicts the many other powerful influences at work on development in different contexts; and the consequent potential and limits on the role of aid in contributing to development results.

**Figure 4. Programme Theory**

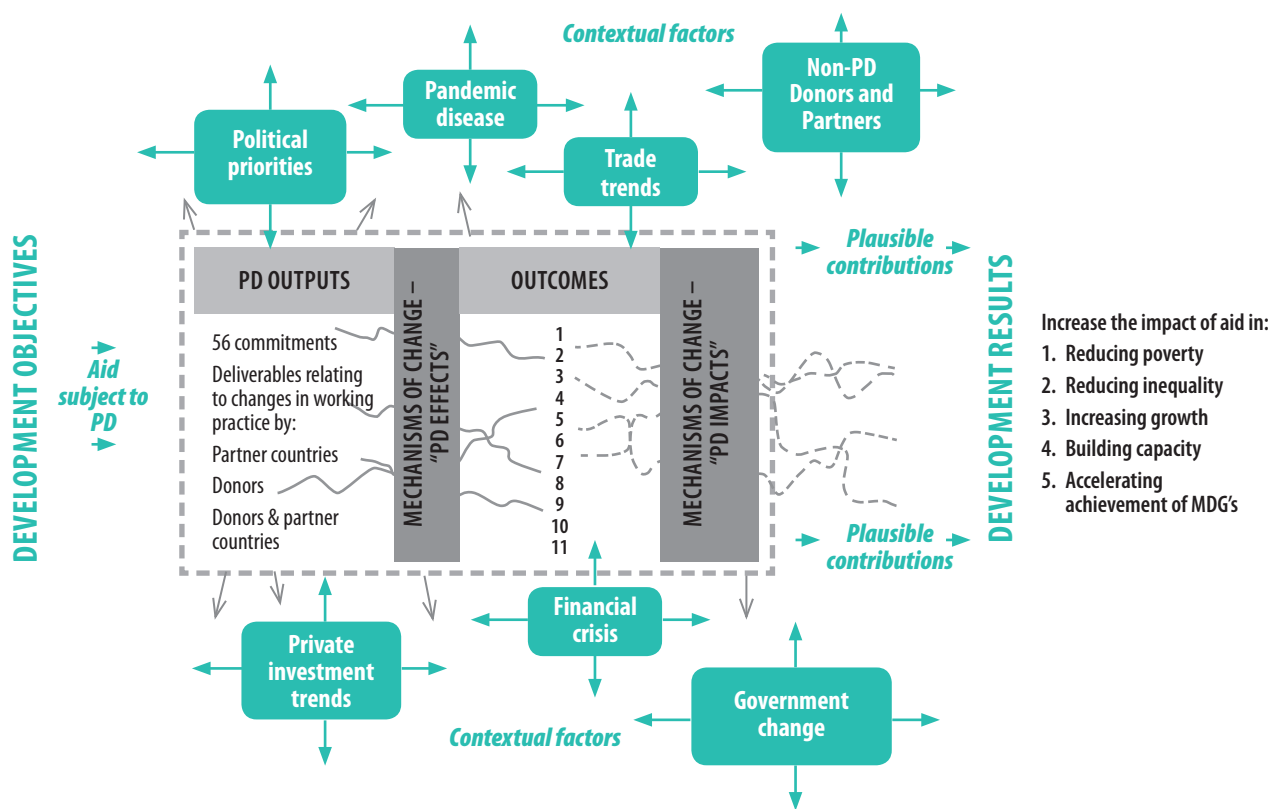
INTENDED DRIVERS	PROGRAMMATIC INPUTS/ACTIONS	PD OUTPUTS	INTENDED INTERMEDIATE (AID EFFECTIVENESS) OUTCOMES	INTENDED LONGER TERM (DEVELOPMENT EFFECTIVENESS) OUTCOMES
<ul style="list-style-type: none"> <li>‘Continued high-level political support’</li> <li>‘Peer pressure’</li> <li>‘Coordinated actions at the global, regional and country levels’</li> </ul>	<ul style="list-style-type: none"> <li>‘Agreed political commitment to change’</li> <li>‘Backed by 56 Partnership commitments, progress measured against 12 specific indicators with targets for year 2010’</li> <li>‘Initiatives by partner countries and donors to establish their own targets for improved aid effectiveness’</li> </ul>	56 commitments  Deliverables relating to changes in working practice by:  Partner countries  Donors  Donors & partner countries	I. “Stronger national strategies and operational frameworks II. Increased alignment of aid with partner countries’ priorities, systems and procedures, help to strengthen capacities III. Defined measures and standards of performance and accountability of partner country systems in public financial management, procurement, fiduciary standards and environmental assessments IV. Less duplication of efforts and rationalised, more cost-effective donor activities V. Reformed and simplified donor policies and procedures, more collaborative behaviour VI. More predictable and multi-year commitments on aid flows to committed partner countries VII. Sufficient delegation of authority to donors’ field staff, and adequate attention to incentives for effective partnerships between donors and partner countries VIII. Sufficient integration of global programmes and initiatives into partner countries’ broader development agendas IX. Stronger partner countries’ capacities to plan, manage and implement results-driven national strategies X. Enhanced respective accountability of countries and donors to citizens and parliaments XI. Less corruption and more transparency, strengthening public support and supporting effective resource mobilisation and allocation”	‘Increase the impact of aid in: 1. Reducing poverty 2. Reducing inequality 3. Increasing growth 4. Building capacity 5. Accelerating achievement of MDGs’
		PD IMPLEMENTATION	MECHANISMS OF CHANGE – “PD EFFECTS”	MECHANISMS OF CHANGE – “PD IMPACTS”

<sup>13</sup> Booth, D and Evans, A (op. cit.).

<sup>14</sup> The classic definition of ‘programme theory’ is “a specification of what must be done to achieve the desired goals, what other important impacts may also be anticipated, and how these goals and impacts would be generated.” Chen (1990).

<sup>15</sup> Examination of the background to the Declaration also shows that this programme theory also builds on the expected sources in the literature, i.e. “prior theory and research, implicit theories of those close to the program, observations of the program, and exploratory research to test critical assumptions.” Donaldson (2001).

Figure 5. The Context for Implementing the Paris Declaration: Complex Pathways to Change



Finally, the Core Team undertook a review and collation of key literature sources at national and international level in order to a) support country and donor evaluations and b) situate the Evaluation in the current research. This exercise was conducted from late 2009 up to May 2010, resulting in a set of three initial Digests on some key sources relating to the three finalised Core Questions. An updated list of key sources was also issued in October 2010, and sources were continually collected and reviewed thereafter (see attached selected list of Key Sources Consulted).

Integrating the principles of the Evaluation, the two key schematics and the approach envisaged in the early inputs into a single methodological framework to respond to the Core Questions was a challenging task. The final Evaluation Methodology opted to recognize that reaching the intended changes (articulated in the Declaration and reflected in the Programme Theory) should be conceived as a journey. It is likely to be travelled by different actors in different ways, in different periods, and at different speeds (context including the pre-2005 situation/other drivers of development). Consequently, the methodological approach adopted focuses on assessing the **direction of travel** towards the intended goals of the Declaration, and then the **pace and distance** travelled so far. This was reflected in the Operational Matrix (below).

Pursuing this approach required a means of addressing the thorny issues of **causality** and **attribution**. Paris Declaration

implementation is a multidimensional, multi-level process, affected by many factors, which can change direction, emphasis, and pace at different times and in response to many different influences. In finding a framework which could describe any relationship between Declaration implementation and accelerated development results, the following realities had to be reflected:

- much of the change process towards aid effectiveness started in many countries **before** the Declaration was formally signed and implemented (i.e. pre-2005);
- as Figure 3 makes abundantly clear, aid is only one of many potential contributory factors to development;
- that other features of a context (governance/political changes/economic crisis/institutional capacity etc) can have far greater effects on development results than aid reform or aid as a whole.

Traditional linear approaches to evaluation which would aim to causally 'attribute' change to the Declaration were consequently not appropriate here. As the main Synthesis Report makes clear, a political statement cannot by itself cause change; rather, what the Evaluation aimed to research is whether the operational commitments, relevant actors and motivational elements that it helped bring together from many sources have actually contributed to the intended improvements. It was therefore agreed with the International

Reference Group that, due to the diffuse nature of the Evaluation object in this case, the use of any simple 'counterfactual' in assessing progress would not be viable methodologically. Attempting to draw linear lines of 'attribution' between Declaration implementation and development results (in sectors or in the form of poverty indicators for example) would be even more flawed as an approach.

Consequently, the Core Team opted to steer a course in favour of '**contribution**' rather than direct attribution, drawing on the work of Mayne (2001)<sup>16</sup> and others and also applied in recent multi-country studies of e.g. Sector Budget Support.<sup>17</sup> Teams were asked to assess the '**plausible contributions**' of the Declaration in their contexts to development results; to clearly evidence any changes and connections observed; and to state as explicitly as possible any other plausible explanations.

To support the application of this approach, specific guidance was produced and circulated. The guidance proposed that teams trace back from the *development results achieved (Q3)* through to the *changes in the way aid has been delivered since the Declaration was enacted (Q2)* through to: *the context and the extent of implementation of Declaration principles (Q1)*, and to explore the links and connections between these processes.

To help them with the final question, teams were also reminded of the list of 'mechanisms of change' in the Approach Paper as potential tools for explaining and/or categorising change.

The final approach and anticipated methodology were clarified in the Evaluation Framework and Generic Terms of Reference for Country Studies, disseminated in December 2009. A workplan and final methodology was confirmed in the Inception Report of May 2010.

## 4. Implementing the Methodology

### Operational Matrix for Country Evaluations

The approaches and methodology needed for such a challenging multi-country Evaluation are unavoidably complex. At the same time, they needed to be translated into a single operational tool, which could be applied across a range of diverse contexts, and which would allow for flexibility, whilst providing the consistency and commonality needed at Synthesis level.

To address this challenge at country level, an **Operational Matrix** was developed as the main evaluation instrument. Described as the 'spine' to the Evaluation, the Matrix was designed to help teams generate a robust and comprehensive response to the Core Questions. It provided a clear common

<sup>16</sup> Mayne, John (2001) 'Addressing Attribution through Contribution Analysis: Using Performance Measures Sensibly' *The Canadian Journal of Programme Evaluation* Vol.6, No. 1, Canadian Evaluation Society.

<sup>17</sup> Williamson, T and Dom, C (2010) *Sector Budget Support in Practice: Synthesis Report* London: Overseas Development Institute.

framework for national evaluation, allowing for exploration of the Declaration implementation in context, whilst facilitating comparative analysis at Synthesis level.

The Matrix places the analysis of *context* at the centre of Phase 2. Core Question 1 is explored through a number of sub-questions, and the Matrix provides guidance on the sorts of indicators and evidence, as well as options for methods or forms of analysis, that teams could apply.

Core Question 2, which seeks to assess the effects of the Declaration on Aid Effectiveness, had proven a challenge for early design and approach work, with pre-2009 inputs highlighting the problems of the definition plus the broad range of possible hypotheses and sub-questions.<sup>18</sup> In December 2009, at a meeting of the Core Team and the Evaluation Management Group, the Core Team proposed the use of the 11 original Paris Declaration "expected outcomes"<sup>19</sup> as the main framework for assessment. This was to prove the major breakthrough in enabling the Evaluation to systematically assess the effects of the Declaration on aid effectiveness.

To operationalise this, the following results sequence was applied within the Matrix (as seen in the example below of one section) to map the progress towards the 11 expected outcomes: (Figure 6, next page)

The emphases of the Accra Agenda for Action were integrated into the results sequence by mapping them across to the progress markers (and highlighting them within the Matrix). The Accra-specific commitment on transparency and accountability for development results (Paragraph 24) was also highlighted within the Matrix (Outcome 10b) since it intensified and added more precision to the Declaration commitments.

Core Question 3, which tackles development outcomes, contains four sub-questions, which had arisen during regional workshops and which were confirmed by the Evaluation Management Group as being of importance. These were, in brief: development results in specific sectors, using health as a tracer sector;<sup>20</sup> the prioritisation of the needs of the poorest, including women and girls; increases in social and institutional capacity; and aid modalities.<sup>21</sup> These questions were addressed sequentially within the Matrix. For all the sub-questions, a similar results logic applies; this is not linear,

<sup>18</sup> Linkages Study, Notes from the Auckland Workshop.

<sup>19</sup> Extracted directly from the opening paragraphs of the Declaration text.

<sup>20</sup> At the first round of regional workshops in 2009, health was debated and agreed as the standard sector given that it is a priority for virtually all countries and donors, a channel for many Declaration practices, is well documented and displays both PD and non-PD-like approaches to aid – such as the vertical health funds.

<sup>21</sup> The mix of aid modalities – between projects, programmes, budget support, etc. – is, as the Synthesis text makes clear, not a development result in the same sense as the sub-questions of Core Question 3, but the findings against this question were considered fundamental, given the widespread assumption that the Declaration agenda is centred on increasing programme-based approaches to aid as a key to better results.

Figure 6. Matrix Results Logic

PD expected outcomes	Progress markers	Potential indicators of change/milestones	Methods/Forms of Analysis	Judgement on progress, especially since 2005	Key reasons & explanation
<b>B Building more inclusive and effective partnerships for development</b>					
iv. Less duplication of efforts and rationalised, more cost-effective donor activities	• Increased use of donor comparative advantage (relative strengths/complementarity) led by government	<i>Clear views/strategy by Government on donors comparative advantage and how to achieve increased donor complementarity</i>  <i>Evidence of reprogrammed aid according to statement of relative strengths</i>	A, C, D	<ul style="list-style-type: none"> <li>• Substantial</li> <li>• Some</li> <li>• Little</li> <li>• None</li> <li>• Regression</li> </ul>	
	• Increased 'division of labour' at country/sector level	<i>Mapping process conducted/maintained</i>  <i>Number and type/theme of formal Division of Labour arrangements</i>  <i>Reprogrammed aid according to Division of Labour agreements/arrangements</i>  <i>Cooperative/joint work between agencies within e.g. project modalities</i>	A, C	<ul style="list-style-type: none"> <li>• Substantial</li> <li>• Some</li> <li>• Little</li> <li>• None</li> <li>• Regression</li> </ul>	

but maps the *plausible contribution* of the Declaration and the Accra Agenda for Action towards development results as described above – that is, establishing the extent to which there is evidence of Declaration implementation having accelerated progress towards development outcomes.

For Question 3a) which asked about results in specific sectors, a separate Matrix was developed, linked to the main Operational Matrix but oriented at sector level: (Figure 7 p. 207)

To assess direction, distance, and pace of travel, teams were encouraged to make progress judgements to inform their analysis – evidenced by applying the results logic above – along a defined scale (mainly substantial/some/little/none/regression, with slightly different scales where relevant, as for the case of Question 1). A column for key reasons and explanations was included, in order that judgements could be properly explained and evidenced.

The Matrix was also designed around the DAC criteria for the evaluation of development assistance, namely relevance, effectiveness, efficiency, impact and sustainability.<sup>22</sup> These cut across all of the three Core Questions (and in particular the sector studies), though with some areas of particular emphasis. Relevance for example was explored substantially through Core Question 1, effectiveness and efficiency through Question 2 and impact and sustainability mainly through Question 3. Section 12 con-

<sup>22</sup> See OECD/DAC Standards for Development Evaluation (OECD/DAC 2010).

tains a detailed account of the Evaluation's conduct against the OECD/DAC Standards for Development Evaluation.

To ensure a response to the Declaration and Accra Agenda for Action commitments on gender and exclusion, the Matrix was also comprehensively reviewed for the incorporation of these issues. This took place firstly by drawing on gender and exclusion expertise within the Core Team itself and secondly through quality assurance by a leading gender and aid effectiveness expert.

Finally, the Matrix was refined and agreed through an ongoing process of consultation with the International Reference Group, Evaluation Management Group, National Reference Groups and evaluation teams. This included its discussion in a further series of regional workshops, primarily for evaluation teams, most of which had not been contracted in time for the first round. The final version was applied in all countries of the Evaluation, and formed the basis of all national evaluation reports.

### Donor Headquarter Studies

The Core Team's engagement with the donor studies began with their participation in a preparatory workshop on Agency HQ Evaluations in London September 2009. This confirmed that the Phase 2 studies would be working to the original Terms of Reference for Phase 1. The Core Team subsequently developed a Generic Terms of Reference for the Donor studies, which was based around the intent of the same Terms of

Figure 7. Matrix Results Logic: Sector Level

Intended development results (specify)	Interim development results	Contribution of aid (finance/ other) to the sector	Effects of PD on the aid relationship	Overall aggregate judgement	Key reasons & explanations
Effective, efficient and sustainable progress towards sector long term development goals	<p>Good progress against sector programmes, strategies, policies and related targets</p> <ul style="list-style-type: none"> <li>Evidence of progress towards policy goals?</li> <li>Sector plans implemented as intended?</li> <li>Sector strategies on track?</li> <li>Progress reviews indicate that delivery on-track to meet targets?</li> </ul>	<p>Overall scale of committed aid within the sector, predictability and disbursement.</p> <p>Active and productive policy dialogue in the sector?</p> <p>Alignment of aid with sector programmes, strategies, policies and related targets</p> <p>Sector strategies and plans jointly financed (government and donor) to meet agreed national targets</p>	<p>See note on "Guidance to sector study" – Annex C for detailed set of progress markers/indicators to work through in this column, covering:</p> <ul style="list-style-type: none"> <li>Efficiency in aid delivery</li> <li>Management and use of aid in the sector</li> <li>Partnerships</li> </ul>		

Reference used in Phase 1 while expanding it in line with the overarching Evaluation Methodology for Phase 2. This was approved by the International Reference Group in January 2010.

A Donor Headquarter Study Matrix was subsequently developed, which operationalises the Generic ToR and suggests integrating key elements designed to mirror questions from the country Operational Matrix. In April 2010 the Donor Matrix was shared with the Study Coordinators/Study Teams, to help guide the teams in their work and to ensure a level of commonality among the studies and consistency with both Phase 1 Studies and the ongoing Country Evaluations.

At the same time, the Core Team engaged with Phase 1 Donors to encourage them to develop Updates to their Phase 1 reports. Guidance on how Phase 1 Updates could also be approached in ways that would further strengthen the robustness of the Phase 2 Evaluation was also shared. This included reference to three key follow-on questions:

1. What changes have been proposed and implemented following the Phase 1 Evaluation?
2. Did the Accra Agenda for Action provide further impetus to the Declaration process and result in any specific changes?
3. What reporting has been made to domestic or international accountability structures on the implementation of the Declaration (with copies of the reports)?

Discussions at the International Reference Group in June 2010 confirmed the collective intent behind this approach. However, this intent has not been consistently reflected in the implementation of the studies. In some cases planning of particular studies was already well advanced, preventing the

application of e.g. the mirror questions within studies/or of the Donor Matrix itself.

### Methods for Individual Studies

Making the judgements required by the Matrix on the direction, distance, and pace of travel – in both country and donor studies, as well as the mirror questions in the case of the donor studies – meant reviewing multiple sources of evidence and deploying varied techniques. In advising teams on the methods to apply, the Core Team had to strike a balance between providing guidance to ensure consistency, and recognising the independence of teams to select the appropriate methods for diverse contexts. Capacity and resource constraints also had to be taken into account.

A range of suitable methods were identified within the Evaluation Framework and Operational Matrix, some specifically responding to the challenges of demonstrating contribution. With a view to triangulation and validation, teams were expected to adopt a multi-method approach, using the full range of tools suitable for exploration of the different evaluation questions, and to apply any different methods from those identified if appropriate (in the event, none did).

To support studies, *Methodological guidance* was provided as part of the Evaluation Framework which outlined recommended methods to be employed. The Matrix itself also very specifically set out proposed methods against each evaluation question and sub-question, and also against the intermediate outcomes for Question 2. Again, the aim was not to be overly prescriptive, but rather to provide guidance for teams, to support triangulation by emphasising a multi-method approach, and to generate the essential level of consistency across studies. The Core Team also provided a number of guidance notes that were relevant for both country evaluation and donor

study teams, specified below (e.g. on use of evidence in evaluations) as well as detailed written commentary on proposed methodology in inception reports.

In summary form, the following methods were proposed as part of the Methodological Guidance/Country Operational Matrix. All studies applied some of them, many applied most, but none applied all.

*i) Literature and documentation review:* Including both the wider sources identified through the Synthesis level literature review, and other relevant current literature such as national and sector level statements, policies, strategies and plans, evaluations, reviews, audits and other assessments (national, international, local and external), statistical data etc.

*ii) Quantitative/statistical analysis:* Including trends around international, national, poverty, development, social and economic indicators, aid-specific data etc.

*iii) Survey instruments:* The use of a base common survey instrument (described below). (Most teams applied this to face to face interviews, while some adapted it for an online survey).

*iv) Interviews and focus groups:* Aimed at including a broad range of key stakeholders – government, parliamentarians and other politicians, donor agency, civil society and the private sector.

*v) Stakeholder analysis:* Especially relevant to Q1 on context, as well as to the pre-2005 environment. Key people/groups of people/institutions were suggested.

*vi) Case studies:* Where relevant to explore or illustrate specific themes or sectors. (In fact, the sector studies under Q3 were the only ones applied, mostly from a longitudinal perspective).

*vii) Additional methodological approaches/forms of analysis:* Including Outcome Mapping, decision analysis, appreciative enquiry and Most Significant Change. (A small number of teams proposed Outcome Mapping and Most Significant Change within their Inception Reports, but none actually employed these in their studies, perhaps due to resource constraints).

**Country Survey tool:** To help carry out surveys amongst key partners, a common *Country Survey tool* was developed, based around the key lines of enquiry of the Matrix. The tool was piloted and a finalised version made available to teams. The tool was very comprehensive, and was intended to be used as a basis for teams to develop their own specific instruments. It was widely used, with some teams adapting it to their own specific studies, and others applying it in its entirety.

### Use of Evidence

Phase 1 had highlighted the importance of the use of evidence in substantiating findings. For Phase 2, it was essential to ensure that findings in individual reports were adequately

evidenced, to enable their use in analysis at Synthesis level. This was addressed in two ways. Firstly, a guidance note on the Use of Evidence was issued. This asked teams to ensure 'sufficiency' of evidence in their reports, using an agreed understanding of the term<sup>23</sup> and considering the relevance, reliability and validity of the evidence. Secondly, the guidance noted the use of the Paris Declaration Monitoring Survey indicators as one relevant form of triangulation and verification alongside other sources of evidence. An illustrative example was provided.

### Links with the Paris Declaration Monitoring Survey

With both the Phase 2 Evaluation and the 2011 Survey on Monitoring the Paris Declaration underway concurrently, some participants expressed a need for a clearer understanding the relationships and differences between the two. They also raised concerns about confusion and demands for informants. A guidance note was produced and disseminated – in collaboration with the secretariat for the Survey – entitled: **Evaluation and Monitoring of the Paris Declaration: Difference and Complementarities**. This set out the main substantive areas of commonality and difference; and explained governance, timing and workload issues. It clarified that while the Evaluation recognised the value of the Monitoring Survey, using its indicators within the Matrix (and suggested referring to the 2006 and 2008 Survey results where relevant) its questions and sub-questions are broader, requiring other methods to be applied.

## 5. Supplementary Studies

Under Phase 1, a number of thematic studies had been commissioned to deepen knowledge in particular areas of significance for the Evaluation. These included work on the Untying of Aid:<sup>24</sup> on the applicability of the Declaration in fragile and conflict-affected situations;<sup>25</sup> and statistical capacity-building.<sup>26</sup>

To continue these efforts into the second phase of the Evaluation, a number of supplementary studies were commissioned

<sup>23</sup> 'Sufficiency has to do with the amount of information required to provide persuasive support for the contents of the evaluation report, i.e. will the collective weight of the evidence be sufficient to persuade a reasonable person that the observations and conclusions are valid.' Danida Evaluation Guidelines (2006, p. 69).

<sup>24</sup> Clay, E, Geddes, M, Natali, L and te Velde, D (2008) *Thematic Study: The Developmental Effectiveness of Untied Aid: Evaluation of the Implementation of the Paris Declaration and of the 2001 DAC Recommendation on Untying ODA to the LDCs Phase 1 Report*, Copenhagen: Ministry of Foreign Affairs of Denmark.

<sup>25</sup> OPM/IDL (2008) *Evaluation of the Implementation of the Paris Declaration: Thematic Study – The applicability of the Paris Declaration in fragile and conflict-affected situations* Copenhagen: Ministry of Foreign Affairs of Denmark.

<sup>26</sup> OPM (2009) *Evaluation of the Implementation of the Paris Declaration: Thematic Study – Support to Statistical Capacity Building, Synthesis Report* Copenhagen: Ministry of Foreign Affairs of Denmark.

during 2009 and 2010. These included: a survey across the Latin America and Caribbean region (implemented in collaboration with the Organisation for American States) and work on Development Resources beyond the Current Reach of the Paris Declaration.<sup>27</sup>

Four more special studies in particular were proposed but not conducted for different reasons:

**1. Gender and social exclusion:** The Core Team considered a Terms of Reference proposed, but recognised that the concept of “social exclusion” is not widely understood across the Evaluation countries (reinforced by the first South East Asia regional workshop). Consequently, the issue was further emphasised via Sub-question 3c and the indicators/progress markers of the Matrix.

**2. ‘Transaction costs’:** This term features heavily in the aid effectiveness discourse yet no internationally agreed definition exists. An initial piece of work<sup>28</sup> was commissioned by the Secretariat (‘Preparation of Concept Note and Terms of Reference for an assessment of the net transaction costs of the implementation of the Paris Declaration’) which showed the term to be unfamiliar to many, misapplied in the view of economists and generally an unhelpful concept for further analysis. Instead, in agreement with the Management Group, the concept of the respective burdens of aid management was integrated across the Matrix.

**3. Managing for Development Results (MfDR):** A concept note drafted by the Core Team was not taken forward by the Management Group on the grounds that the topic should be covered alongside other key issues within the normal treatment in the Evaluation Matrix. Instead, the Core Team was asked to deepen their enquiry on the MfDR issue through a review of recent literature and initiatives, which resulted in an internal working paper.

**4. The Aid Industry Culture:** This proposal arose at the second regional workshop held in Vietnam, but was considered beyond the scope of this Evaluation.

Finally, as part of exploring critical issues, the Core Team itself developed a number of internal working papers: including some work on existing knowledge on aid effectiveness in situations of fragility, Climate Change financing; the evolving position and work of civil society organisations vis-à-vis the Declaration and the Accra Agenda; and a review to deepen the knowledge base on managing for development results.

27 FORO Nacional Internacional (2010) *Development Resources Beyond the Current Reach of the Paris Declaration* Copenhagen: Ministry of Foreign Affairs of Denmark.

28 Lawson, A (2009) *Evaluating the Transaction Costs of Implementing the Paris Declaration, Concept Paper*.

## 6. Experience from the Country Evaluation and Donor Headquarter Studies: Applying the Approach and Methodology

Country evaluations and donor headquarter studies began work from April 2010. Starts were staggered; one country had begun its work in February 2010 and completed its report by August, while another was still negotiating national procurement procedures in October of the same year. Despite these exceptions, the majority of studies were well underway during the June to September period of 2010.

### Support and Capacity Development

Recognising the complexities of the approach and methodology, as well as the parallel function of the Evaluation to develop capacity, the Core Team devised a targeted programme of support to country and donor headquarter studies. This had two forms. Firstly, technical support was provided to teams on an ongoing basis. Secondly, guidance on particularly challenging areas was developed and disseminated.

#### 1. Targeted Support

**Country evaluations:** Recognising the challenges of robust analysis at aggregate level within a decentralised evaluation, the Terms of Reference for the Core Team required them to ‘*facilitate coherence and quality across country-level studies as well as donor/agency headquarter-level studies so as to ensure that these are reliable, authoritative and useful bases for synthesising*’. In May 2010, the Evaluation Management Group approved a proposal from the Core Team to intensify the level of targeted and tailored support to the Country Teams, on the rationale of the breadth and scope of the Evaluation at country level, the implications for capacity requirements, and the Core Team’s experience of country specifics.

As a first step, country evaluations, via the National Coordinator, were allocated a Primary Resource Person from within the Core Team, whose function was to provide advice and guidance on the technical aspects of the Evaluation.

This technical advice role had to strike the balance between recognising the autonomy of individual teams – that is, retaining objectivity and independence – and engaging sufficiently to allow for a relatively free flow of information in terms of questions, areas of clarification etc. After some discussion, the Core Team developed a programme of support which operated mainly around the interpretation and use of the Matrix and clarification on the tools, approaches, mechanisms and methodologies of the Evaluation.

Advice and support were provided through a combination of face-to-face meetings, telephone, videoconference, skype and email. During the period June to November 2010, at least one in-person meeting was held with all evaluation teams bar

four (Cook Islands, Senegal, Ghana and Mali, where interaction took place virtually). The level of support was tailored according to the requirements of teams; some required more intensive engagement, while some were content with the opportunity to ask questions as required and to engage in discussion at identified milestone points (inception, early analysis, draft report). Further individual discussions were held with a number of teams at the Emerging Findings workshop in December 2010.

By keeping in close contact with teams, and by keeping a watching brief on products emerging from the process, Core Team members had good insight into methods being applied (mostly standard qualitative and quantitative techniques), areas of challenge arising in respect of the Matrix (mostly around applying contribution analysis) and the application of the ratings scales provided (a source of hesitancy for some of the teams). Written comments were provided to National Coordinators on Inception and Draft Reports, following a standard template. At country level, this commentary recognised the primary role of the National Reference Group in providing substantive comments, and clarified that remarks from the Core Team were limited to assuring the report's contribution to the Synthesis process.

A further – but very critical – rationale for the support to teams was the aspect of capacity development. There is no doubt that the majority of evaluation teams found the Matrix, and the results logic it contained, very challenging; for several, the shift from direct attribution to contribution analysis required new capabilities and understanding. There were some teams for whom intensive support was clearly a pre-requisite for ensuring the completion of their evaluation to provide full input for the Synthesis level. The support provided, in the various forms of guidance, detailed explanations, the provision of examples around issues and the working terms of the Evaluation, plus comments on inception and draft reports, appeared well received by teams. Its value was noticeable when reports were later analysed at Emerging Findings stage (see below).

**Donor headquarter studies:** at donor level, support to donor headquarter study teams was provided in the form of one dedicated Core Team member, who responded to specific enquiries for advice from the study teams and kept abreast of general progress.

## 2. Guidance

Recognising the breadth and scope of the Matrix for evaluation teams, as well as the complexity of analysis required, a number of guidance papers were produced and disseminated. The topics included: the Glossary; Guidance on Contracting Country Teams; Guidance on Issues of Attribution and Contribution; Guidance on the Use of Evidence; Guidance on question 3c) on Institutional Capacity and Social Capital; and for specific cases, Guidance on handling the Declaration Phase 2 Evaluation in Fragile Situations.

In particular, because of the complexities surrounding the definition of 'aid' – a guidance note titled 'What is Aid in the Paris Declaration and the Evaluation' was developed and shared. This set out the main boundaries around the term 'aid' in the Evaluation, mainly but not exclusively referring to the OECD/DAC definition of Official Development Assistance.<sup>29</sup> It also provided a table setting out how the categories of different resources (e.g. those from providers who have and have not endorsed the Paris Declaration) should be treated.

## 3. Data resulting

The combination of a fairly prescriptive Matrix plus a process of targeted support and guidance showed clear results in the data emerging. As described below, when reports were analysed at Emerging Findings and subsequent stages, a firmer and more consistent evidence base than was available under Phase 1 was apparent. One area of disappointment was the lack of comprehensive application of the ratings scales provided; while some teams had applied these systematically, others had veered away from making such progress judgements. The Core Team's response to this challenge is described in Section 7 below.

# 7. Analysis and Synthesis Process

A lesson from Phase 1 of the Evaluation was the need for a clear direction on the Synthesis process from the start of the Evaluation. This is particularly important where the Evaluation brings together findings across multiple and varied contexts, even where the evaluation framework has been applied specifically to enable cross-case synthesis.

For Phase 2, the Synthesis exercise presented two main challenges. Firstly, a sufficiently robust approach to enable the bringing together of diverse material from a disparate range of contexts for comparability at aggregate level. Secondly, ensuring validity and reliability of the findings and conclusions at Synthesis level. The following section describes how these challenges were addressed.

## Stage 1: Emerging Findings

The Core Team was required to produce an Emerging Findings note for a deadline of November 2010. With this in mind, country and donor evaluation teams were expected to submit their first draft reports by the end of October 2010, to enable analysis. Given the tight timeframe and awareness of some

<sup>29</sup> "Grants or loans to countries and territories on the DAC List of ODA Recipients (developing countries) and to multilateral agencies which are: (a) undertaken by the official sector; (b) with promotion of economic development and welfare as the main objective; (c) at concessional financial terms (if a loan, having a grant element of at least 25 percent). In addition to financial flows, technical cooperation is included in aid. Grants, loans and credits for military purposes are excluded. Transfer payments to private individuals (e.g. pensions, reparations or insurance payouts) are in general not counted." Source: DAC Glossary of Key Terms and Concepts, [www.oecd.org/dac/glossary](http://www.oecd.org/dac/glossary).



late starts, it was anticipated that material received would be very diverse.

**Analytical process:** In order to successfully analyse the material within the tight timeframe, and to help meet some of the challenges above, the Core Team prepared a detailed filter template for analysis. This required the designated reviewers within the Team to identify and analyse findings from individual reports along the parameters of the Core Questions and sub-questions of the Matrix. Simultaneously, to ensure that the findings being sifted out were adequately supported by evidence (another lesson learned from Phase 1), reviewers were required to assess both the quality of the evidence presented and the clarity of the analysis.

The analytical tool included rating scales on the following parameters:

For findings	For conclusions
Data transparency and coverage	Extent to which questions were answered
Data reliability and accuracy	Clarity of analysis

Reviewers were also required to specify the main sources of evidence used per question, to enable an aggregate judgement on the main types of evidence, gaps etc.

As expected, some very varied material was made available to the Evaluation team by the Emerging Findings deadline. This ranged from one complete approved report, several final first drafts, some preliminary drafts, and some initial non-approved material which teams had helpfully shared for the use of the Core Team. In some cases, including two donor agencies and one country evaluation, no material was yet available.

It was evident at this point that the technical advice provided by the Core Team had paid off in terms of supporting teams in understanding the Evaluation's approach and working terms, in researching and analysing around the Matrix, and in dealing with issues of contribution and attribution. Generally, the evidence base available was promising, as reflected under the 'data reliability and accuracy' assessments. However, the quality and state of preparedness of material received remained highly varied. As indicated, in many reports, the recommended ratings were not applied at analysis stage, or at least not made explicit in draft material. An additional complication was that almost all of the material at this stage was still embargoed – that is, it had not been cleared by National Reference Groups or donor Reference Groups – so could not be used for quotation or citation (and therefore verification by individual teams) in the Emerging Findings report.

Despite these challenges, in preparing the report, the filter template was applied to the material in hand. It proved extremely useful in terms of both sifting out aggregate findings across a diverse range of material (and enabling a composite

template per question and sub-question to be developed); and identifying where gaps and weaknesses in the evidence remained. Reports were analysed as late as possible, to allow the use of maximum volume of material available while still providing draft materials to workshop participants in time for them to prepare.

**Aggregating Emerging findings material:** To bring together the diverse material available at this stage within the Emerging Findings report, the Core Team went through the following process:

- Extracting the first emerging findings in the filter templates alongside a first check of evidence, using the ratings above.
- Cross-checking templates between Core Team members to ensure rigour and completeness (each completed filter was then verified/quality assured by a second member of the team).
- Assembling findings from all evaluations into a compilation by question and sub-question.
- Analysing assembled findings across reports and categorising responses, at this stage with references to specific individual reports.

The Core Team's expectation of the country material being the prime information source for responding to the Core Questions was starkly borne out at Emerging Findings stage. The primacy of this material, and the extensive collaborative effort devoted to developing the Matrix for country evaluations, was therefore confirmed.

Once the internal Emerging Findings draft had been finalised, citations/references to individual reports were removed for the version for circulation, as required by the embargoed status (though retained by the Core Team for reference).

**Emerging Findings note validation:** The Emerging Findings note, including the gist of the main findings (without quotation or citation) was presented to members of the International Reference Group and donor headquarter studies and country evaluation teams at the Emerging Findings workshop, hosted by the Government of Indonesia in December 2010. All countries and donor agencies participating in the Evaluation were represented at the workshop other than Bolivia.<sup>30</sup>

The Emerging Findings workshop had a number of aims:

- To capture key findings from the draft reports to 1 November, and the additions, clarifications, nuances, differences and questions brought out in discussions.

<sup>30</sup> This was due to logistical reasons beyond their control. A workshop was later held in Lima (January 2011) to feed back the results of the Emerging Findings workshop and to ensure the Bolivian contribution to the Evaluation.

- To follow the Evaluation Questions and Matrix produced in the regional consultations as the agreed framework, consistent with the preliminary Synthesis outline.
- To provide guidance for checking further points by Teams in finalising their reports and by the Core Team in preparing to analyse final reports and other inputs.
- To provide a sense of the likely emerging direction for the overall Evaluation, and to raise any concerns emerging.

The workshop involved a structured process of comment and validation, in which individual representatives presented their own reports and commented upon/validated the Emerging Findings draft text against them. This was particularly challenging given the inability to quote or cite emerging findings from individual reports – making it impossible for individual teams to verify directly whether and where their particular findings were reflected.

Given this major information gap, a composite list was generated of points of apparent agreement and disagreement between the gist of the Emerging findings in the report, built on the participants' articulation of shared findings and additional points of relevance. Overall, the reference to the yardstick of "direction of travel" (rated as positive throughout) was felt to convey too positive an appraisal of progress, although it had been stressed that this was only the most minimal threshold, and pace and distance of travel were far more significant.<sup>31</sup> The Core Team then undertook to review the summary of workshop inputs in detail as final reports were considered and the Synthesis report was prepared.

A number of nuances and clarifications were also provided, which the Core Team also undertook to integrate into Synthesis drafting. Finally, the refinement of the Emerging Findings note – including the key limitations emerging, challenges highlighted at this stage (see below), major themes emerging from the workshop, areas of agreement and disagreement plus the nuances/additions proposed – were presented for any final commentary.

One major limitation apparent at this stage was the insufficiency of donor/agency coverage. It was clear that further steps would be needed to integrate donor/agency findings of Phase 2 studies and updates into the main Evaluation Matrix, and broaden and deepen coverage of donor aid effectiveness responses to the extent possible.

<sup>31</sup> Some possible disagreements emerged: on Outcome 2v on 'reformed and simplified donor policies, more collaborative behaviour' (the Emerging Findings note found 'significant, in some cases substantial, forward movement is found in 11 of the 17 country evaluations') which was at considerable variance with participants' assessments of their evidence and insights. There was also doubt about Sub-question Q3b on gender and social exclusion, where the Emerging Findings note had found a positive trend. The Core Team undertook to resolve these as part of the Synthesis process.

Arising from discussions in Indonesia, the Colombian team, with input from the South Africa team, also carried out some additional work to draw out similar features drawing on the reports of five 'middle income' countries of the evaluation (Colombia, South Africa, Vietnam, Indonesia, the Philippines). These contributions were presented for consideration in the Synthesis process.

### Stage 2: Synthesis Report

The Synthesis stage required the Core Team to '*Synthesise] the results of all the component evaluations of Phase 2, together with Phase 1 and supplementary materials, in a major policy-oriented synthesis report in time to feed into the Seoul High Level Forum.*'<sup>32</sup>

After the Emerging Findings Note had been validated, evaluation teams submitted final reports for review in early January, with some final approved versions arriving later in the month. In addition to continuing to analyse and synthesise the evaluation reports, the Core Team also worked to address the challenges identified at the Emerging Findings Workshop. Specific actions were as follows:

<sup>32</sup> Evaluation Framework p.6.

Holding a 'special measures' workshop for Bolivia to exchange feedback from the Emerging Findings workshop	Held in Lima 13-14 January 2011 with Core Team and Evaluation Secretariat attendance.
Considering additional coverage of donors to complete the picture	The Core Team surveyed other potential sources of evidence. An attempt was made to try to use Monitoring Survey data for across the board donor comparisons, but this was not found comprehensive or credible. Interesting new efforts, including the recent Brookings' Institution/Center for Global Development Quality of Official Development Assistance ratings and the World Bank's 'Aid Quality and Donor Rankings' material were found still experimental (as their respective authors stress) and also heavily reliant on Monitoring Survey data. Ultimately, the Core Team was able to supplement coverage in areas where there was relevant new material from Peer Reviews and other DAC and the Working Party on Aid Effectiveness and by revisiting again the Phase 1 findings.
Integrating material from supplementary studies and other resources	Consideration of the materials on fragile states, untying, statistical capacities, and 'middle income' features as well as the key other studies conducted (above); carrying out a brief update of the work and emerging position of CSOs vis-à-vis the Declaration and the Accra Agenda for Action.
Integrating data from the Monitoring Survey and other relevant Working Party on Aid Effectiveness and DAC materials	Analyses of past Monitoring Survey data undertaken February 2011; review of additional Peer Reviews conducted; integrating additional Working Party documents including the Beginnings Now analysis on country systems and predictability, donor decentralisation, transparency and documents on aid effectiveness and climate change financing/aid predictability.

**Analysis:** From January to mid-February 2011, each final Phase 2 report was analysed and updated against the matrix of Evaluation questions and sub-questions. Where feasible, filter templates were completed or updated; where the late arrival of the report or capacity limitations prevented this, findings were recorded in a continually-updated version of the validated Emerging Findings report, which included references and citations. This process applied the same parameters as the filter template around validity and reliability of information, with judgements being recorded.

This process resulted in a composite evidence base from which key themes could be identified, and critical elements in the narrative could start to be drawn for the Synthesis analysis. It included the findings from all country evaluations and donor studies against the Core Questions, sub-questions and intermediate outcomes of the Matrix. It has provided the main source of evidence for the Synthesis report. Bearing in mind the principle outlined above of the primacy of the country as the main arena for research, the vast weight of the evidence has been drawn from the country study reports, and particularly those from Phase 2.

**Analytical pathways:** Conscious of the international interest in identifying possible categories or trends (whether geographical, thematic or findings-related) in Declaration implementation and results, the Core Team closely examined the evidence to see whether any patterns were apparent. This evidence was drawn largely from the comprehensive set of contextual sub-questions asked in Core Question 1 and included considering countries by region, income and development status, scale of aid flows, length of engagement with the aid effectiveness agenda, extent of Declaration ownership, governance context, experience of natural or political upheaval, and several other potential categories.

Almost all of these possible categories either proved unfruitful, or presented a number of tensions/contradictions/outlying

cases which could not be explained by the data. The only two categories to emerge from the evidence as cohesive enough to merit specific treatment were those of fragility and middle-income status, as discussed in the report. Methodologically, the Evaluation has consequently concluded that applying pre-determined hypotheses or categories across a broad range of country contexts – particularly where these are self-selected – risks presenting dead-ends or artificial groupings which do not reflect the reality of implementing a political compact across a diverse set of nation-states.

**Gender and Exclusion:** As indicated, the evaluation Matrix was comprehensively screened to ensure the integration of gender and exclusion concerns throughout the data collection, analysis and reporting processes during the country studies. With a very few exceptions, such as the Vietnam report, the country evaluation reports in fact presented little evidence beyond that required by Core Question 3b, which relates specifically to these concerns. Therefore, the decision was made at Synthesis stage to aggregate findings on these issues into the report's treatment of this Question.

**Integration of Phase 1 and Phase 2:** Given that the Synthesis report needed to include the integration of Phase 1 evidence, a robust analytical approach to integrating the Phase 1 findings had to be developed. This including triangulating/testing for any tensions or contradictions that emerged around the Phase 2 Core Question 2 findings on aid effectiveness, since this had largely been the focus of Phase 1 at a more preliminary stage. The analytical approach to the Synthesis therefore included mapping the findings from Phase 1 against the Phase 2 findings (using the aggregate areas of analysis under the draft report structure), exploring in detail any differences/divergences/variations, taking note of any expansions or clarifications, and then revisiting these areas in depth before agreeing individual findings/conclusions. In particular, the Phase 1 findings were revisited at the level of donor performance, given the paucity of information on donors available from the country studies under Phase 2.

**Applying data from the Monitoring Survey:** During the course of the Evaluation, a number of critiques arose from country studies on some of the Monitoring Survey indicators. Since the Evaluation applied these only as a supplementary source of evidence, or form of triangulation, this did not affect the validity of the data received. However, critiques were noted and reflected in the Draft and Final Synthesis Reports.<sup>33</sup>

The following table provides a summary of evidence on the Monitoring Survey indicators arising in the Evaluation (note: this is not a systematic or purposeful assessment of the indicators themselves, but rather a reflection of the findings that happened to arise within the Evaluation's country studies):

	Indicator relevant, useful measure	Relevant, but weak measure or sources	Not very relevant or very weak measures or sources
1. Partners have operational development strategies		X	
2. Reliable country systems		X	
3. Aid flows are aligned on national priorities		X	
4. Strengthen capacity by coordinated support			X
5a. Use of country public financial management systems	X		
5b. Use of country procurement systems	X		
6. Strengthen capacity by avoiding parallel implementation structures			X
7. Aid is more predictable	X		
8. Aid is untied	X		
9. Use of common arrangements or procedures		X	
10. Encourage shared analysis		X	
11. Results oriented frameworks			X
12. Mutual accountability		X	

Monitoring survey data was therefore applied in the Synthesis as originally envisaged: as a form of triangulation and validation where it was reported as relevant and useful, with sufficiently robust evidence to support it.

<sup>33</sup> The reports of Vietnam and Colombia provide some useful examples.

**Report drafting process:** The drafting process for the main Synthesis report involved a number of steps:

1. Against the composite evidence base (including Phase 1 studies, Phase 2 and all supplementary forms of evidence), extracting key themes for findings.
2. Tracking back to ensure the logical derivation of the themes from the evidence.
3. Once themes had been verified, drawing these together in narrative form.
4. Once the findings narrative was in place, drawing out conclusions.
5. Tracking back to ensure that conclusions were logically derived from the findings.
6. Distilling key messages and recommendations.

In addition to constant electronic exchange, two meetings of the three-person core drafting team were held in the period January to February 2010. The first session addressed the key themes emerging and the anticipated narrative framework. The second focused on the conclusions and anticipated recommendations.

For the Synthesis, three other elements, which became especially prominent after the Emerging Findings workshop, were also brought into the frame:

- Emphasising pace and distance over direction, since it was apparent from the material received at Emerging Findings point that direction was essentially uniform (forward). This was reinforced by the Emerging Findings workshop.
- Rating the degree of difficulty of achieving the different outcomes against specified criteria, since the Emerging Findings discussions brought home even more powerfully than the reports the very different challenges implicit across the outcomes.
- Integrating different starting points as well as degree of difficulty, since the importance of the pre-2005 context was strongly emphasised in both the material received at Emerging Findings stage and the workshop itself.

In terms of aggregate judgements on the pace of change and the distance remaining to achieve the intended outcomes for the Synthesis report, the Declaration's authors obviously understood that these intended outcomes would not all be fully achieved in five years. Instead, they specified the expected levels of achievement for the selected monitoring indicators. At Synthesis level, therefore, the standard of judgement applied on the intended outcomes was a dual one, blending relative and absolute standards. In relative terms, if reports on some countries or donors showed that they had been able to

substantially achieve the end condition in the intended outcome, this was taken as a measure of the possible. The pace and distance remaining of others were then assessed accordingly. If there was no such standard of basic completion, the assessment here applies an implicit standard that by 2010 the end condition has been at least half achieved, which would merit a 'fast' pace rating and 'little' distance remaining.

The final drafting stage involved raising the level of the report, to ensure that the text of the Evaluation was appropriately policy-oriented. This was a requirement of the Core Team's Terms of Reference and clarified in the Inception Report of December 2009: '*The Synthesis* report, given its nature and its intended uses and audiences, will be much more than a summary of the component [parts] ... Building on these foundations, the Synthesis report will add another level of analysis to draw out the more general trends, findings, conclusions, lessons and recommendations arising around the implementation of the Paris Declaration and (to the extent possible) the Accra Agenda for Action.'<sup>34</sup> Meetings of the International Reference Group, including the Emerging Findings session in December 2010 and a final meeting in Copenhagen in April 2011, were a critical stage in ensuring that the expected level had been reached.

The Inception Report's statement of intent around content was also borne in mind during the drafting process: '*The process of drafting the Synthesis Report will need to be grounded systematically and demonstrably in the data, findings, conclusions, lessons and recommendations of the Country Evaluations, the Donor/Agency HQ Studies and the other agreed inputs, refer to them and be able to account for the evidence on which it is based, without becoming a heavy, densely-footnoted document.*' (p.9) During the drafting process, particular attention was paid to the usefulness of the report. An ongoing process took place of checking whether the material being developed met criteria of being useful to country and international aid policymakers and practitioners. Critiques which had arisen during the course of the process on the Monitoring Survey were, in the interests of transparency, included in the drafting content.

The draft text, as far as conclusions and recommendations, was circulated for wider Core Team commentary and validation in late February 2011. A second round of comments was elicited on a complete draft, including conclusions and main recommendations, in early March. A Draft version of the report was submitted to the Evaluation Secretariat on March 9th 2011.

**Validation of the final Synthesis Report:** The process for final validation was as follows:

- Late March-April 2011 – On receiving the Draft Report, the Evaluation Management Group submitted a joint round of comments. The Core Team responded to these and provided both a response to the comments (April 5<sup>th</sup> 2011) and a Revised Draft version of the report (April 7<sup>th</sup> 2011).

<sup>34</sup> Inception Report p. 9.

- April 2011 – the Revised Draft Report was validated with evaluation teams, and written commentary provided by the International Reference Group by a deadline of April 18<sup>th</sup> 2011.
- April 19<sup>th</sup>-25<sup>th</sup> 2011 – the Core Drafting Team reviewed International Reference Group comments received and prepared a full written response.
- April 27<sup>th</sup>-28<sup>th</sup> 2011 – the International Reference Group met in Copenhagen to finally review, validate and approve the Revised Draft Synthesis Report.

The final International Reference Group validation meeting in Copenhagen provided commentary and feedback on the **quality, credibility and clarity** of the Draft Report. In terms of quality and credibility, the report was felt to have met requirements. However, requests for more clarity in its presentation were received. The Core Team took note of the comments, and following re-drafting, a final version of the report, in the three languages of the Evaluation, was presented to the Management Group on May 23<sup>rd</sup> 2011.

## 8. Independence, Integrity and Ethics

The Phase 2 Evaluation's status as a joint international process meant that independence and integrity were critical to ensuring its credibility. Care was taken to throughout design and implementation to ensure this, in the following ways:

- Through the Evaluation's governance processes at both the national and international levels, which has ensured that evaluation teams alone are responsible for the contents of their reports – for example, the explicit responsibility of the National Reference Groups for assuring the independence of country reports.
- Through screening individual reports for independence and transparency as part of the Synthesis analysis process.
- Through the application of the OECD/DAC Quality Standards for Development Evaluation, which have been emphasised throughout at both national and international levels (see below).
- Through the focus on a participatory and consultative approach throughout, both within individual studies and at international Synthesis level, as described above.
- Through an emphasis on transparency throughout, reflected in the sharing of key documents and drafts for scrutiny by external stakeholders at appropriate milestones, supported by the use of a web-based platform (the Extranet) for information-sharing (see below).

- Through a focus on meeting required ethical standards during the conduct of the evaluation, including the recognition of gender consideration and the securing of informed consent of e.g. interviewees through the assurance of anonymity and confidentiality etc.
- Through the integration in the Evaluation Framework and Matrix of aspects of gender equality, human rights and social inclusion, which are prominent in both the Declaration and the Accra Agenda for Action.

## 9. Quality Assurance

Quality assurance has received considerable attention throughout the process of the Phase 2 Evaluation. A paper setting out the provisions was approved by the International Reference Group and disseminated in May 2010. This clearly distinguished quality assurance and control from acceptance of the Evaluation's conclusions.

In brief summary, the quality assurance arrangements were as follows:

- At country level, each evaluation process was required to establish internal quality assurance and control systems. The National Evaluation Coordinator was responsible for quality assuring evaluation reports before submission to the Core Team for inclusion in the Synthesis. The Terms of Reference for the National Reference Group explicitly stated that the quality should be assessed against national, regional or international Evaluation Quality Standards (e.g. the DAC Evaluation Quality Standards) with preference for national standards where they exist.
- Within the Donor Studies Evaluation Coordinators were responsible for quality assuring the study reports before submission to the Core Team for inclusion in the Synthesis.
- The Core Team was tasked to support the quality assurance at national/donor level by engaging with and supporting the country evaluations and if requested the donor studies.

Quality assurance of the work of the Core Team had three levels:

- Internal quality control and assurance of the team's processes through the appointment of a senior team member of the contracted institution (IOD PARC) as Quality Manager.
- Quality assurance by the International Reference Group, who were tasked to oversee evaluation products, including the key documents produced by the Core Team.

- Quality assurance by the Management Group, who were tasked to review all products by the Core Team and to assess and sign off (approve) these.

These arrangements have been comprehensive and are considered to have worked well.

## 10. Limitations and Risks

The main limitations and risks of the Evaluation were recognised from an early stage of the process. They were reported in the Inception Report and confirmed at the Emerging Findings workshop in Indonesia. They include:

- The unusual character of a broad reform programme and political declaration as an evaluation object and the resulting limits on applying standard evaluation methodologies which imply more linear causality.
- The breadth and complexity of the goals of the Declaration and the wide variety of contexts and actors involved, meaning that very few robust analytical categories, groups or trends were found to apply.
- The paucity of data in some areas, including the limited participation by multilateral actors which has meant that very few robust conclusions could be drawn in relation to them.
- The limited time which has elapsed since the Declaration was endorsed in 2005 (and even less since Accra in 2008), meaning that there has been little scope for some of the fundamental changes expected to have been implemented.
- The expectation of breadth and comprehensiveness needing to be balanced with rigor and depth: the Matrix was broad and extensive, and it tested considerably the capacity of evaluation teams.
- The self-selected nature of participating countries and agencies, which limited the representative basis of the component studies, although in fact a reasonably representative distribution among partner countries was achieved.
- The eventually-unrealised hope of achieving sufficient coverage of donors'/agencies' policies and actions on the ground through the country evaluation reports, resulting in limited intersections between donor headquarter studies and country evaluations.
- The fact that the limited methodology for donor/agency headquarter studies from Phase 1 was carried over into Phase 2 – and that a number of key donors did not carry out such studies at all – also meant that the Evaluation

lacked equally targeted instruments to assess donor/agency performance as those for country evaluations, meaning that supplementary sources had to be used to fill the gap.

- Some significant timing failures and delays, particularly around evaluation team procurement and the approval processes for both country and donor reports. Although the Core Team had anticipated this eventuality, and proposed mitigation measures of special catch-up support where needed, material/reports were inevitably delayed both at Emerging Findings and Synthesis stages. This meant that the Core Team was working at various milestone points with material at very different stages of development.

## 11. Knowledge Management and the Extranet

As part of the contractual agreement of the Phase 2 Evaluation, the Core Team had committed to develop an interactive website. Its purpose was to facilitate the sharing of knowledge, information and experience across evaluation teams, and to reinforce the coherence and comparability of the Evaluation as a whole.<sup>35</sup>

A secure, password protected Extranet was subsequently developed during late 2009. This was made available to Evaluation stakeholders – including members of the Evaluation Management Group, International Reference Group, and country evaluation and donor study teams – from December 2009. It consisted of a main ‘parent’ site, accessible to all registered users, and smaller sub-sites for use by each individual evaluation team. Evaluation teams were able to control the level of access other, accessible only to individual teams.

Specifically, the Extranet was designed to provide the following functions:

- A single repository for the primary information and instruments of the Evaluation, including the key background papers, tools (e.g. the Matrix), guidance notes, records of workshops and other information which could be swiftly uploaded then accessed from anywhere in the world, at any point in time.
- A glossary to promote a common interpretation and usage of technical terms.
- A contacts directory, listing all the participants and key stakeholders in the Evaluation, their roles and their contact details.
- A communications function, enabling individuals and teams to communicate directly via the extranet (although the discussions forum was not widely utilised).

<sup>35</sup> Core Team Terms of Reference p. 194.

- A knowledge-sharing platform for country and donor headquarter study teams through e.g. the sharing of individual reports at Emerging Findings and Synthesis stages.
- A forum for status reporting, making progress transparent and comparable across teams.
- A team-specific platform for sharing information internally and e.g. uploading draft versions of reports (individual teams were able to control the level of access other users could have to their sites, thereby enabling teams to work securely and share ‘private’ documentation amongst only immediate colleagues) and controlling document versions.
- Communicating the Evaluation milestones and progress through a calendar function and a timeline.
- An internal working platform for the Core Team, who were internationally dispersed and could consequently engage with working documents from anywhere in the world.
- A management tool for collecting data on usage by a particular country/region at specific points in time.

All material, including video tutorials, was provided in English, French and Spanish, with the Extranet allowing users to quickly switch between languages.

The Extranet was widely used by all stakeholders – over 350 individuals were registered as users. During the course of 2010, the site was visited over 5,000 times with visitors from 72 countries. To date, nearly 1,000 documents have been uploaded. A minority of teams, largely in Africa, reported difficulties in access related to broader connectivity problems in their locations; this was addressed by reverting to email where necessary.

While it required ongoing management and technical input, the Extranet enabled the very rapid dissemination and sharing of information, resulting in much greater coherence across teams than could have been achieved by other possible methods. It also enabled members of evaluation teams to identify themselves as part of a joint, global process, through their use of an interactive tool that located their study in relation to others. It is considered one of the successes of the Evaluation.

## 12. Lessons Learned

The experience of the Evaluation has provided some valuable lessons on the complexities of conducting multi-country and multi-agency studies at the level of a political declaration. Several further stages in drawing lessons will follow, and the Core

Team will participate and contribute, but some of the most critical identified to date are summarised here:

- ***A fully participatory approach is essential but can add burdens of its own*** – to ensure common understandings, to manage consistency and to secure broad-based engagement, participation must be assured – though it also carries the risk of an overload of questions/issues to be addressed within the Evaluation.
- ***Dealing with context means dealing with complexity:*** the Evaluation has confirmed that the systematic analysis of findings across diverse contexts, often generated through diverse methods, requires a very clear central framework for analysis. This also facilitates the assessment of both the quality of evidence provided plus the substance of the findings at Synthesis stage.
- ***Balancing the need for autonomy at local level with the consistency of findings required for synthesis work necessarily involves trade-offs.*** Requirements include a clear common framework which contains a clear results logic, has been developed through a participatory approach, and ensures consistency whilst allowing for flexibility in context. Inevitably, however, some level of autonomy will be sacrificed for comparability.
- ***Balancing comprehensiveness with feasibility of execution in diverse settings should be considered at the outset:*** Some evaluation and study teams were able to start early enough and muster sufficient capacity and cooperation to successfully cover the full terms of reference with confidence. Other experiences were much more uneven, raising the question of whether narrower questions should have been attempted. Given the broad nature of the Declaration, however, this would have required some arbitrary selection, and risked reducing the relevance of the evaluation results.
- ***Where new approaches are required, capacity constraints need to be anticipated and addressed.*** Similarly, support to the technical aspects of individual evaluations is also crucial to ensuring consistency and commonality of approach. Adequate resources for specific technical support are an essential part of the Evaluation design; they should not be seen as 'additional' or to be drawn on 'if/where required'.
- ***The challenges of mapping the contributions of a political Declaration to changed performance and results cannot be underestimated*** – the value of contribution analysis is confirmed; a clear framework for exploring and explaining pathways of contributions is essential as guidance for evaluation teams; and a timeframe well beyond five years is needed to re-confirm direct connections between aid reforms and development results.

- ***Arrangements for designating and mandating national-level structures, contracting teams and approving and releasing reports are subject to country and agency procedures and requirements*** – these can be extended and should be allowed for within timelines.
- ***Where country evaluations and donor headquarter studies are to be carried out concurrently, ToR development and team procurement should take place concurrently where feasible.*** The fact that the donor studies for Phase 2 were already contracted or procuring on narrower ToRs constrained the questions which could be asked, and the consequent information that could be generated.
- ***Ensuring independence is critical,*** particularly where potentially contentious findings are likely to emerge. Strong procedures, as well as clear governance systems, need to be clearly articulated from an early stage, reinforced throughout the process, and checked and verified as part of ongoing Evaluation management.
- ***For a multi-site evaluation, the Synthesis process needs to be clarified from the start*** – the Evaluation has confirmed the value of developing a clear and robust analytical framework for synthesis as early as feasible in the process, to ensure that evaluation design, data collection and analysis are fully geared towards the Synthesis stage.

### 13. OECD/DAC Standards for Development Evaluation

The three Core Evaluation Questions themselves successively emphasise the criteria of efficiency, effectiveness and sustainability. However, the following analysis provides a summary of how the OECD/DAC's Quality Standards for Development Evaluation<sup>36</sup> have been applied in relation to the Phase 2 Evaluation.

<sup>36</sup> 2010 version.



No	Standard	Phase 2 response
<b>1. Overarching Considerations</b>		
1.1	<b>Development Evaluation</b>	Meets requirements of a 'process of determining the worth or significance of a development intervention.'
1.2	<b>Free and open evaluation process</b>	Transparency and independence assured through governance structures and an ongoing approach of transparency and knowledge-sharing.
1.3	<b>Evaluation ethics</b>	Integrity assured through a focus on meeting required ethical standards during the conduct of the Evaluation, and through the integration in the Evaluation Framework and Matrix of aspects of gender equality, human rights and social inclusion.
1.4	<b>Partnership approach</b>	A participatory and consultative process a cornerstone of the Evaluation throughout, reflected both the lead-up the process of implementation (e.g. two rounds of regional workshops and three meetings of the International Reference Group) and within national and donor agency level governance structures.
1.5	<b>Coordination and alignment</b>	Individual country evaluations/donor study reports asked to include details of fit/relationship with other significant ongoing or recent evaluations, evaluation plans or policies.
1.6	<b>Capacity development</b>	Support to country and donor headquarter studies provided with the explicit rationale of capacity building.
1.7	<b>Quality control</b>	A detailed strategy for Quality Management developed at an early stage. Ongoing peer review through the governance structure was also a key feature.
<b>2. Purpose, planning and design</b>		
2.1	<b>Rationale and purpose of the evaluation</b>	Rationale, purpose and timing stated on numerous occasions in inputs since 2006 (e.g. Approach paper and Terms of Reference for the Core Team); also reiterated clearly in the Synthesis Report.
2.2	<b>Specific objectives of the evaluation</b>	As above; specific objectives (a focus on development results as well as aid management) stated in the full range of documentation; reflected in the Core Questions. Effectiveness, efficiency, relevance and sustainability fully embedded in the Core Questions.
2.3	<b>Evaluation object and scope</b>	Evaluation object and scope summarised in the Synthesis report and comprehensively described in inputs to date. Intervention logic set out in the Programme Theory of the Declaration, which has been developed as part of the Evaluation (published in the Inception Report).
2.4	<b>Evaluability</b>	Discussions on the feasibility of the Evaluation by the International Reference Group and Core Team reflected in the Approach Paper and Evaluation Framework. Attribution/contribution (of development results to the implementation of the Declaration) comprehensively discussed and reflected in a Guidance Note to teams.
2.5	<b>Stakeholder involvement</b>	Ongoing participatory approach, reflected in the early International Reference Group involvement in the evaluation design and formulation of the Core Questions through to final validation.
2.6	<b>Systematic consideration of joint evaluation</b>	Reflected in all early inputs and all interim and final outputs, as well as the nature and process of the evaluation design. The Core Questions reflect questions of common interest to all partners; the Country Terms of Reference allow for specific questions of interest to individual partners. A contribution has been made to processes of harmonisation, alignment and an efficient division of labour amongst development partners both at international level (through the Evaluation's Governance Structures) plus national level (within the country structures of the Evaluation).
2.7	<b>Evaluation questions</b>	Core Questions, reflecting the Evaluation's objectives and areas of interest, developed through a joint process at an early stage. These have been the foundation of the methodology (Matrix). Cross-cutting issues such as gender, environment and human rights fully integrated and their presence quality assured.
2.8	<b>Selection and application of evaluation criteria</b>	OECD/DAC criteria applied throughout and emphasised within of country evaluations/donor headquarter studies. Reflected in both the Evaluation design and methodology (see the Evaluation Framework and Inception Report), within the country matrix and donor mirror questions, and reported within this Technical Annex.
2.9	<b>Selection of approach and methodology</b>	Approach and methodology developed in line with the extensive thinking of the Approach Paper and described in the Evaluation Framework and Inception Report, plus in more detail in the Technical Annex. The methodology specifies – without being prescriptive – suggested techniques for data collection and analysis at country/donor level. The Matrix itself draws out the distinction between different results levels (intermediate outcomes (Q2), outcomes and impacts (Q3)).

No	Standard	Phase 2 response
2.10	Resources	Resources for the evaluation agreed by the International Reference Group and Evaluation Management Group, and managed by the Evaluation Secretariat. Internationally agreed as adequate for enabling the Evaluation's objectives to be fulfilled.
2.11	Governance and management structures	Clear Governance structures designed to ensure the independence, integrity and credibility of the process, as well as transparency. Management function separately fulfilled by the Evaluation Secretariat.
2.12	Document defining purpose and expectations	Terms of Reference for the Core Team produced in a participatory way. Employed in conjunction with the Approach Paper to clearly set out the purpose, scope, and objectives of the Evaluation; suggestions for the methodology to be used; the resources and time available; reporting requirements; and all other expectations.
<b>3. Implementation and reporting</b>		
3.1	Evaluation team	A competitive bidding process, led by the Evaluation Management Group, ensuring an open and transparent procurement process for the Core Team. The Team composition provided a balance of gender, geographical mix, skills and thematic knowledge
3.2	Independence of evaluators vis-à-vis stakeholders	Members of the Core Team who are fully independent of aid management and implementation process – being independent consultants who are not employed by government or donor agencies. Supported by the Evaluation Secretariat and Evaluation Management Group to work in a cooperative way with stakeholders, including the International Reference Group and evaluation teams, and to secure access to information without impediment.
3.3	Consultation and protection of stakeholders	As above, a fully participatory approach embedded as a cornerstone of the Evaluation, from the early stages of design (pre-implementation). A broad range of stakeholders were consulted and have contributed at all levels. Evaluation teams asked to ensure the anonymity and confidentiality of respondents when reporting e.g., survey or interview data.
3.4	Implementation of evaluation within allotted time and budget	Evaluation conducted according to the milestones and deadlines outlined in the Inception Report with no 'slippage' on the part of the Synthesis team (though with delays to some country and donor headquarter studies, in some cases significant). Extensions to the budget approved by the Evaluation Management Group resulting from: an expansion in the numbers of participating countries and donors; the rationale for intensifying the Core Team support to country evaluations and the more intensive work than anticipated on the screening and analysis of reports agreed.
3.5	Evaluation report	A specific statement in the Inception Report and Evaluation Framework of the intention to use readily comprehensible, non-technical language, with minimal use of acronyms. Country evaluation Terms of Reference specifically requested this also. This point reiterated at the Emerging Findings workshop of December 2010; the Synthesis Report has aimed to stay true to this commitment.
3.6	Clarity/representativeness of summary	Approved by the International Reference Group as representatively highlighting the main findings, conclusions, recommendations and lessons.
3.7	Context of the development intervention	Context located at the heart of the Evaluation; reflected in the inputs leading up to the Evaluation; in the Core Questions; and consequently in the Evaluation Matrix. Specifically highlighted in Diagram B of the Inception Report and addressed in Core Question 1, which asks a range of questions around the policy, development and institutional context.
3.8	Intervention logic	The Programme Theory, reflected in the Inception Report, makes explicit the intervention logic of the Declaration. Diagram B, on the Context for Implementing the Paris Declaration, also draws out some of the assumptions; and the Mechanisms of Change within the Approach paper (which evaluation teams have been urged to apply) provide hypotheses for the success or otherwise of Paris Declaration implementation.
3.9	Validity and reliability of information sources	Approaches to validity and reliability fully described in the Technical Annex; in summary: a transparent list of the sources of information used is available; a full and cross-validated assessment of validity and reliability of findings at report screening stage (initially Emerging Findings, subsequently for the full Synthesis) via the filter template is described; limitations of the evidence base are described.
3.10	Explanation of the methodology used	Evaluation Methodology described succinctly within the Synthesis report and in more depth in the Technical Annex, including limitations and constraints encountered and data collection and analysis methods.
3.11	Clarity of analysis	Synthesis report distinguishes between findings, conclusions, and recommendations. A step by step and rigorous approach to analysis has ensured that findings, conclusions and recommendations are logically derived from one another and do not contain assumptions or subjective opinion.

No	Standard	Phase 2 response
3.12	Evaluation questions answered	Synthesis Report, building on the Emerging Findings note, responds comprehensively to all three Core Questions and the Framework for Conclusions agreed; it does so at a level which reflects the strategic nature of the Evaluation, with detailed evidence available in the text.
3.13	Acknowledgement of changes and limitations of the evaluation	No discrepancies encountered between the planned and actual implementation of the Evaluation other than a) the withdrawal of two interested countries for reasons of political change or instability and b) decisions to conduct fewer Supplementary Studies than originally intended. The rationale and processes for these decisions clearly and transparently set out in the Inception Report and subsequent communications, and disseminated via the Extranet.
3.14	Acknowledgement of disagreements within the evaluation team	No major and/or unresolved disagreements encountered regarding the substantive findings of the Evaluation within the Core Team (reflected in commentary on the Emerging Findings note/final draft); thus none reported within the Synthesis text.
3.15	Incorporation of stakeholders' comments	Detailed commentary process conducted for both the Emerging Findings and the draft Synthesis report to allow for full stakeholder input and the opportunity to present disagreements/nuances/additions. Comments fully and transparently recorded, and addressed by the Core Team in subsequent iterations of the report.
<b>4. Follow-up, use and learning</b>		
4.1	Timeliness, relevance and use of the evaluation	The Evaluation aims to provide clear and relevant conclusions and recommendations specifically targeted at discussions at the High Level Forum in South Korea in 2011. Timing will allow for discussion of the recommendations in the lead-up to the HLF. A separate dissemination strategy has been developed, led by the Evaluation Secretariat and Management Group.
4.2	Systematic response to and follow-up on recommendations	To be led by the Secretariat and addressed at the High Level Forum..
4.3	Dissemination	As above, specific dissemination strategy developed by the Evaluation Secretariat and Management Group including the targeting of stakeholders external to the Evaluation (including key decision-makers). To be implemented following the report's acceptance by the International Reference Group.

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"This Evaluation Report provides a credible basis for a constructive discussion in respect of the reforms to Aid Management by both Partner Countries and Development Partners in accordance with the Principles enunciated in the Paris Declaration and the Accra Agenda. The extensive country evaluations based on multiple sources of evidence and techniques, and carried out in diverse and complex country contexts admirably succeed in testing the operational commitment of the relevant actors responsible for ensuring improved Aid Effectiveness, and identifies clear and useful norms of good practice to inform future action and the way forward, in terms of what works and what does not work.

An important conclusion of the Report is the realization that successful Aid Reform can only be achieved through a long-term campaign driven by political commitment rather than technocratic fixes. It should be stressed at the same time that this should not offer justification for the slow pace of change registered to date. There is need in this regard to develop robust criteria for constant monitoring of progress."

*Ms. Mary Chinery-Hesse*  
*Member of the African Union Panel of the Wise and*  
*Former Chief Advisor to the President of Ghana*

*Lord Mark Malloch-Brown*  
*Former Administrator of UNDP and*  
*Former UK Minister*

## Countries and agencies evaluated in Phase 1 and/or Phase 2

Afghanistan • African Development Bank • Asian Development Bank  
Australia • Austria • Bangladesh • Benin • Bolivia • Cambodia • Cameroon  
Colombia • Cook Islands • Denmark • Finland • France • Germany  
Ghana • Indonesia • Ireland • Japan • Luxembourg • Malawi • Mali  
Mozambique • Nepal • Netherlands • New Zealand • Philippines  
Samoa • Senegal • South Africa • Spain • Sri Lanka • Sweden • Uganda  
United Kingdom • UNDP/UNDG • USA • Vietnam • Zambia

## Ownership, Alignment, Harmonisation, Results and Accountability



High Level Forum  
Paris ■ February 28 – March 2, 2005



부산 세계개발원조총회  
**4th High Level Forum  
on Aid Effectiveness**  
29 Nov – 1 Dec 2011, Busan, Korea