The Evaluation of the Paris Declaration

Phase 2

Main Report

THE EVALUATION OF THE PARIS DECLARATION

PHASE 2

FINAL REPORT

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PHASE 2

FINAL REPORT

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May 2011

IOD PARC

Preface

The Paris Declaration on Aid Effectiveness poses an important challenge both to the world of development cooperation in general and to the field of development evaluation. Compared with previous joint statements on aid harmonisation and alignment, the Declaration provides a practical, action-oriented roadmap with specific targets to be met by 2010. The number of countries and international organisations participating in the High Level Forum and endorsing the joint commitments contained in the Declaration is unprecedented and reflects a progressive widening of the range of voices in the aid effectiveness debate.

Alongside its strong focus on monitoring, the Paris Declaration also highlights the importance of undertaking an independent joint cross-country evaluation to provide a more comprehensive understanding of how increased aid effectiveness contributes to meeting development objectives.

The overall purpose of this evaluation is to assess the relevance and effectiveness of the Paris Declaration and its contribution to aid effectiveness and ultimately to development effectiveness. In order to provide a proper basis for this assessment the evaluation has been carried out in two phases:

The first phase of the evaluation was conducted with the purpose of strengthening aid effectiveness by assessing changes of behaviour and identifying better practices for partners and donors in implementing the Paris commitments. It was completed in 2008 and contributed constructively to the ongoing aid effectiveness policy debates and, in particular, to the 3rd High Level Forum on Aid Effectiveness in Accra, Ghana in September 2008.

The second phase, conducted with the purpose of assessing the Declaration's contribution to aid effectiveness and development results, comprises 22 country level evaluations[1] which were designed within a common evaluation framework to ensure comparability of findings across countries while allowing flexibility for country specific interests. Each of these evaluations was conducted by independent evaluation teams managed by the respective partner country.

The country level evaluations are supplemented by seven donor and multilateral development agency studies[2] which assessed how the Paris Declaration is represented in the policies, strategies and procedures of these donors and agencies. The studies mainly consisted of document reviews supplemented by interviews with key actors at headquarters level and in field offices. The studies were conducted by independent teams managed by the respective agencies' evaluation departments.

The full texts of the country and donor reports are included in the attached DVD which also contains a number of video clips illustrating the implementation of the Paris Declaration.

In addition several thematic studies were commissioned covering diverse subjects such as the Developmental Effects of Untying of Aid, Support to Statistical Capacity Building, the Applicability of the Paris Declaration in Fragile Situations, Development Sources beyond the Current Reach of the Paris Declaration and the Relationship between the Paris Declaration, Aid Effectiveness and Development Effectiveness. The latter theoretical study contributed to the basis for the design of the second phase of the evaluation of the Paris Declaration.

The present report provides the synthesis of all component evaluations and thematic studies. It has been prepared by a team of independent evaluators comprising Bernard Wood, Canada (Team Leader), Julia Betts, UK; Florence Etta, Nigeria; Julian Gayfer, UK; Dorte Kabell, Denmark; Naomi Ngwira, Malawi; Francisco Sagasti, Peru; and Mallika Samaranayake, Sri Lanka.

Guidance to the evaluation has been provided by an International Reference Group comprising representatives from the participating partner countries – principally the members of

1 Seven of these countries also participated in the first phase.

2 In addition to the 11 studies carried out in the first phase.

the OECD/DAC Working Party on Aid Effectiveness; members of the OECD/DAC Network on Development Evaluation; and representatives of apex civil society organisations. The Reference Group was co-chaired by representatives from Malawi and Sweden and convened four times at milestone moments during the evaluation process. The members of the Reference Group were provided with the opportunity to review and comment on successive drafts of the Final Report.

The Reference Group appointed a small Management Group[3] tasked with oversight of the evaluation process. The Management Group was co-chaired by representatives of the Netherlands and Vietnam.

Day-to day coordination and management of the evaluation was entrusted to a small secretariat hosted by the Danish Institute for International Studies in Copenhagen, Denmark.

The Synthesis Team took guidance from the Management Group regarding such issues as interpretation of Terms of Reference for the evaluation and operational and budgetary matters. As directed in its mandate, the Team gave full consideration and response to substantive comments from both the Reference Group and the Management Group; however the responsibility for the content of this independent final report is solely that of the Team.

The Final Report was peer reviewed for quality, strategic and policy relevance and the communicative power by Mary Chinery-Hesse, Member of the African Union Panel of the Wise, and Former Chief Advisor to the President of Ghana and Lord Mark Malloch-Brown, former Administrator of UNDP and former Minister, UK.

An independent audit of the evaluation's quality was undertaken by Dr. Michael Quinn Patton, faculty member of The Evaluator's Institute, The George Washington University, and former president of the American Evaluation Association. The Audit Statement is included in this report.

This evaluation was initiated on the premise that – in spite of the complexity of evaluating the outcomes of a political declaration – it would be possible to identify useful lessons and actionable recommendations for the governments, agencies and individuals concerned with development effectiveness. We believe that the evaluation has identified such lessons and recommendations. Moreover, the jointly undertaken evaluation process itself has been an example of the Paris Declaration's basic principles of partnership and ownership and has contributed to better insights and dialogue in the countries and agencies that participated.

The 4th High Level Forum on Aid Effectiveness, which is to meet in Korea at the end of 2011, will take stock of the results of implementing the Paris Declaration and chart the course ahead for aid effectiveness. This Final Report in combination with country evaluation reports and donor studies is expected to have wide and ongoing uses in individual countries and internationally both before and after that Forum.

The Report is intentionally jargon-free, with clear, succinct and direct key messages couched in language that recognizes that positive change and aid management reform will be effectively driven only by political commitment rather than technocratic fixes.

It is now up to the governments, agencies and civil society groups for whom this evaluation has been prepared to apply the lessons and recommendations.

Signed:

Sandra Alzate Cifuentes
Colombia

Twaib Ali
Malawi

Ted Kliest (co-chair)
The Netherlands

Joakim Molander
Sweden

Peter Davis
USA

Cao Manh Cuong (co-chair)
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3 The Management Group comprises: Mr Twaib Ali, Assistant Director, Ministry of Finance, Malawi; Ms Sandra Alzate Cifuentes, Director of International Cooperation, Presidential Agency for Social Action and International Cooperation, Colombia; Mr Cao Manh Cuong, Deputy Director General, Ministry of Planning and Investment, Vietnam; Mr Niels Dabelstein, Secretariat for the Evaluation of the Paris Declaration, Denmark; Mr Peter Davis, Coordinator Planning and Performance Management in the, Office of Director of US Foreign Assistance, Department of State/USAID; Mr Ted Kliest, Senior Evaluation Officer, Policy and Operations Evaluation Department, Ministry of Foreign Affairs, The Netherlands; Mr Joakim Molander, Director, Department for Evaluation, Sida, Sweden.

THE TRACHTENBERG SCHOOL OF PUBLIC POLICY AND PUBLIC ADMINISTRATION

The Evaluators' Institute

May, 2011

An Independent Audit of the Evaluation

Readers and users of this Evaluation Report on the Paris Declaration and Aid Effectiveness may wonder, quite naturally, whether the findings can be trusted, whether the evaluation was conducted independently, and whether the evaluation process was rigorous. Just as an independent auditor's review is essential in establishing the credibility of corporate financial information to investors, stockholders and the general public, this audit of the Synthesis Evaluation speaks to the credibility of this report for intended users, policy makers, international aid stakeholders, and the global public. Given the importance of the Evaluation of the Implementation of the Paris Declaration, the Management Group commissioned this independent assessment of the evaluation. Indeed, it has become a standard in major high-stakes evaluations of this kind to commission an independent review to determine whether the evaluation meets generally accepted international standards of quality.

Prior to undertaking this review, I had no prior relationship with any members of the Management Group or the Core Evaluation Team. My associate and I had complete and unfettered access to any and all evaluation documents and data, and to all members of the International Reference Group, the Management group, and the Core Evaluation Team. Our responsibility is to express an opinion on the quality of the Synthesis Evaluation.

Our audit included reviewing data collection instruments, templates, and processes; reviewing the partner country and donors evaluation reports on which the synthesis is based; directly observing two meetings of the International Reference Group where the evidence was examined and the conclusions revised accordingly; surveying participants in the evaluation process and interviewing key people involved in and knowledgeable about how the evaluation was conducted. The evaluation audit includes assessing both the report's findings and the technical appendix that details how findings were generated.

In our opinion, the findings and conclusions generated adhere closely and rigorously to the evaluation evidence collected. Obtaining high quality evidence and thoughtfully analyzing that evidence was the constant theme of the evaluation. Both strengths and weaknesses in the evaluation are appropriately acknowledged. The comprehensive Technical Annex accurately describes data collection and analysis approaches. Partner country and donor evaluation reports, upon which the Synthesis Evaluation is based, were openly and transparently shared with the International Reference Group to allow peer review and make visible both strengths and limitations in those reports. Partner country reports were screened for adherence to quality standards with particular attention to the strength of evidence to support conclusions reached.

Those countries and donors that undertook this voluntary evaluation of the implementation of the Paris Declaration have engaged in systematic and in-depth reflection and evidence-based processes that make their conclusions and insights worthy of serious attention. The Final Report accurately captures those evidence-based conclusions and insights.

In our opinion, the Synthesis Report can be trusted as independent, evidence-based, and adhering to international standards for quality evaluation. Notwithstanding inevitable limitations inherent in such a complex and comprehensive evaluation initiative, the findings can be studied and used as trustworthy and credible.

Michael Quinn Patton, Ph. D.
Independent Evaluator and Faculty,
The Evaluators' Institute

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At times, work like this Evaluation can seem far removed from the front lines of development, where poor people are struggling to improve their lives and dedicated national and international supporters are constantly searching for the best ways to reinforce their efforts. The national and international evaluation teams have never lost sight of these ultimate stakes, and must first acknowledge the efforts of those on the front lines as the source and purpose of our own work.

As the Synthesis Report and its Technical Annex show, this large and complex joint international evaluation has been a fully transparent and participatory exercise throughout. The designers and champions of the process deserve great credit for being prepared to act in the spirit of the Paris Declaration ideals. There is ample evidence that the participants have invested and benefited greatly, learning and building together. The intensive collaboration has extended from the earliest design and regional workshops all the way through to the final improvements on this Synthesis Report.

The governance structures for the Evaluation have been made up mainly of National Coordinators and Reference Groups. For most of them their responsibilities for this work have been additions to their many other tasks. They have had to steer through difficult challenges in order to make the work possible and ensure its integrity and independence. Without them, the Evaluation could not have been completed, and the results would not already be in use to strengthen their countries' and agencies' performance.

The independent evaluation teams at national and donor agency levels have had to cope with complicated tasks and in some cases severe time pressures to complete unusually demanding evaluations and studies. For the international Core Team, it has been motivating and instructive to work with these fellow professionals around the world in this extraordinary endeavour.

At the centre of this far-flung and ambitious Evaluation, a committed and balanced Management Group and skilled Secretariat have been essential to ensure, on behalf of the whole International Reference Group, that the Evaluation and Core Team's work were properly completed within the time and resources allocated. The Team wishes to thank these busy people for their demanding, but always constructive and thoughtful handling of these responsibilities, not least in arranging for the additional insights of the independent reviewers of the evaluation process that have enriched our own experience.

Overall, the tasks of the Core Team for Phase 2 have been stimulating and often taxing for extended periods. We want to thank our colleagues, especially Marika Weinhardt and Ronnie MacPherson for their excellent support and our respective families for their remarkable understanding, patience and support throughout.

The Core Evaluation Team

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A Note on Terminology

The terms "aid" and "donor" are still the ones commonly understood and used in most discussions of development assistance. This is the case even though few are comfortable with the connotations that may be implied by the terms. Nonetheless, these terms remain crucial for this Evaluation, both because they are the operative ones applied in the Paris and Accra documents, and because they need to be revisited here, as part of the assessment of the changing world of development cooperation. For the purposes of this Report, "countries" or "partner countries" will refer to the countries receiving aid, and "donors" or "donors/agencies" will usually be used to signify those countries and multilateral agencies providing aid. In place of these, many component studies use aspirational terms such as "development partners" or in French, a better formulation as "financial and technical partners," but the repeated use and mixing of these terms becomes tedious and confusing. Other partners, such as non-governmental organisations and private sector actors, will be specifically identified. For the future, "aid-receivers" and "aid-providers" may be terms that are coming into more general use.

The Paris Declaration or aid reform "campaign": The word 'campaign' is used to refer to the wide range of efforts made by many different actors around the world to achieve the major and difficult objectives of the Paris Declaration over a number of years. In line with the "Mountain" diagram on the "Sources of the Paris Declaration" (Fig. 1, page 2) it is also clear that many strands of aid reforms pre-dated the Declaration, and also that they are not necessarily driven mainly by aid, but also national reform priorities.

The Paris Declaration "disciplines." This Report refers to the Paris Declaration disciplines to reflect that the combination of five guiding principles and 56 commitments to make specific changes must be seen to constitute a set of disciplines accepted by the adherents.

"Declaration-style" or "Declaration-type" aid: These terms are used to refer to the types of aid that are generally encouraged by the Paris Declaration – for example, aid that is clearly aligned to country priorities and systems, coordinated by the country and/or provided through harmonised or multi-donor arrangements, untied, predictable and transparent. These terms are used to identify aid since 2000-05 that has become more prevalent since the Paris Declaration, but do not assume that it was necessarily driven by the Declaration.

Executive Summary

I. Purpose, Background and Approach

The Paris Declaration on Aid Effectiveness,[4] endorsed in 2005, is a landmark international agreement and programme of reform – the culmination of several decades of attempts to improve the quality of aid and its impacts on development. This Report is an independent global evaluation of these efforts to improve the effectiveness of international aid, especially since 2005.

The Evaluation results – findings, conclusions and recommendations – are aimed at government ministers, legislators, aid administrators and other specialised users, as well as to wider publics with an interest in development and aid. The Evaluation is important both for accountability and to point the way for future improvements. The underlying stakes are huge: better lives for billions of people (reflected in the approaching Millennium Development Goals for 2015); hundreds of billions of dollars expended; vital international relationships; and growing demands to see results from development aid.

As a fully joint Evaluation, this has been a major international effort in itself, comprising more than 50 studies in 22 partner countries and across 18 donor agencies, as well as several studies on special themes. It has taken place over four years, in two phases between 2007 and 2011. The overall results are distilled in this Synthesis Report, but the underlying studies are also vital references for both national and international audiences.

The Evaluation responds to three main questions:

1. What are the factors that have shaped and limited the implementation of the Declaration reforms and their effects? (The Paris Declaration in Context)
2. What improvements have been made in aid effectiveness as targeted in the Declaration? (Contributions to Aid Effectiveness)
3. What contributions have improvements in aid effectiveness made to sustainable development results? (Contributions to Development Results)

Methodology[5] . The Evaluation analyses whether and how the commitments, actors and incentives brought together by the Declaration and the Accra Agenda for Action[6] have delivered their statement of intent. It traces the logic of how the Declaration is supposed to work and illustrates the complex pathways from development objectives to results. This highlighted the other powerful influences at work in the development process, and the realistic limits on the role of aid. Recognising that development is a journey, the methodology focuses on assessing the *direction of travel* on each key point, and the *pace and distance* travelled so far. Multiple sources of evidence and techniques – mainly qualitative but also drawing upon reliable quantitative data, where available – were used to provide and validate answers and to reach judgements.

Limitations. There have been special challenges in evaluating the effects of a wide-ranging initiative like the Declaration, and the Evaluation acknowledges several limitations. These include:

- the unusual type of evaluation object;
- the broad and complex goals of the Declaration and the wide variety of contexts and actors involved;
- the limited time since the Declaration was endorsed in 2005, especially to trace results for development;
- the voluntary nature of participation in the evaluations and studies;
- the less in-depth coverage of donor/agency performance than in the country evaluations; and

4 Hereafter referred to as the 'Declaration'.

5 See Annex 5 (the Technical Annex to the Synthesis Report) for a full discussion of the methodology applied.

6 The Accra High Level Forum in 2008 adopted an Agenda for Action to accelerate progress toward the Declaration objectives, and strengthened or sharpened a number of its commitments and areas of work.

- the uneven use of standard sets of data sources or rating scales.

In almost every area, the results are varied across countries and donors/agencies. Given a topic as challenging and diverse as this, no synthesis could hope to capture the full wealth of information, insights and assessments in the individual reports on which it is based. The individual evaluation processes are already contributing to aid reforms in the countries and agencies where they have been conducted. The detailed findings, conclusions and recommendations of these individual reports also merit wide national and international attention. Their executive summaries are annexed to this Report, and the full texts are available on the enclosed DVD-ROM.

II. Main Findings

1. The Declaration in Context

The Declaration has proved relevant to many different countries and donors/agencies. All were already engaged in aid reforms before 2005, but to differing degrees. The Evaluation highlights the main political, economic and bureaucratic influences that have shaped and limited implementation. One challenge to the relevance of the Declaration campaign[7] was that it was initially interpreted and applied as a technical, bureaucratic process, and risked losing the political and wider societal engagement needed to bring change. It has also had to grapple with how to define and measure 'aid' in a rapidly changing world.

As recent global events have highlighted, recession, financial, food, fuel or other crises and major disasters can have dramatic effects on international cooperation and reform processes. But even in 'normal' times, in every aid-receiving and donor country, aid programmes are subject to different influences, actors, forces and events that are more powerful than the direct objectives, interests and resources of aid programmes themselves. Adding to the range of differences, there is no single way of assessing a country's relative reliance or 'dependency' on aid. The effects of these diverse contexts emerge repeatedly in the individual reports within the Evaluation, together with larger questions about the changing views of the nature and the importance of aid itself.

Contexts for partner countries. Country evaluations have found that, with the exception of some 'early starters', the reforms for which partner countries are responsible have been slow to take hold since 2000-05, but have now done so in most cases. The Evaluation finds that countries have employed and embedded the Declaration-style improvements, not just to manage aid better but because they serve the countries' national needs, for example to introduce better financial management, public procurement or accountability. The momentum of change has been sufficiently resilient to hold up through political changes and crises of various kinds.

Contexts for donor countries. In comparison with partner countries, the aid reform changes asked of donor countries under the Declaration are less demanding and the donors' capacities for implementing change are greater. But development aid and aid reform have to compete for political and public attention with an even wider range of domestic and international issues in donor countries, making it harder to muster the necessary political, bureaucratic and public attention and support. Some key constraints found in the donor and agency institutional studies were: a lack of coherent policies or structures; a focus on compliance and a risk-averse culture; the over-centralisation of many donors' and agencies' systems and decisions running counter to alignment with country systems; disconnects between corporate strategies and the aid effectiveness agenda and weak organisational incentives; changes in organisational status or headquarters location; capacity constraints and staff reductions; and delayed organisational reforms and budgetary pressures arising from the financial crisis.

2. Contributions to Aid Effectiveness

To determine whether aid effectiveness has been improved, the Evaluation has assessed the progress made against the 11 intended outcomes that were specified in the opening paragraphs of the Declaration itself as solutions to the main problems with aid. The record of progress on each of these changes, how difficult they are and who is mainly responsible is provided in Chapter 3 and summarised in Figure 5. Overall, the Declaration campaign has made several significant[8] differences to aid effectiveness by clarifying and strengthening norms of good practice, contributing to movement toward the 11 outcomes set in 2005, improving the quality of aid partnerships, and supporting rising aid volumes.

The Declaration has pulled together and focused global attention on ambitious, experience-based measures to improve development cooperation and aid. It addresses a range of problems that were 50 years in the making, and holds out a vision of much better conditions for aid and ultimately for development without aid. While recognising that the challenges could not all be rapidly resolved, it has focused on a very short, five-year time frame for measurable or visible improvements. Not all of these targets were realistic, or even reliably measurable, but the Evaluation finds that its principles and commitments have been applied, if gradually and unevenly, among partner countries and more unevenly among donors and agencies.

In a changing world of development cooperation, the specific importance of 'aid' and better aid has been clarified. Even with an understanding of the other influences that shape development, the complexities involved in managing and improving aid relationships, and the availability of other forms and sources of development resources, an unprecedented number of partner countries and donors/agencies have been prepared to invest substantial efforts in improvement.

7 The word 'campaign' is used here advisedly, implying a sustained and concerted effort to achieve major and difficult objectives.

8 The term 'significant' is used to mean definite and verifiable, but not necessarily major, effects.

The Declaration campaign has made several specific differences, for example by:

- clarifying and strengthening good practice in aid relationships and thus legitimising and reinforcing higher mutual expectations;
- contributing to movement, although sometimes slow and modest, towards most of the 11 outcomes set out in 2005, and in the process making some contributions to better development results;
- playing a role, probably in combination with the awareness-raising effects of the Millennium Development Goals, in supporting rising aid volumes; and
- improving the quality of a number of aid partnerships, based on strengthening levels of transparency, trust and partner country ownership.

Aid Effectiveness – Three major yardsticks of change

The Declaration was aimed at improving effectiveness in three areas: the efficiency of aid delivery, the management and use of aid, and better partnerships.

Overall, the picture on **efficiency** gains is mixed, but so far disappointing in relation to the original hopes of rapidly reduced burdens in managing aid. There has been generally little reduction to date in those burdens where Declaration-style cooperation has been applied – and even increased loads are noted in a few cases. At the same time, many Declaration-style mechanisms and practices are allowing for a much better overview of aid by the partner country and donors. When matched by sufficiently robust country systems, they have increased the country ability to handle more strategic support, particularly at the sectoral level.

While progress is slow and uneven, the **management and use of aid** has improved in the countries studied, especially in relation to the pre-Declaration situation, and Declaration-style aid appears to have made significant contributions to that change. Global programmes are found to be still mainly insufficiently integrated with other processes, but in some cases considered to be delivering stronger development results.

In terms of **building more inclusive and effective partnerships for development**, aggregate standards are rising. The Declaration has placed an explicit focus on aid relationships, and opened up important dialogues about partnerships themselves – between countries and donors, among donors, and with other stakeholders, rather than just the technical or financing aspects of managing aid. A number of clear practical benefits are already being felt.

For partner countries. The changes expected have been more demanding than those expected of donors/agencies. Despite this, most partner countries evaluated have now embedded many of these change processes, not just to manage aid better but because they serve the countries' national needs. The complex, long-term challenges of capacity development are the most important constraints for most countries, and these do not allow for 'quick fixes' or bureaucratically engineered solutions. However, partner countries can do more to identify priorities for strengthening capacities in targeted areas. Donors and agencies in turn can do more to support those priorities in coordinated ways, to strengthen country systems by using them and to reduce donor practices that undermine the development of sustainable capacity.

For donors and agencies. With a number of striking exceptions, donors and agencies have so far demonstrated less commitment than partner countries to making the necessary changes in their own systems. Some have been too uncoordinated and risk averse to play their expected proactive part in the relationship. Most have set high levels of partner country compliance as preconditions for their own reforms rather than moving together reciprocally and managing and sharing risks realistically. Peer pressure and collective donor action are not yet embedded in many donor country systems, so that they are left vulnerable to uninformed policy changes, for example when governments or ministers change.

The country reports often point to the greater freedom of multilateral agencies to apply some good practices – for example in making multi-year aid commitments – and the relative insulation of these agencies from short-term political pressures. Overall, however, the Evaluation had only limited multilateral participation.[9] Consequently, it cannot assess systematically the relative performance of multilateral agencies in implementing the Declaration and improved aid practices.

3. Contributions to Development Results

The Evaluation concentrated on assessing the possible contributions of aid reforms to sustainable development in four areas: in specific sectors (particularly in health, the common study sector for the country evaluations); in giving priority to the needs of the poorest; in strengthening institutional capacities and social capital; and in improving the mix of aid modalities.

Significant positive contributions can be traced, particularly in the case studies in the health sector, to more focused aid efforts and better development results. The pathways for these contributions are indirect but clear. In other areas assessed

9 The UN Development Group and the Asian Development Bank participated with institutional studies in Phase 1, and the African Development Bank in Phase 2. The Asian Development Bank also produced a substantial update report for Phase2. The fact that the world's largest aid agency – the World Bank – and the European Commission did not participate directly in the Evaluation leaves large gaps in independent comparative assessment.

– such as giving higher priority to the needs of the poorest – aid and aid reform have been able to make little difference to development gains in the face of powerful obstacles. A number of the gains made are likely to be sustainable, while others remain fragile.

A strong cross section of the country evaluations found evidence that Declaration type measures, launched either before or since 2005, but reinforced since then, have contributed to more focused, efficient and collaborative aid efforts, particularly at the sectoral level. These evaluations then found plausible evidence that those efforts had already contributed to better development results, with good prospects of being sustainable. The strongest evidence of this effect is in the health sector, examined in most depth in the country evaluations. Beyond this 'tracer' sector, this Evaluation does not have sufficient evidence to track contributions of aid reforms to wider development results such as accelerating achievement of the other Millennium Development Goals.

Although insufficient capacity remains a formidable obstacle in many countries and aid could help more than it does, there is evidence that aid and aid reform have made at least some contributions to the long-term strengthening both of institutional capacities for development and of social capital.

On the whole, there has been little progress in most countries in giving greater priority to the needs of the poorest people, particularly women and girls. However, there is evidence of some positive contributions by aid and some value added by reforms and Declaration-style operations since 2000-05. This disconnect drives home the essential precondition of a powerful and sustained national commitment to change. Without this in place, aid and aid reforms are limited in their capacity to address entrenched inequalities.

A wider range of options and innovations with aid modalities, particularly more joint donor support at the sectoral level, has improved actual or potential contributions to development results in half the evaluation countries since 2000-05. However, the Evaluation shows that no single modality (e.g. budget or sector support, programmes or projects) will automatically produce better development results, and a mix of aid modalities has continued to make sense for all partner countries and donors.

4. Conclusions

The five principles and 56 commitments in the Declaration, based as they are on the experience of partner countries and donors, have almost all proved relevant to improving the quality of aid and of the partnerships needed to make it work. The ways in which the Declaration has been implemented have sometimes strained its relevance, but it remains unbroken, and has shown the resilience to withstand considerable change and turbulence. A number of shortcomings and unintended effects of the Declaration approach have been identified[10] and reflected in recommendations for future action.

Compared with the aid situation 20 to 25 years ago current practice presents a global picture of far greater transparency and far less donor-driven aid today. The 'free-for-alls' of competitive, uncoordinated and donor-driven activities that were commonplace at that time are now unusual enough to attract rapid attention and criticism. Comparing with the immediate pre-2005 situation, the Declaration campaign has disseminated commitments and instruments for reform which were previously being developed and tested in a fragmentary way. The Declaration has raised expectations for rapid change, perhaps unrealistically, but also strengthened agreed norms and standards of better practice and partnership. There is ample evidence here that these standards have been used to reinforce or legitimise demands – especially from partner countries – that good practice be observed. There is no going back – expectations are more likely to keep rising than to diminish – so that the standard expected has permanently been raised for all engaged in development cooperation.

Overall the Evaluation finds that of the five principles, country ownership has advanced farthest, with alignment and harmonisation progressing more unevenly, and managing for development results and mutual accountability advancing least. The implications of this pattern are reflected in the key recommendations.

The Evaluation concludes that the changes made by the Declaration have not yet reduced the overall burdens of aid management as hoped. However, they have contributed to a better quality of aid, to more transparent and effective partnerships, and to supporting rising volumes of aid. Those cases identified where management burdens have been increased by introducing Declaration-style aid such as multi-donor funds do not outweigh these wider benefits.

In contrast with improvements in aid covered by the Declaration, the Evaluation finds a critical lack of transparency and of reliable data on many of the other forms and flows of cooperation beyond the current scope of the Declaration. With these actors disbursing about one-quarter[11] as much aid as OECD/DAC donors, currently, the major advances in the Declaration and Accra Agenda which address transparency, aid effectiveness criteria and mutual accountability need to be applied and advanced to include them or the benefits of reform to partner countries will be greatly reduced .

10 These include: its interpretation and use mainly as a 'technical' and 'process-oriented' bureaucracy-to-bureaucracy agreement; an excessive focus on the 12 selected 'indicators of progress' for the Monitoring Survey; the demands of the international superstructure and the associated risks of 'aid reform fatigue'; and the misplaced perception of a Declaration 'formula' or model, which has constrained adaptation to different country situations and priorities.

11 Using a generic definition of development aid to distinguish it from other forms of commercial, political or military support.

Assumptions about the potential role of aid remain exaggerated, particularly in donor countries. Expectations for rapid, fundamental reforms by partner countries have also been unrealistic and unreasonable, especially alongside the record of most donors and agencies. A wider perspective and a sense of proportion will be needed to carry aid effectiveness reforms to their full potential. Both partner countries and donors will also need to foster and harness better the many more powerful forces and policies for development that lie beyond the realm of aid.

5. Key Recommendations

The overall and detailed findings and conclusions in this Synthesis Report open up many possible ideas for further improving aid effectiveness, drawn from the experience of implementing the Paris Declaration. This chapter highlights the most important recommendations emerging for the main stakeholders, together with the brief rationale and basis for them. A number of these main recommendations are clearly not new – some are both familiar and seemingly obvious. These key political actions must be pressed again – simply and starkly – both because they are so important and because they are also areas where donors and/or partner countries have so far failed to meet their firm Paris and Accra commitments.

Relevance to other actors not specifically addressed below: The main focus in this Evaluation has been on aid reform actions since 2000-05 by partner countries and donors and agencies which had endorsed the Paris Declaration in those capacities. At the same time, the country evaluations and other work have re-confirmed the conclusions of the Accra High Level Forum about the importance of the roles in development and aid of a growing number of other actors and types of cooperation.

Furthermore, important evidence has emerged in the Evaluation on the work of: national and international civil society organisations; providers of concessional finance that have not yet endorsed the Declaration in that capacity (governments, global programmes, and private sector actors); as well as participants in regional, South-South, triangular and other forms of development cooperation, including investment, which may or may not involve concessional resource transfers. Several of these groups of actors have been engaged in parallel effectiveness efforts, and in the case of civil society organisations, have undertaken to report at the Busan Forum. It would greatly enhance the value of this global forum if others were to participate fully as well.

In the meantime, while it is beyond the mandate of this Evaluation to recommend specific actions to these other groups, it is important to stress that the evidence strongly indicates that all the recommendations below are relevant to all other actors. They will bring their own perspectives and experience to any wider global discussions, but the evidence is clear that without their engagement and cooperation, the benefits of aid and aid reforms to developing countries will be reduced. There are also some important areas identified where their own work would clearly benefit from the recommendations emerging from this Evaluation.

To policymakers in both partner countries and donor countries and agencies

Recommendation 1. Make the hard political choices and follow through

The High Level Forum in Korea needs to find innovative ways to re-enlist and maintain high level political engagement to take stock of experience, resolve hard issues and set future directions.

The Evaluation has repeatedly found that the key driver for successful reform in countries and donor agencies has been high level political engagement and support. Its absence may be one of the crucial reasons for lagging progress elsewhere. The agenda for the Busan High Level Forum needs to be non-bureaucratic and focused on political choices to attract and engage both experienced and new leaders, including those from countries and agencies not yet part of the Declaration coalition. It also needs to launch innovative ways of maintaining stronger political engagement between Forums in the continuing reform work on the ground.

Recommendation 2. Focus on transparency, mutual accountability and shared risk management

The next phase of reforms to strengthen the effectiveness of aid should build on the gains of the Paris Declaration campaign and learn from it by going beyond the global banner of the 'grand declaration' to concentrate on the most needed changes:

- deepening adherence to the principles of country ownership, alignment and harmonisation of donor support, and transparency and mutual accountability in tracking and achieving results;
- adding 'shared risk management' to this framework of principles; and
- focusing mainly on country-led, coordinated action on the ground.

Transparency has emerged repeatedly throughout the Evaluation as the indispensable foundation for effectiveness and mutual accountability. Adding shared risk management as a guiding principle will openly acknowledge that there are many uncertainties and risks in development and in partnerships. It will also express a mutual commitment to confront and manage risks and disagreements jointly, in the spirit of a mature partnership. Managing for development results should be further targeted and treated as a set of supporting techniques rather than a separate principle in itself.

Recommendation 3. Centre and reinforce the aid effectiveness effort in countries

Leadership in future aid effectiveness efforts needs to be clearly situated and supported at the level of individual partner countries, with stronger country-led mechanisms and

independent facilitation as a widely used option. At the international level, the superstructure of standard setting, analysis, reporting and monitoring on aid effectiveness needs to be less onerous and more directly useful.

The dominant findings of this Evaluation are that the main aid reform principles and commitments of the Declaration are applicable to all forms of international aid, but that the weighting, priorities and timeframes for different reforms need to be adapted to the wide diversity of situations found in different countries. Development cooperation and aid reforms now need to return to their foundations, and re-apply their focus at the country level, taking the next step from the top-down style of much of the reform campaign since 2005. With the weight shifting to partnerships at the country level, the elaborate and demanding work-programme at the international level should be reduced to concentrate on a small number of essential tasks.

This country focus will clearly situate and apply aid reforms in their real-world context and strengthen ownership, transparency and mutual accountability in their most relevant place. Annual country-level forums, with the participation of all key stakeholders, should be reinforced as the centrepiece of a continuing system of shared information, mutual performance review, wider participation and consultation, commitment to priorities and targets, alignment and harmonisation.

These functions should be backed by countries' own strong mechanisms to track and manage aid partnerships. Key quantitative targets and timeframes for reforms and performance should be selected, set and agreed at the country level. The negotiation of longer-term aid agreements between the partner country and all its donors should follow from these efforts and lead to much-needed improvements in the coordination and predictability of aid.

To help resolve the widespread deficit in mutual accountability and the genuine challenges in making it work, all countries should have the option of calling on independent facilitator/rapporteurs to monitor and help steer these processes. Objective individuals or small panels could make a major difference, working with the country participants and the donor community, drawing on the norms of good practice and providing their independent input to the annual forums and international reporting systems to support stronger mutual accountability.

Recommendation 4. Work to extend the aid reform gains to all forms of development cooperation

The unprecedented coalition in the international campaign for more effective aid and the most important improvements achieved need to be further widened to engage other forms of aid and other actors with their own approaches and innovations. This includes cooperation in fragile and humanitarian situations, new forms of support such as climate change financing, and the concessional development cooperation of providers now working outside the Declaration framework and parts of civil society, regional, South-South and 'triangular' cooperation.

Not all the new or growing forms of development cooperation have an aid component, and the proven norms should not be over-extended or watered down to try to go beyond aid. But, with a modest number of refinements and adaptations where they are shown to be needed, almost all of the 56 commitments of the Declaration have proven valid and useful as basic norms and disciplines[12] in virtually all forms of international support for development that have a concessional or grant element.

Recommendation 5. Reinforce the improved international partnerships in the next phase of reforms

For the future, it will be vital to build upon the important advances that have been made at the international level through purpose-built joint partnership mechanisms between partner countries and donors to pursue the Paris Declaration reform campaign. There must also be sufficient international processes and accountability requirements for continuing improvements.

For any new international processes for future aid effectiveness efforts, the key foundation must be a firm base of transparency on all financing and activities at both the international and national levels. With the proposed sharper focus on action in partnerships at the country level, the most important *international* need will be for more common purpose and demanding expectations on providers of aid, whose activities span many different countries.

To policymakers in partner countries

Recommendation 6. Take full leadership and responsibility at home for further aid reforms in their own countries

Partner countries need to take on the full leadership and responsibility for further improvement in aid effectiveness in their own countries. This should be built on consistent engagement at senior political levels, stronger in-country machinery for engaging and coordinating donors with a clear option of involving independent facilitator/rapporteurs to help monitor progress and support mutual accountability.

A solid focus on aid reform at the country level, where the most relevant reforms for the country's own needs and capacities can be emphasised, is likely to lead to more effective aid and increased chances of better development results. All the stakeholders, including legislatures, civil society and the private sector, can be more involved. The evidence is that most donors and agencies endorsing the Declaration will be prepared to rally behind clear country leadership, although

12 This Report refers to the Paris Declaration disciplines to reflect that the combination of five guiding principles and 56 commitments to make specific changes must be seen to constitute a set of disciplines accepted by the adherents.

some of their systems are not yet equipped to field the necessary authority, expertise and continuity on the ground. An aid effectiveness system more grounded in countries will need to work for much stronger standards and arrangements for mutual accountability for performance and commitments. Due to the asymmetrical and complex relationships of an aid-receiving country dealing with multiple donors and agencies on difficult issues, there may often be a role for an objective third party to help facilitate the relationships and the processes at key points. Such arrangements have been used to good effect in the past. This is the rationale for the recommendation that all countries have the option of calling on independent facilitator/rapporteurs to monitor and facilitate these aid management and reform processes.

Recommendation 7. Set strategies and priorities for strengthening capacities

Most partner countries need to craft workable strategies for further strengthening the capacities to carry through their most essential public policies and operations. This would produce clearer priorities to steer the donor support that is pledged for this purpose.

The Evaluation has found that capacity constraints are the most prevalent source of difficulties in completing aid reforms and, even more important, for carrying out the essential functions that aid is intended to support. 'Capacity development' has been recognised as an urgent priority for decades, but progress has mostly been slow and difficult. It is ultimately a complex, organic and long-term set of processes, not an area for 'quick fixes' or bureaucratically engineered solutions. The Evaluation has seen instances of promising steps but there is no model solution in sight. In addition to the many other efforts that countries have under way, the Evaluation found a widespread need for countries to set out some key priorities for support to strengthen their own capacities. This is also a pre-requisite for securing the increased and better-coordinated support that donors have promised.

Recommendation 8. Intensify the political priority and concrete actions to combat poverty, exclusion and corruption

Many partner country governments need to devote higher political priority and more focused action to further reducing the most stubborn development challenges of poverty, exclusion and corruption. The Evaluation has confirmed – in assessing the recent record of aid to the poorest, and particularly women and girls – that even the best of aid and aid reforms can only encourage and reinforce, but not replace, strong and effective national commitment and action.

Meanwhile, the cancer of corruption, present everywhere in the world, is the focus of steadily growing public knowledge and anger in most countries. In spite of a broad wave of initial plans and measures, it continues to frustrate the best intentions and objectives of more effective aid and limit the potential for better partnerships. These objectives are first and foremost important to countries themselves, but they are also the subject of firm international obligations and re-commitment in the Accra Agenda. At the same time, they are fundamental to aid and cooperation relationships and to confidence and support among populations.

Together with the policies and concrete actions needed, the handling of these issues will benefit from a redoubling of effort in transparency, more country-centred dialogue on aid management, and more open approaches to mutual accountability and risk management.

For policymakers in donor countries

Recommendation 9. Match the crucial global stakes in aid and reform with better delivery on promises made

Most donor countries and agencies, at a top political level, need to face up to and rectify the gaps between on the one hand their high stakes in aid programmes and in the historic compact to improve them and on the other hand a slow and wavering record of reform.

The Declaration compact has been a major step towards tackling longstanding problems in aid and giving new impetus to helping the world's poor build better lives. Promising a new spirit of partnership to pursue the Millennium Development Goals, it has attracted global attention and stirred expectations of important improvements in 'North-South' relations. As the Evaluation has found, most partner countries have slowly but surely started making the changes to keep their more difficult side of the aid reform bargain. Moreover a number of donor countries – all with their own political, institutional, and administrative constraints – have also shown that obstacles can be overcome when sufficient political priority is invested and public understanding and support enlisted.

With the high geo-political stakes involved, and the shared political commitments that have been made, it is urgent that all donor governments find ways to overcome the internal institutional or administrative obstacles slowing their aid reforms. It has been shown that with political determination even constraints such as standard governmental budgetary, audit or staffing requirements can be adapted to respond to the different requirements of effective work in development cooperation. The Declaration compact was premised from the start on an expectation of coordinated and harmonised action by donors to follow and support the lead of partner countries. Without this, the consensus will fray, the momentum will be lost and an historic opportunity will slip away.

Recommendation 10. Face up to and manage risks honestly, admit failures

Donor governments need to acknowledge frankly that development and development aid are inherently uncertain and

risky and put in place measures to manage risks jointly with partners in the spirit of a mature partnership.

In many donor countries, the period since the Paris Declaration has coincided with intense concerns about accountability for public spending that have at times translated into high levels of risk aversion. These tendencies have hampered good practice and frustrated many of the changes called for in the Declaration. But to try to avoid all risks in development cooperation is to risk irrelevance. There are ways of promoting a realistic public understanding of the uncertainties and risks of development and aid work and how to handle and learn from them. These can include both cutting edge initiatives and the effective use of tools like evaluation. This Evaluation finds further evidence to support the conclusions of other major assessments that the new approaches to development cooperation are in reality no more risky than traditional projects that are tightly controlled by donors, and that there are sound ways of managing the risks in the new models while also enhancing the development benefits.

Recommendation 11. Intensify peer pressure on 'free-riders' for more balanced donor efforts

Donor countries and agencies need to harness at a high political level the instruments of constructive peer pressure that were expected in the Declaration to be drivers of better collective performance – a minority of reform-minded donors/agencies cannot hold up the donor side of the compact on their own.

The Evaluation findings suggest that more partner countries can be expected to take the lead in defining their priorities, seeking to align and harmonise different donors' activities, secure and publish information about aid and strengthen requirements for mutual accountability at the country level. It is clear that some donors and agencies are already working in this mode and supporting its progress. Others are so far less willing or able to do so, resulting in highly uneven performance and an overall collective effort that falls short of the Declaration's agreed vision. At the same time there are impressive examples of partner countries and donors developing a wide variety of coordinated and harmonised support arrangements, and clear potentials for more. Looking toward the High Level Forum – the senior platform and opportunity for mutual accountability on aid effectiveness – it will be important for donors and agencies to use all opportunities for constructive peer pressure to ensure a more balanced and collective response by the donor community in the next phases of aid reform.

6. Concluding Message

This Evaluation – even with its wide and deep participation – is still necessarily selective. It cannot claim to provide the last word in assessing the effects of the Paris Declaration or pointing the way ahead for aid effectiveness. But the Evaluation has found that almost all the 56 commitments in the original Declaration – reinforced by the priorities adopted at the Accra Forum – have been and remain highly relevant for the improvement of development cooperation. That brief list of balanced commitments from 2005, deeply rooted in experience, has sometimes been lost from sight with the focus on broad principles, detailed indicators or emerging trends. But these clear original commitments, which have attracted such unprecedented support, are neither fully implemented nor yet outdated. They still set the standard for the Busan High Level Forum and beyond.

1. Introduction: The Purpose and Scope of this Report

This Synthesis Report[13] on the Evaluation offers an independent global assessment of the results of efforts to improve the effectiveness of international aid, especially since 2005. The results are expected to be of interest to ministers, legislators, aid administrators and other specialised users, as well as to wider publics with an interest in development and aid. In a field that is littered with criticisms and proposals, this Evaluation (with its component studies) is intended to bring together many strands and contribute to a more solid foundation for aid, internationally and in individual countries.

The stakes are huge: the critical need for better lives for billions of people (reflected in the approaching Millennium Development Goals for 2015); hundreds of billions of dollars committed to addressing poverty reduction; a web of international relationships; and growing, often sceptical, demands from many sides to see demonstrable results from development aid. The Paris and Accra processes – including their monitoring and evaluation – have themselves required major investments of time, attention and money since 2005. This Evaluation is therefore important both for accountability – assessing the reforms achieved or not achieved – and for learning to guide future improvements.

This Report has two main purposes:

1. to synthesise evaluation results from two phases of voluntary country evaluations and donor/agency institutional studies together with other building blocks of the Evaluation[14]; and

2. to highlight policy-relevant findings, conclusions, possible lessons and recommendations for the key audiences and expected users of the Evaluation results.

The High Level Forum on Aid Effectiveness, which is to meet in Korea in December 2011, will take stock of the results and chart the course ahead for aid effectiveness. This Synthesis Report, in combination with country evaluation reports and donor studies, is expected to have wide and ongoing uses in individual countries and internationally both before and after that Forum, in combination with evidence from many other streams of work.

Given its purposes and its intended uses and audiences, this Synthesis Report aims to be succinct, clear, and direct, minimising the use of specialised jargon, acronyms, and methodological discussion. Behind it lie some 60 detailed reports – several thousand pages of evidence – produced through an extensive and systematic joint evaluation process. All sources and steps in the Evaluation have been transparent and all relevant materials are publicly available.[15] The processes for producing the Synthesis Report have also been specified, agreed, tracked and their rigor and quality have been assured and independently reviewed. All the steps in the Evaluation are summarised in the Technical Annex.

The Evaluation results are highly varied across countries and donors in almost every area. No synthesis could hope to capture the full wealth of information, perceptions and insights and the many powerful assessments and examples in the detailed individual reports on which it is based. Each of the individual evaluation processes should already have had major value as a vehicle for reflection and improving aid in its own country or agency, and each of the reports illustrates and tests the overall findings in these unique contexts. Their detailed findings, conclusions and recommendations merit wide national and international attention, and their executive summaries are annexed to this Report. The full texts are available on the enclosed DVD-ROM.

13 It has been prepared by the Core Evaluation Team from IOD PARC (www.iodparc.com), which has the ultimate responsibility for its contents.

14 These building blocks are graphically summarised in Figure 4 (page 5). They were identified and agreed in the Evaluation Framework in December 2009.

15 A dedicated page on the website of the Development Assistance Committee of the Organisation for Economic Cooperation and Development has been the depository of record for all documents and processes. It will remain accessible and serve as the most important record of sources for the entire Evaluation.

1.1 Brief background: The Paris Declaration and Accra Agenda for Action

The Paris Declaration on Aid Effectiveness,[16] endorsed in 2005,[17] is a landmark international agreement and the culmination of several decades of attempts to improve the quality of aid and its impact on development. It lays out a road-map of 56 practical commitments, based on experience, and organised around five key principles of effective aid:

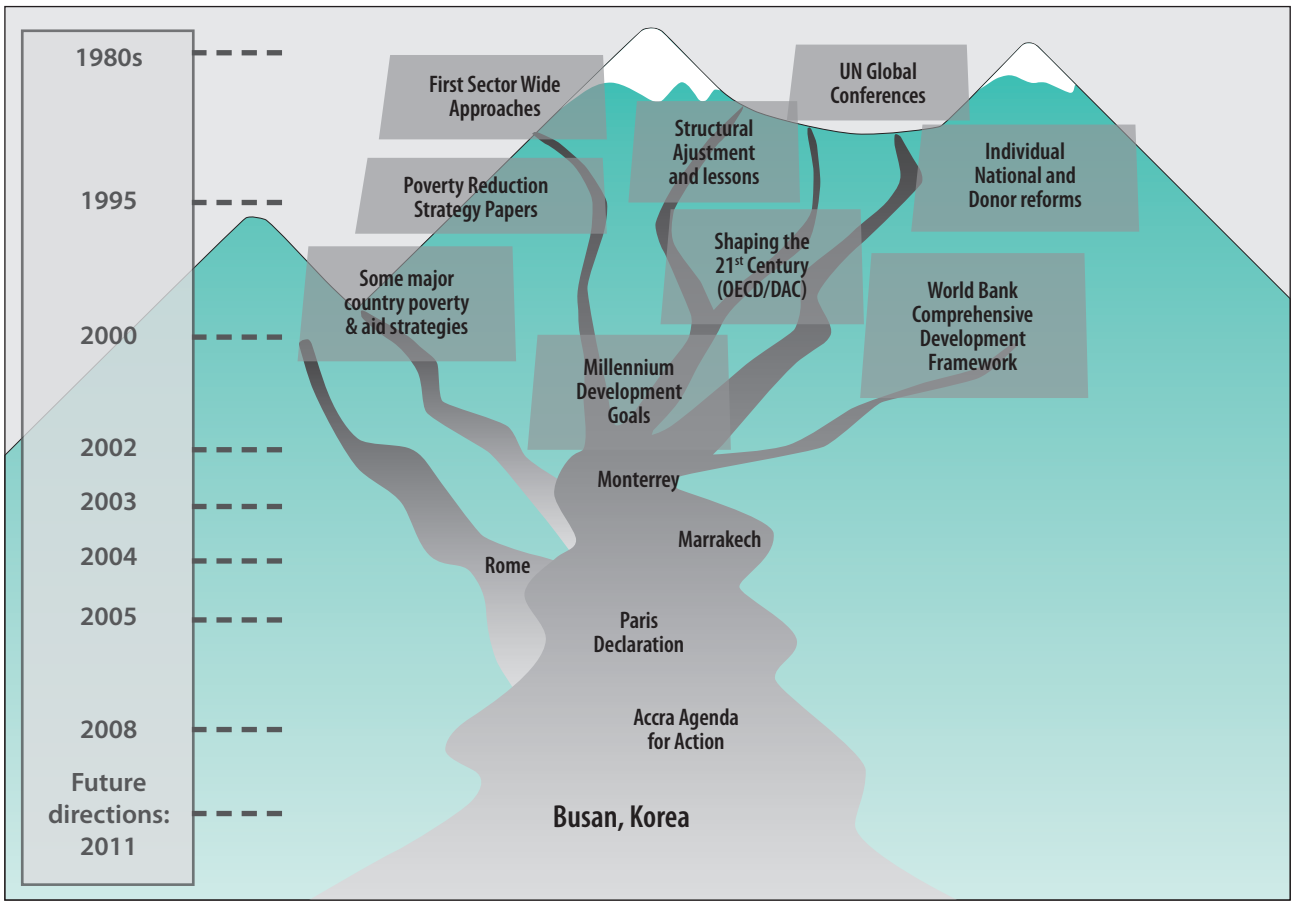
1. ownership by countries;
2. alignment with countries' strategies, systems and procedures;
3. harmonisation of donors' actions;
4. managing for results; and
5. mutual accountability.

The Declaration also includes built-in provisions for the regular monitoring and independent evaluation of how the commitments are being carried out. This Evaluation fulfils part of that promise in time for review and action at the Fourth High Level Forum on Aid Effectiveness in Korea and thereafter. The Evaluation has proceeded in parallel with the first two rounds of the Paris Declaration Monitoring Survey, and has taken their results into account. The third round results were not yet available at the time the Evaluation was completed.

The Accra Agenda for Action was drawn up in 2008 at the Third High Level Forum in Accra, Ghana, and built upon the commitments agreed in the Paris Declaration. After a high level political review of early progress, this Forum adopted an agenda to accelerate progress toward the Paris Declaration objectives, and strengthened or sharpened a number of important commitments and areas of work.

Further chapters of this Report will expand on additional key features of these documents, the events at which they were endorsed and, most importantly, the long-term campaign for greater aid effectiveness they are intended to advance. The word 'campaign' is used here advisedly, implying a sustained and concerted effort to achieve major and difficult objectives. As one example, the sources or headwaters of the Paris Declaration commitments can be clearly traced back to key innovations by different countries and institutions over at least the 15 years before 2005. (Figure 1)

Figure 1. Sources of the Paris Declaration on Aid Effectiveness



16 Hereafter referred to as the 'Declaration'.

17 The Declaration was endorsed in March 2005 by the Second High Level Forum on Aid Effectiveness, held in Paris, France.

1.2 Approach, methodology and limitations of the Evaluation

Developing the methodology

The Declaration is a political statement of principles and a set of commitments to move forward a long-term international reform process. Its implementation depends on action by multiple actors with widely differing priorities and circumstances. Developing a methodology to evaluate the effects of such a declaration has been a challenge.

It must be stressed that the Evaluation of the implementation of the Declaration (taking account of the Accra Agenda for Action) is not about the effects of a political statement in itself, but whether and how the operational commitments, relevant actors and motivational elements that the Declaration and the Accra Agenda helped bring together have actually contributed to the intended improvements.

A great deal of preparatory work was done by participants in the Evaluation and additional commissioned specialists to think through and explore ways that relevant evaluation methodologies and experience could be applied and adapted to meet the needs of this case. The object of the Evaluation – an agreed set of principles and commitments to improve aid effectiveness – is not a project or programme, the more normal objects of development evaluation. In a broad sense it is more like a strategy, a domain where evaluation is beginning to be tested,[18] but the Declaration campaign has less-clear boundaries than most strategies. Interesting common elements can also be found in the growing experience in evaluating policy influence.[19]

A persistent issue throughout the Evaluation process has been a tendency to try to apply traditional linear approaches, seeking to test what changes, if any, can be causally 'attributed' to the Declaration. On reflection, it is clear that a political statement by itself cannot cause change. What matters most for this Evaluation is whether the combination of operational commitments, relevant actors and motivational elements that the Declaration helped bring together have actually contributed to the intended improvements. The secondary but significant question of whether the Paris Declaration campaign was an effective (or the most effective) set of techniques for advancing these goals will also be covered.[20]

It must also be said clearly at the outset that the contribution of the Evaluation to assessing aid reform to date and seeking lessons for the future, is mainly – and unapologetically – a qualitative one. It will not try to squeeze these complex and subtle processes through simple numerical silos. This analysis and outlook are informed by the best quantitative evidence available and take into account promising new efforts to improve the numbers, but the quantitative evidence is still weak and often unreliable. Qualitative evidence – transparently sourced, harnessed and presented – is powerful and invaluable evidence, especially when applied to account for changes in complex areas such as this. Further, the major decisions dealing with aid and aid relationships are shaped primarily by qualitative evidence and arguments. To be relevant and useful, the Evaluation must be grounded in these realities.

Approach and methodology

The approach and methodology that were designed to meet this challenge are briefly described below. They are outlined in more depth in the attached Technical Annex. After extensive consultation, these solutions were judged by the participants in the Evaluation to offer the most rigorous and manageable basis available to produce credible findings, conclusions and recommendations. The experience has also yielded valuable lessons for possible future evaluations of comparable complexity.[21]

Key considerations shaping the Evaluation approach are these:

- It is important to build on the learning from Phase 1, which stressed that the processes for improving aid effectiveness are political and not just technical, and that different contexts have a major impact on the possibilities for improving aid processes and strengthening aid's contributions to development results.

- This is a fully joint international Evaluation, where the many participating countries and agencies have been closely involved in all stages of the process, including its governance, as well as in peer exchanges among national and international teams. This full engagement was designed to strengthen both the credibility and the relevance of the results and also to help strengthen evaluation capacities.

- Given the very high stakes involved, this Evaluation must above all be useful. It is expected to provide answers to questions that are important to key stakeholders and constituencies, which they can then use to strengthen strategies, policies and actions.

The evaluation methodology for Phase 2 was designed to meet the unusual challenge of assessing the effects of a broad reform agenda which is expressed in a political declaration and is being applied to both partner and donor countries with widely differing circumstances. To meet this challenge, it

18 Patrizi, PA and Patton, MQ (2010) 'Evaluating Strategy', *New Directions for Evaluation*, No. 128 Winter, American Evaluation Association.

19 For a useful recent compilation see Jones, H (2011) *A guide to monitoring and evaluating policy influence*, ODI Background Paper, London.

20 That is, evaluating the Declaration's own 'Programme Theory'.

21 Full documentation, transparent processes and an independent study of the Evaluation process by a separate team have been built in and should provide a strong basis for this learning. As noted in the Technical Annex, the process has already yielded some valuable insights into the complexities of conducting multi-country and multi-agency studies, balancing the need for autonomy at the local level with the consistency of findings required for synthesis work, and the difficulties of tracing causality and attribution.

Figure 2. The Programme Theory

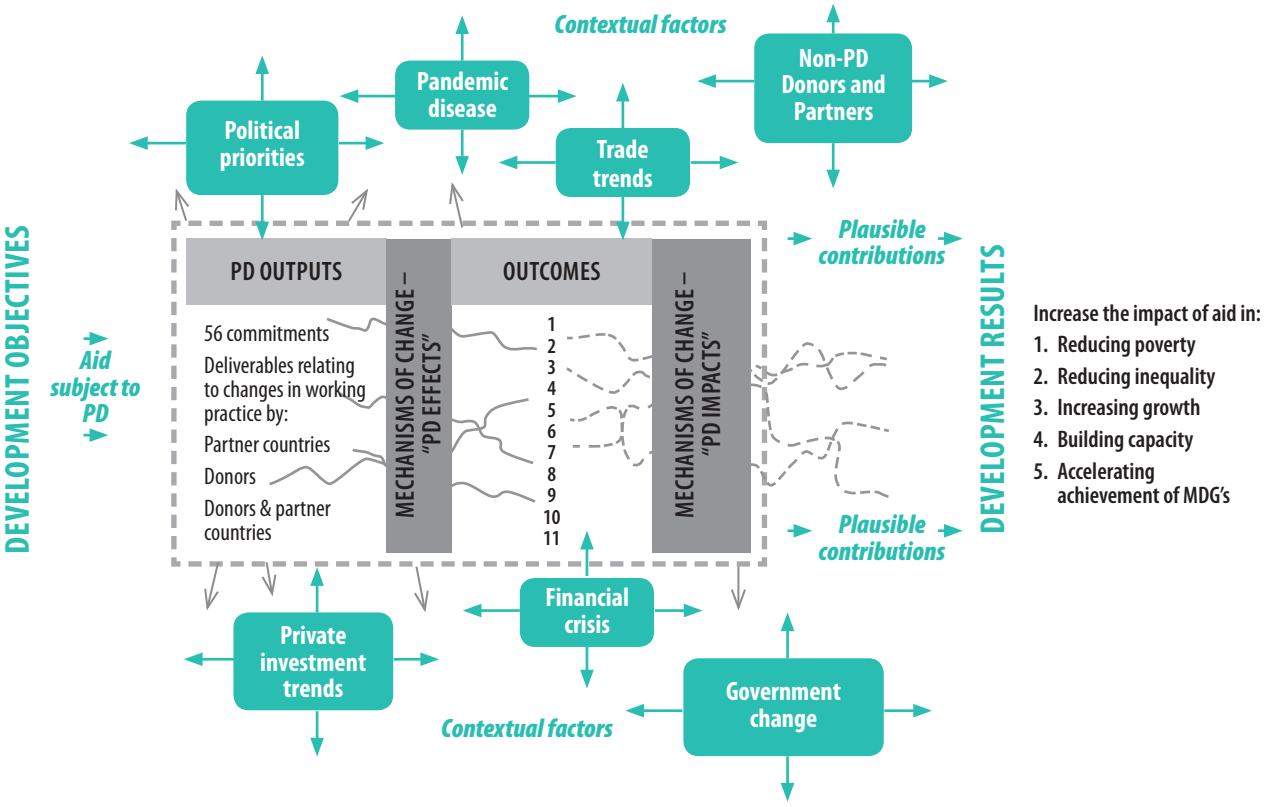
INTENDED DRIVERS	PROGRAMMATIC INPUTS/ ACTIONS	PD OUTPUTS	INTENDED INTERMEDIATE *(AID EFFECTIVENESS)* OUTCOMES	INTENDED LONGER TERM *(DEVELOPMENT EFFECTIVENESS)* OUTCOMES
• 'Continued high-level political support' • 'Peer pressure' • 'Coordinated actions at the global, regional and country levels'	• 'Agreed political commitment to change' • Backed by 56 Partnership commitments, progress measured against 12 specific indicators with targets for year 2010 • 'Initiatives by partner countries and donors to establish their own targets for improved aid effectiveness'	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"

Figure 3. The Context for Implementing the Paris Declaration: Complex Pathways to Change



was agreed to use a tested evaluation technique for assessing complex change processes. Going back to the Paris Declaration itself, the Core Team drew out its implicit 'Programme Theory' – its specification of the desired goals and how they would be generated – as the main basis for the Evaluation (see Figure 2).

Together with making explicit the underlying logic of the Declaration, the Core Team also illustrated the 'complex pathways to change' from development objectives to development results (see Figure 3). This highlighted the many other powerful influences at work on development in different contexts; and thus the limits on the role of aid in contributing to development results.[22] Using the Programme Theory as its basis, the Evaluation recognises that this is a journey and that the path to the intended changes is travelled by different actors in different ways and at different speeds. Consequently, it focuses on assessing the *direction of travel* on each key point, and then the *pace and distance* travelled so far.

Evaluation Framework and Matrix

This approach was put into practice for country and donor studies using two main tools. First, the overall Evaluation Framework was developed and disseminated. This set out the broad approaches to the Evaluation (including the Programme Theory) and the anticipated methodological tools to be applied. Second, a common Operational Matrix for country evaluations (and an adapted version for donor studies[23]) was developed, to provide a consistent framework for analysis. This was organised around three main Evaluation Questions, which also form the central outline of this Report. These questions aim to assess and explain:

1) to what extent the Paris Declaration has been implemented in different countries and donor/agency systems;

2) what have been the effects in advancing the specific improvements in aid effectiveness targeted in the Declaration; and

3) what contributions can aid effectiveness reforms plausibly be judged to have made to development results?

Multiple sources of evidence and techniques were required to provide and validate answers and to reach judgements on the direction, distance and pace of travel.[24]

The Evaluation has also integrated an assessment of the Declaration's underlying assumptions and programme theory, including the identification of shortcomings and unintended consequences. The assessment on these points is mainly found in the Conclusions chapter in the section responding to the question on "Value: 'What has been the added value of Paris Declaration-style development cooperation?" The relative record of implementation of each of the Declaration's five principles and the Accra Agenda priorities is extensively documented in Chapter 2, and summarised in the response in the Conclusions to the question "Principles: 'To what extent has each of the five principles been observed and implemented and the Accra Agenda priorities reflected?". Finally, the Technical Annex assembles a summary of the evidence arising in the evaluations relating to the relative strengths and weaknesses of the 12 indicators applied in the parallel Paris Declaration Monitoring Survey.

The main components of the overall Evaluation have been 19 first phase evaluation studies (eight conducted in partner countries and eleven in donors/agencies) looking at early results in implementing the Declaration, and then 21 country evaluations, a further seven donor/agency institutional studies[25] and seven Phase 1 donor study updates[26] in a second phase, assessing the entire period up to 2010. The emphasis has been on the workings of aid partnerships and their effects at the country level, including donor policies and practices on the ground. A number of supplementary studies were commissioned to flesh out important topics, and additional materials were drawn upon and acknowledged.

Independence and integrity

The professional independence of the evaluation teams at both the national and international levels has been assured through the Evaluation's governance processes – the teams alone are responsible for the contents of the reports. The OECD/DAC Quality Standards for Development Evaluation have been emphasised throughout. Knowledge sharing, support, peer review and quality assurance have all been backed by a systematic, targeted literature review (see Bibliography in Annex 5) and an interactive Extranet site, as well as regional and international workshops at milestones in the process.

Limitations

A number of the main limitations on this Evaluation have been recognised from an early stage. They include:

- the unusual character of a broad reform programme and political declaration as an evaluation object limited the possibilities of 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 in which it is applied, and of the actors involved;
- the limited time since the Declaration was endorsed in 2005, which has been short for implementing some of the fundamental changes and shorter still since the Accra Agenda for Action in 2008; and

22 These important guidance documents were originally presented in the Inception Report in May 2010 and are reproduced in the Technical Annex to this Report.

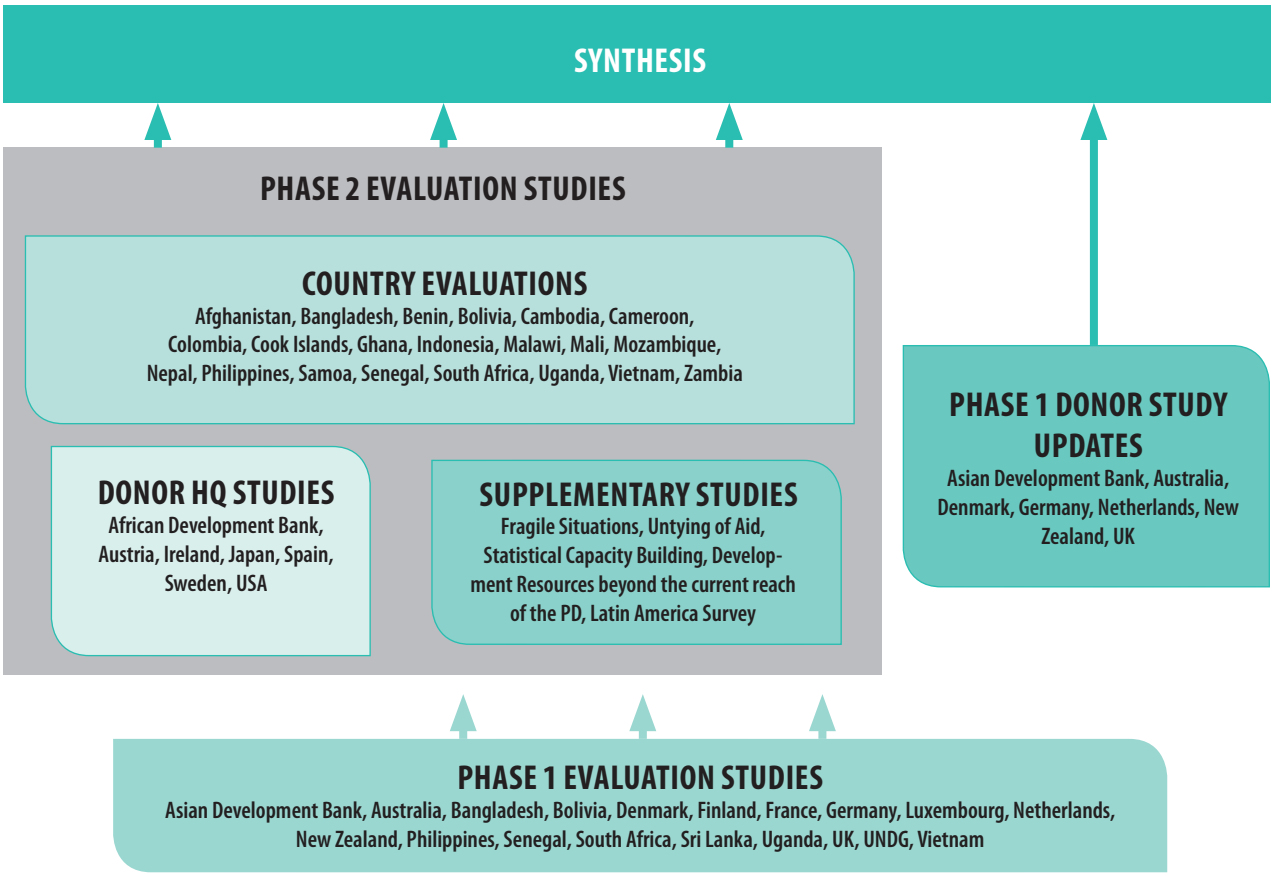
23 Which was not applied systematically in the donor studies.

24 The development and use of these tools within the Evaluation are explained in more detail in the attached Technical Annex.

25 As distinct from full evaluations.

26 The level of detail provided in these varied.

Figure 4. Main Components of the Evaluation



- the voluntary nature of participation in the evaluations and studies, meaning that the sample of partner countries and donors/agencies involved is not formally representative of the full groups. Nonetheless, as shown in Table 1 below, a reasonably representative distribution among partner countries was achieved, with a concern that only two Latin America and no Central Asian countries ultimately took part, and that there was limited participation from fragile states or situations, with Afghanistan the main case. Both the partner country and donor/agency groups participating did include some that are often identified as having been "early starters" and/or "leading performers" in aid reforms. However there is no evidence that the self-selection of participants resulted in any general bias toward the best performers, and there are critical findings on all the countries and agencies examined.

A number of other limitations and challenges emerged along the way and were recorded in the Inception Report, together with mitigation measures. However, two especially important further limitations must be noted in light of the evaluation reports and country agency studies actually submitted since November 2010.

First, the original designers' hope of achieving sufficient coverage of donors'/agencies' policies and actions on the ground through the partner country evaluations was not fulfilled. The limited methodology for donor/agency headquarters studies from Phase 1 was also carried over into Phase 2 – and a number of key donors did not carry out such studies at all – which meant that the Evaluation had fewer targeted instruments to assess donor/agency performance than those for country evaluations. As a result, other reputable analyses have been used to strengthen this coverage as far as possible, but they, too, provide only limited comparable assessments of donor performance.[27] The findings included here do, however, emerge credibly from the evaluations at country level and are either confirmed or not contradicted by evidence from the donor/agency studies for the Evaluation or other reputable analyses cited. The fact that there are still no more authoritative comparative analyses of the effectiveness and reform

27 The periodic DAC peer reviews serve some of this purpose, but only for bilateral donor members and every several years. Looking elsewhere, the Paris Declaration Monitoring Survey results applied to donors are generally not reported or cited as a set. When the Core Team tested a compilation of the raw results from the 2006 and 2008 Surveys, the results emerging raised a number of questions over and above the country results that are usually reported. These concerns may or may not be answered with the 2010 Survey. The fact that other recent attempts (admittedly experimental) to construct comparative assessments of donor quality performance rely so heavily in turn on some of the Survey results compounds the risks. See for example, Birdsall, N et al (2010) Quality of Official Development Assistance Assessment, Washington DC: Brookings and CGD. More specialised assessments on themes such as donor decentralisation and transparency have however been helpful.

Table 1. Characteristics of Partner Countries Participating in the Phase 2 Evaluation

	2009				2010
Recipient	**Population (thousand)**	**GNI per capita* (USD)**	**Economy****	**ODA Total, Gross Disbursements (USD Millions)*****	**Human Development Index**
Afghanistan	29,803	310	Low income	6,239.46	155
Bangladesh	162,221	580	Low income	1,891.27	129
Benin	8,935	750	Low income	700.19	134
Bolivia	9,863	1,630	Lower-middle income	742.20	95
Cambodia	14,805	650	Low income	747.96	124
Cameroon	19,522	1,190	Lower-middle income	800.75	131
Colombia	45,660	4,990	Upper-middle income	1,118.05	79
Cook Islands	22	5,000****	Upper-middle income	8.46	-
Ghana	23,837	1,190	Lower-middle income	1,651.53	130
Indonesia	229,965	2,050	Lower-middle income	3,679.99	108
Malawi	15,263	290	Low income	778.76	153
Mali	13,010	680	Low income	1,032.04	160
Mozambique	22,894	440	Low income	2,046.13	165
Nepal	29,331	440	Low income	979.77	138
Philippines	91,983	1,790	Lower-middle income	1,214.38	97
Samoa	179	2,840	Lower-middle income	83.04	-
Senegal	12,534	1,040	Lower-middle income	1,068.75	144
South Africa	49,320	5,760	Upper-middle income	1,118.02	110
Uganda	32,710	460	Low income	1,807.40	143
Vietnam	87,280	1,000	Lower-middle income	4,185.32	113
Zambia	12,935	960	Low income	1,275.87	150

** Source: World Bank (GNI formerly referred to as GNP)*
*** According to World Bank country economy classifications http://data.worldbank.org/about/country-classifications*
**** Source: OECD.Stat*
***** 2005, StudentsoftheWorld.info*

efforts of bilateral and multilateral donors and agencies' programmes is a current weakness in the field.

Second, most of the Phase 2 evaluations – the central source of evidence – did not consistently use any standard set of data sources or always apply the comparable rating scales suggested in the Evaluation Matrix. Instead, they selected from and supplemented the range of sources and ratings proposed to capture the particularities of each country situation. The Synthesis takes as a given the diversity of these approaches

and does not attempt to re-impose standard sources at this stage. For this reason, the analysis here presents an aggregate picture, drawing out the common findings and highlighting variations, quantifying them as far as possible and illustrating key points with informative examples.

Other streams of work. Finally, although it is not strictly a limitation of this Evaluation, it is important to draw attention to the fact that a good many streams of work on specific aspects of aid effectiveness have been proceeding in parallel under different auspices and will feed separately into the preparations and proceedings of the High Level Forum in Korea. Some examples specifically identified in the text as likely to complement or go beyond the Evaluation's evidence include work on: aid effectiveness in fragile states and fragile situations; South-South cooperation; fragmentation of aid and division of labour; capacity development; mutual accountability; and managing for development results.

2. The Declaration in Context

2.1 Core Evaluation Question 1: 'What are the factors that have shaped and limited Declaration implementation and its potential effects on aid effectiveness and development results?'

This chapter of the report distils the findings on the main factors which have supported and/or limited the implementation of aid reforms in partner countries and donor systems since 2000-05. It highlights the common elements and trends, as well as revealing significant differences. The common thread is that these distinctions have been shaped mainly by the *bureaucratic, political and economic conditions* in different partner and donor countries, as well as by the ways in which they interact. As recent global events have highlighted, recession, financial, food, fuel or other crises and major disasters can also have dramatic effects on international cooperation and reform processes. The following sections consider the main issues which have emerged.

The analysis is organised around two broad topics covering the common evaluation questions:

1. the context for aid reform itself: how the Declaration effort has been interpreted and applied, including basic issues having to do with defining and measuring aid in a rapidly changing world;

2. relevance to countries and key influences: how relevant has the Declaration campaign been to countries and agencies and what have been the main political, economic and bureaucratic influences that have shaped and limited implementation.

2.2 Interpreting and applying the Declaration

The Declaration responds to a set of recognised problems. It proposes solutions drawn from the experience of partner countries and donors. Even sceptical observers have acknowledged that the Declaration is a major initiative to bring about change in the field of international development cooperation and perhaps in international relations more generally. Several differences from previous initiatives offer grounds for confidence that it would move beyond good intentions to tangible results:

- It sets out an action-oriented roadmap with 56 commitments to tackle problems identified through experience.

- An unprecedented number of countries, international organisations and groups were involved in the 2005 Paris High Level Forum, with more than 100 endorsing the Declaration, and around 50 others since.

- The Declaration builds in mechanisms at the international level to promote transparent mutual accountability in meeting the commitments: regular monitoring (against selected target indicators) and independent joint cross-country evaluation. It stresses that the strategies and priorities of partner countries will guide implementation and that it needs to be adapted and applied to differing country situations. Both partner countries and donors can also be expected to 'establish their own targets for aid-effectiveness improvements within the framework of the agreed Partnership Commitments and Indicators of Progress'.

- Thus, the Declaration's endorsers aimed to harness the intended drivers reflected in the Programme Theory – 'continued high-level political support'; 'peer (and partner) pressure'; and 'coordinated actions at the global, regional and country levels' to leverage different behaviour and better practice on both sides.

Once endorsed and launched, this unique strategic initiative for change had to be understood and acted on – individually and collectively – by many actors in both partner and donor countries. By the time of the 2008 mid-term High Level Forum in Accra a number of challenges had come to light.[28] The find-

28 The Accra Agenda for Action attests to these problems and attempts to make the necessary course corrections.

ings of a majority of the evaluations and study reports have highlighted and further documented these issues:

- The timeframe and expectations for progress cannot fully capture the variety and difficulty of the tasks; urgency must be balanced with realism.

- The Declaration had been interpreted as mainly a government-to-government technical agreement to be managed by the executive branches on both sides, facilitated by an international governance group and secretariat support.[29]

- The 12 selected indicators of progress, while essential to give 'teeth' of accountability to the mutual commitments, have become the central 'technical' focus of attention and of most of the 'coordinated actions' whether or not they are sufficiently representative or reliable. This has tended to sideline the much larger number of other commitments, all part of the carefully balanced package. As shown in the evaluation results,[30] many of the neglected commitments are of equal or greater importance than several of the selected 12, but had presumably been seen in 2005 as more difficult to measure and monitor.

- The emerging international and national focus on an implied Declaration 'formula' or 'model' obscured the original understanding that the broad strategy was designed (and expected) to be adapted to different country situations and priorities. At the same time, practitioners and policymakers have had to cope as 'the 'aid principles' landscape has become increasingly crowded in recent years'.[31]

- The original commitments endorsed in the Declaration are balanced between partner country and donor responsibilities, and progress on two-thirds of the indicators will mainly depend on actions by donors. As the Evaluation has confirmed, however, practice soon began to dim the hope that the Declaration-based process could quickly make a major difference to the imbalance between donor and partner country responsibilities and leverage. Partner countries were expected to make fundamental and complex system-wide changes that were difficult to measure and yet could be seen as preconditions for donors to make many of the changes expected of them. This began to raise questions about the continuing imbalance in the 'compact' and about the 'enforceability' of the mutual commitments when donors can withhold aid, but most partner countries hold no comparable leverage.

29 A Joint Working Party on Aid Effectiveness, supported by a section of the OECD/DAC secretariat.

30 The most thorough assessment of the applicability and limits of the Monitoring Survey indicators is found in the conclusions and recommendations of the evaluation for Vietnam.

31 Harmer, A and Basu Ray, D (2009) *Study on the Relevance and Applicability of the Paris Declaration on Aid Effectiveness in Humanitarian Assistance*, HPG/ODI London, commissioned by the Norwegian Ministry of Foreign Affairs.

These issues were reflected in the results of the Accra Forum. First, there was wide agreement that the prevalent view of the Declaration as a technical, bureaucratic process needed to be shaken up and the key driver of 'high-level political support' revitalised. The need to engage actors outside the executive branches of central governments – legislators, other levels of government, civil society and the private sector – came to the fore. The Forum reiterated the need to adapt the Declaration's application to fit different country circumstances, and recognised 'that additional work will be required to improve the methodology and indicators of progress'.[32] A number of the commitments were singled out for special attention, reinforcement or refinement, including expectations for more effective and balanced mutual accountability. A final message from Accra, supported by a number of findings in the Evaluation, is that when knowledge of and engagement in aid reform extends to the full range of actors including the legislature, sub-national governments civil society and the private sector – rather than to only a few ministers and agencies of the central government – it is likely to provide a stronger base for implementing the aid effectiveness agenda.

The Accra Agenda encouraged all development actors, including those engaged in South-South cooperation and global funds and programmes, to use the Paris Declaration principles as a point of reference in providing development cooperation. It drew attention to the role of middle-income countries as both providers and receivers of aid, the importance and particularities of South-South cooperation, encouraged the further development of triangular cooperation, and looked to deeper engagement with civil society organisations in improving aid effectiveness.

2.3 Relevance and key influences

Relevance

The Declaration responded directly to a broad set of recognised problems and put forward potential solutions drawn from the experience of participating partner countries and donors. Unsurprisingly, therefore, they have shown through their statements and actions that they find the Declaration's basic diagnoses and prescriptions relevant to their existing aid relationships. Each of the respective reports highlights the particular dynamics shaping the responses and performance of individual partner countries and donors. It is highly significant that their starting points were quite different, with some countries and donor agencies heavily engaged and advanced in the aid effectiveness agenda well before 2005, and others much less so. The effects of these differences emerge repeatedly in the individual reports within the Evaluation – some partners appear now almost to have completed the work of reform, others to have barely begun.

Putting aid itself in context

By stressing the need to put aid in its broader context, the

32 Accra Agenda for Action, para. 30.

Evaluation has helped to highlight larger questions about the changing understandings of the nature and relative importance of aid itself. These questions are key to understanding the potential influence and limits of the aid reform campaign.

It is clear from evaluation reports and studies that in every aid-receiving and aid-providing country, aid programmes are subject to influences, actors, forces and events that are more powerful than the direct objectives, interests and resources of aid programmes themselves.

In partner countries, aid is rarely more than a small share of the economic resources available for development, although it may in some cases represent a substantial share of development investments or government budgets. At the same time, the different ways in which these questions were approached within the component evaluations for this Report reveal how this aid is actually very differently seen and handled. First, there is no single way of assessing a country's relative reliance or 'dependency' on aid. Some of the evaluations focus on the share of resources aid represents in relation to Gross Domestic Income or other measures of the total economy. Others cite aid as a share of investment or public investment, and yet others refer to it as a share of central government expenditure or government expenditure more generally. Consequently, it has been challenging to extract comprehensive and comparable answers from the different evaluations about the total resources – internal and external – mobilised for development.

Anticipating this issue, the Evaluation commissioned a thematic study on 'Development resources beyond the current reach of the Paris Declaration', which was completed in September 2010.[33] The study examines aid or "Official Development Assistance-like assistance"[34] to developing countries from sources not now endorsing the Paris Declaration ("non-PD resources") with the aim of better delineating sources, magnitude and implications of current and emerging trends.The main findings and conclusions are summarised in Box 1 below. It is important to stress that this study was focused on the *financial flows* involved in different forms of development cooperation. Thus it does not capture or reflect some important dimensions of South-South cooperation, which are understood to be strongly based on knowledge exchange between partner countries, sometimes also bringing in multilateral organisations and traditional donors in particular roles. The High Level Forum in Korea is expected to receive extensive information and analysis on South-South cooperation.[35] The Forum may also offer the opportunity to define better the boundaries and dimensions of various types of cooperation that are sometimes loosely grouped under this heading, and thus enhance understanding and transparency as a basis for its further development.

Box 1. Aid Resources Beyond the Reach of the Declaration: Key Conclusions

Exceptional caution is required about claims on the magnitude, scope and character of financial flows to developing countries from non-Declaration sources. Available data on these flows are weak, non-transparent and generally unreliable, or in many cases simply unavailable. Many of the claims pointing to a new age of private international philanthropy aimed at the poorest countries would seem to be highly inflated. For bilateral South-South Cooperation (SSC) a general lack of integrated information about projects, conditions, co-financing and financial support makes it impossible to determine the extent to which SSC funding is ODA-like.

It is becoming more difficult to determine the degree of concessionality – or "grant element" – of a range of financial flows to developing countries, because of widening variety of financial instruments now being used by both Declaration and non-Declaration providers.

While financial flows on a bilateral or South-South basis from non-Declaration countries are substantial, it is clear that a significant percentage of these do not meet Declaration criteria. The Declaration framework is intended as the standard for 'good donorship' and 'good receivership'. Some of the practices of non-Declaration donors are similar or identical to the 'bad practices' of traditional donors that the Declaration is designed to rectify.

Although an accurate determination of non-Declaration resources that are ODA-like is not possible, it is clear from this study that non-Declaration providers add to a growing diversity of channels and financial instruments to deliver development resources.

The emergence of new donors and the pattern of their development financing point to an even greater need than before for transparent information, coordination, harmonisation and governance leadership. The number and diversity of new actors, especially civil society organisations, is increasing 'transaction costs' for aid receiving countries.

There is a paradoxical effect in the interactions between Declaration and non-Declaration donors which, while contributing to fragmentation and duplication of effort, is at the same time advancing the Declaration's goals. Evidence exists of a growing network of interactions be-

33 This study was posted on the Evaluation Extranet site for comment by Evaluation participants and then on the Declaration Evaluation page of the DAC website. Prada, F et al (2010) *Development resources beyond the current reach of the Paris Declaration*, Lima: FORO Nacional/ Internacional.

34 This definition aimed to capture the generic characteristics of aid as distinct from other types of financial flows – Official Development Assistance or ODA is official financing administered with the promotion of the economic development and welfare of developing countries as the main objective, and which are concessional in character with a grant element of at least 25 percent (using a fixed 10 percent rate of discount).

35 Drawing, for example, on the work of the international Task Team on South-South Cooperation.

tween donors and this suggests that there is an indirect effect of the Declaration on the activities of non-Declaration donors.

The increasing importance of non-DAC donors has created pressure for modifications to the rules that define ODA so that different forms of South-South Cooperation can be included. This raises fundamental questions and a serious risk that change will be driven more by political correctness than by concern for development effectiveness. It would, be unfortunate if this were to result in two sets of rules, a first for traditional donors and a second for new and emerging donors. The Declaration and the Accra Agenda for Action represent major advances in donor transparency, in the criteria for aid effectiveness and in mutual accountability. These should be preserved and advanced further in order to include new and emerging donors.

Finally, the findings in this study point to a far more modest figure than the often-cited US$60 billion estimate of flows from all non-Declaration sources that could be classified as aid. With major caveats because of the data gaps, the study offers as a very rough estimate a figure in the range of US$28-US$29.5 billion annually. This compares with aid from OECD/DAC sources at some US$125 billion.

Source: Excerpted from Prada, F et al (2010) Development resources beyond the current reach of the Paris Declaration, Lima: FORO Nacional/Internacional, pp.39-42.

The study also includes an analysis of trends in total external financing flows to developing countries, showing the relative place of aid over time and in different groups of countries.[36] The study findings suggest that the Declaration is directly relevant to only a small percentage of total net capital flows to developing countries as a bloc, but considerably more to the majority of developing countries beyond a small group of middle income and emerging economies.

At the aggregate level, three main trends emerge when comparing the broad categories of official and private[37] financial flows from the 1970s to the present:

1. Globally, official flows have declined dramatically in comparison with private flows.

2. Private capital flows have been the main source of international development financing and their dominance has increased steadily over the past two decades.

3. Increased private flows are still overwhelmingly concentrated in middle income and a few low-income developing countries. An average of 70 percent of global Foreign Direct Investment to developing countries was concentrated in 10 middle-income countries. Over the same period, low-income countries received an average of only 4.2 percent of Foreign Direct Investment net inflows.

In further trends, the strengthening of international and domestic capital markets has contributed to leveraging additional resources from external and domestic savings to development financing, at least in emerging economies. In addition, individual (mainly workers') remittances increased to a (global) annual average of US$184 billion from US$21 billion two decades earlier (and the regional distribution of these flows is also uneven).[38]

Distinctive features in middle income countries

The changing overall profile of total resource flows signals important changes that have taken place in the financing alternatives to aid that have opened up to middle-income countries. A range of these effects – some of which also apply to other countries – can be found in the relevant country evaluations.[39] In several cases they include:

- more selective needs and uses for aid in general;
- relatively stronger bargaining power and freedom of action;
- less concern with the volatility of aid flows and predictable disbursements;
- less appetite for elaborate arrangements for a formal division of labour among donors, explicit alignment exercises, complex sector-wide approaches or special emphasis on particular aid modalities;
- less concern about support for improving systems or capacities or engaging in policy dialogue; and
- emerging roles as regional and South-South leaders and providers of development cooperation.

While some of these changing conditions might be taken to imply a diminishing interest in aid or aid reforms in middle income countries, the evaluations examined here report a different finding. These countries are aware that they still face persistent development challenges – particularly around stubborn inequalities – as well as new ones, and are keen to use the particular tools and limited amounts of aid to maximum effect. They also have capacity to take leading roles and responsibilities in applying lessons to improve international aid reform efforts and in designing and contributing to the future architecture for international development cooperation. A number of the implications of the lessons and trends

36 The analysis was based on net figures from the Global Development Finance database. Different approaches to this type of analysis can result in significant variations on numbers and breakdowns, e.g. by region, as well as focusing on such issues as the volatility of different types of flow. An interesting example of such variation, not reflected in the commissioned study is Frot, E and Santiso, J (2008) *Development Aid and Portfolio Funds*: Trends, Volatility and Fragmentation, Working Paper No. 275, OECD Development Centre.

37 This includes Foreign Direct Investment, commercial bank lending and capital market financing.

38 The analysis of trends above is all drawn from 'Development resources beyond the current reach of the Paris Declaration', pp.12-13 (edited for brevity and style).

39 See especially the conclusions and recommendations in the evaluation for Vietnam, as well as aspects of the evaluations for Colombia, South Africa, Indonesia and the Philippines. The Colombian and South African teams in particular collaborated in promoting consultations among this group during the Evaluation process and in assembling thoughts on common issues for consideration in the Synthesis.

of aid effectiveness identified in middle income countries will be apparent in the conclusions and recommendations of this Report.

Key factors in most partner countries

In the majority of countries where aid remains quantitatively important, the Evaluation has found that even over the past 5-10 years, the importance and roles of aid can shift with many types of changes – international economic, energy or food crises; natural disasters; ongoing conflicts or their aftermath; political changes; new resource discoveries; new private sector developments or the growth of other international partnerships beyond the reach of the aid reform agenda. Any of these changes can also affect the political attention and capital that will be invested in long-term aid reforms. Less obvious, but still powerful influences on the role of aid and the potential for reform have included: the stability of governance and trends toward decentralisation; basic public sector capacities; demographic, health and social trends including inequality; and environmental vulnerability.

The evaluation reports generally reflect the main areas of coverage requested by the Operational Matrix, in most cases covering factual and formal organisational aspects more fully than those questions calling for more qualitative analyses and judgements. Thus, most reports provided full responses to questions about key economic features, issues and trends; the organisation of government and aid management; national development strategies; and the basic information on aid flows, collectively and from different donors. A minority of reports assessed in some depth factors related to 'political economy', such as the more informal rankings and relations of influence among different domestic and international actors and forces at work, new entrants or new sources of development finance, etc.[40]

Even the understanding of 'aid' itself is subject to differing perceptions among countries and donors. The guidance note produced by the Core Team on the subject emphasised Official Development Assistance (ODA) or similar forms of concessional resources. However, country evaluations and donor studies reflected very diverse operating definitions when asked 'What shares and types of ODA flows…are in practice subject to Declaration principles?' For example, Cameroon considers that the Declaration applies to 'all resources, public and private, internal or external, bilateral and multilateral, financial or technical, in kind or in money'.[41] Among donors, the largest single aid provider, the United States, has never focused primarily on ODA, but applies a much wider concept of foreign assistance. It was therefore important to the US evaluation to clarify that the focus for purposes of the Paris disciplines[42] was mainly on ODA.

Whether and how the Paris disciplines should be applied to providers of 'aid' not endorsing the Declaration was another issue of differing practice among the country evaluations. Rather than attempting to apply retroactively any standard measure in order to simplify its comparisons, the Evaluation has seen these differences of practice in different countries as significant findings in themselves, and integrated them into the analysis.

Individual country evaluations also raise statistical obstacles to any standard view. A persistent problem is noted in a few countries with reconciling donors' figures on aid commitments and disbursements as reported to the OECD/DAC with the countries' own numbers on commitments and disbursements received.[43] This is part of a much larger challenge of generating sound statistics, not only as a basis for international discussion, but more importantly for countries' own needs. The need was recognised in the Declaration itself, and support to statistical capacity building was the subject of a thematic study for the Evaluation in 2009.[44] Efforts to strengthen the base of essential statistics for national and international purposes have continued through a number of major initiatives and through individual donor support.

However, one much-needed clarification on aid to individual countries is now being increasingly tested and refined. The concept of Country Programmable Aid has the potential to concentrate attention in aid relationships on the real stakes, moving away from misleading gross numbers on aid spending. It refers to the portion of total aid that each donor can actually programme for each receiving country. It thus excludes substantial portions of total aid that are not 'programmable' aid resources from the receiver's viewpoint (such as debt relief, humanitarian and food aid, repayable loans, donor administration, etc.[45]). The most recent calculations of these shares of aid for individual OECD/DAC donors highlights the significance of focusing on this more specific measure, country by country,

40 Other issues that were only partially covered include 'appropriate coverage of technical cooperation, South-South and triangular cooperation, NGOs/CSOs and faith-based groups, and other sources of development cooperation not covered by the Declaration'.

41 Cameroon, p.20.

42 This Report refers to the Paris Declaration disciplines to reflect that the combination of five guiding principles and 56 commitments to make specific changes must be seen to constitute a set of disciplines accepted by the adherents.

43 It is not clear to what extent these reported problems result from poor or late reporting (at the international or national levels), to unsynchronised cycles and/or to actual discrepancies in commitments and/or disbursements. In any case they perpetuate uncertainty and do not encourage trust. A statistical partnership on aid flows between the OECD/DAC and the World Bank is presumably intended to iron out some additional differences that had further complicated the picture.

44 OPM (2009) *Evaluation of the Implementation of the Paris Declaration: Thematic Study – Support to Statistical Capacity Building, Synthesis Report*, London: DFID.

45 Beyond the important criterion of programmability, this definition excludes as well some highly questionable additions to total ODA calculations that have been accepted and claimed over the years by some DAC members. These include costs for overseas students and refugee settlement in donor countries. For basic information, see OECD/DAC (2010) *Getting Closer to the Core: Measuring Country Programmable Aid*. Development Brief Consultation Draft, Issue 1.

and dealing with discussions of wider, total aid numbers on a different basis. Focusing on Country Programmable Aid as the basis for work between partner countries and donors to improve aid effectiveness will rapidly improve the quality of information and dialogue, as well as public understanding in both partner and donor countries.

Distinctive features of aid in fragile situations and humanitarian relief

One of the specific tasks for this Evaluation has been to assess whether and to what extent the aid reform agenda in the Declaration has applied and should be applied in fragile states, 'fragile situations'[46] and humanitarian relief. The Evaluation made use of the evidence from the country evaluation in prominent case – Afghanistan – together with several other sources reflecting the growing experience and thinking about these issues in a wide range of countries.[47] That analysis was assembled in a Core Evaluation Team Working Paper that was posted on the Evaluation Extranet, and comments invited from all Evaluation participants.[48] The results are briefly outlined below.

The primary and secondary evidence assessed here indicates that the common requirements for effective aid across 'non-fragile' and 'fragile' situations are more important than the differences. There is in fact no 'normal' pattern of country ownership providing a basis for aid management. As this Evaluation's examinations of context have demonstrated, every country context is unique; none fulfils all the 'ideal' conditions, and the scope for applying different good practices varies widely.

On the other hand, it is clear that in fragile situations, internal and external contextual factors are usually even more critical than elsewhere in shaping the potential and limits of aid, and a number of factors are distinctive. These may include multiple internal contexts (for example where different parties have de facto control of different parts of the country), less organised capacity, legitimacy or will in the partner country. But another key distinctive feature of many such situations is the strong involvement of a wider range of powerful international actors, such as foreign ministries, military forces and international political and relief agencies, together with multiple humanitarian and relief agencies. The pressures are compounded by high profile expectations for rapid 'results'. It is clear that the additional difficulties in coordinating these many powerful actors and their different interests, priorities and timeframes is sometimes used as a rationalisation for failures to apply those good practices that are relevant.

The findings in the Afghanistan evaluation and the other sources referred to – which are not convincingly contradicted by other evidence or prevalent assumptions or rationalisations – suggest that in fragile settings the adaptations from 'normal' Declaration disciplines should be more a matter of degree than of kind, and that donors bear a special share of responsibility for ensuring good practice and helping empower country partners to the greatest degree possible. They must constantly manage 'the tension between directly providing service delivery to the poor and building the capacity of the state to do so'.[49]

The Afghanistan report provides evidence of several major aspects of aid performance where the Declaration principles could and should be applied to a greater degree than they have been in this highly volatile and risky situation. Afghanistan has been recognised as an especially challenging case in the monitoring of the implementation of the Fragile States Principles since 2007 in six very different situations around the world. But the general findings are consistent and highlight the shift of greater influence and thus responsibility for good practice in fragile states and situations onto the outside actors, given the reduced capabilities of domestic actors.

The recently published evaluation of support to Southern Sudan from 2005 to 2010 adds critical notes on how Declaration 'good practices' have actually been implemented in that situation: '…many donors have too closely adhered to the commitment towards harmonisation in the Paris Principles. To some extent this adherence came at the cost of ownership and alignment' and '… an over-use of "good practice", particularly with respect to ownership and harmonisation, [came] at the expense of field knowledge and engagement that was required…'.[50] The analysis centres on a concern that donors did not focus sufficiently on the important (but highly complex and contentious) question: 'Are the interventions dealing adequately with the factors that lead to conflict?' Instead, the evaluation depicts a more formulaic and bureaucratic response, at the very least misapplying some of the Declaration principles.

Finally, with respect to the important domain of humanitarian assistance, questions have been raised about the applicability

46 This term is normally used to refer to situations where the state lacks 'either the will or the capacity to engage productively with its citizens to ensure security, prevent conflict, safeguard human rights and provide the basic functions for development', International Network on Conflict and Fragility (INCAF).

47 The main additional sources include the Thematic Study commissioned for Phase 1 of the Evaluation: OPM/IDL (2008) *Evaluation of the Implementation of the Paris Declaration: Thematic Study – The applicability of the Declaration in fragile and conflict-affected situations*; reports up to 2010 on the monitoring of the implementation of the 2005-07 *Principles for Good International Engagement in Fragile States and Situations*; and two other selected evaluation sources, a synthesis of DFID's country programme evaluations conducted in nine fragile states between 2002 and 2009, and a major 2010 evaluation, Bennett et al (2010) *Aiding the Peace: A Multi-donor Evaluation of Support to Conflict Prevention and Peacebuilding Activities in Southern Sudan 2005-2010*, ITAD: UK. Finally, the Core Team drew on selected sources (see Bibliography) to cross check the relevance of the emerging findings and conclusions in this area to humanitarian assistance activities.

48 "Approach to handling the evaluation of the Paris Declaration in fragile situations," Core Evaluation Team Working Paper.

49 Chapman, N and Vaillant, C (2010) *Synthesis of Country Programme Evaluations conducted in Fragile States* DFID: London, S.18.

50 Bennett, *op. cit.* p. xx.

of 'normal' aid effectiveness principles and practices. Both the Declaration and the Accra Agenda for Action suggest that, with some adaptation, they should apply. The Evaluation has rapidly surveyed the experience with applying the agreed Principles and good practices of Good Humanitarian Donorship as well as major evaluation results such those dealing with as the work of the Indian Ocean Tsunami Evaluation Coalition in recent years.[51] The overall finding is that there is more in common than in conflict between the Declaration's good practices and those for humanitarian aid, with an intensified focus once again on the special responsibilities of outside actors.

2.4 Overall findings around contexts

For partner countries: Country evaluations have found that – with the exception of a few 'early starters' – the aid reform actions under the responsibility of the partner countries have mostly been slow to take hold since 2000-05, but have now done so in most cases. Mustering political, bureaucratic and public support for aid reforms has depended on key interests and actors believing that the changes will be worthwhile and feasible. Neither conclusion could be taken for granted. There is familiarity, and often strong vested interests, in existing ways of operating and these are not necessarily outweighed by the concern to resolve evident problems. In many partner countries, key capacities for aid management were stretched to the limits in order simply to keep existing systems running in a period of increasing aid volumes for most countries, and undertaking major reforms was an additional challenge.

The country evaluations provide two major explanations for why and how the necessary changes have taken hold, if gradually and unevenly in many cases:

- First, the analysis reflects the earlier point that various streams of aid reform were already underway well before 2005, and had gone further in some countries than others. In a minority of countries capacities and change processes were already strong, so that the Declaration-style changes required only relatively modest adjustments. In the majority of cases, the commitment and incentives to implement the aid reform agenda were not sufficient by themselves to generate the needed support. But they were instrumental when combined with countries' own felt needs to improve their systems for reasons going beyond the aid arena, for example in better financial management, procurement or accountability.

- Second, because the reform agenda is seen to serve other important needs for the countries and key actors than aid management alone, the country evaluations also found that the change processes are now fairly strongly embedded, even though they are still advancing only gradually. The evidence is that the basic momentum has held up through political changes and crises of various kinds. Even where political attitudes toward aid relationships or economic circumstances have changed, new norms and practices have been sufficiently entrenched to maintain improvement efforts that are anyway in the country's interest.

For donors: In donor countries – the main supporters of both their own bilateral aid programmes and the multilateral aid agencies – international development aid has to compete for political and public attention with a wider range of domestic and international issues than in most partner countries. Even in the most generous donor countries, aid represents only about 1 percent of Gross Domestic Income, and the share for all members of the OECD/DAC combined is less than a third of that. Thus in most donor countries, these programmes not only are vastly overshadowed by domestic concerns and government activities but also by other international programmes in defence and security, trade, diplomacy, migration and other spheres.

As elaborated in the next chapter, in comparison with partner countries, the aid reform changes asked of donors under the Declaration agenda are generally less demanding and their capacities for implementing change are greater. But here too the necessary political, bureaucratic and public understanding and support for aid reforms has depended on key interests and actors first being well-informed of the agenda and then convinced that making the changes will be beneficial and feasible. There may be resistance, for example, from established institutional interests. Another key condition is how much, if at all, the Declaration approach – working to improve aid in a cooperative international process with partner countries and other donors – is viewed as valuable and useful.

The seven donor/agency studies and seven updates have helped to highlight events and factors that have either constrained or facilitated the implementation of the Declaration priorities in their respective countries. It is worth listing them here. Among constraints were cited:

- political or policy change;
- a focus on compliance and a risk-averse culture;
- the over-centralisation of many donors' systems and decisions, running counter to alignment with country systems;
- insufficient coherence between policy commitments and implementing practices, particularly in donor systems with more than one agency;
- budgetary pressures arising from the financial crisis;
- changes in organisational status/headquarters location;
- capacity issues/staff reductions;
- non-implemented recent management reviews/organisational change plans.

The following arose as facilitating factors:

- political or policy change;
- legal or regulatory reform;
- organisational change;

51 This effort has been anchored by the Active Learning Network on Accountability and Performance in Humanitarian Action (ALNAP). The ground-breaking evaluation in this area was the major humanitarian assistance component of the Rwanda evaluation in the 1990s.

- a streamlining of the policy environment. The role of European cooperation as a guiding factor was also raised.

In several of the donor studies, international and, in several cases, European 'peer pressure' is credited with substantial supportive influence at home. In other cases, this international part of engagement is found to be more nominal, irrelevant or even negative when confronted with obstacles to changing existing practices, or with new ministers or governments who were not party to the original agreements. In the largest donor country, the United States, however, the 2009 change of administration is credited with having raised government interest in joining forces in the international effort. Previously, it was common to refer to aid effectiveness efforts without referring to the Declaration. By contrast, the study in Sweden found that critical international findings on Swedish performance in aid effectiveness (from the Declaration Monitoring Survey) attracted attention as a reality check on a more favourable impression at home.

Declaration implementation is reported as important for influencing priority setting and associated organisational adaptation. Key changes included focusing on skills in leadership and advocacy among peers and with partners rather than relying on technical expertise, a shift in providing bilateral grants to governments, often through joint instruments; the introduction of new systems, procedural changes in measurement and reporting; increased awareness among staff and the development of country-level harmonisation and alignment plans. Three agencies cite action plans for implementing the Declaration and/or the Accra Agenda for Action as drivers in making these changes.

In terms of constraints, several key factors were cited in different countries:

- a recent loss in the Declaration's profile as a result of political and policy changes combined with very limited devolution to the field;
- the perceived risks of corruption or fiduciary risk in partner countries;
- strict requirements for accountability and compliance;
- organisational weaknesses in adapting offices to the aid effectiveness agenda, including a slow pace of decentralisation; and
- the need to reform structures and functions i.e. to go beyond the incorporation of aid-effectiveness concerns in relevant policy documents, cooperation strategies, instruments, commitments and guidance.

The wide range of responses to the Declaration campaign reflected in the donor/agency studies reveal that the conditions required for comprehensive implementation have been met very unevenly among different donors, and even between agencies within those countries which have more than one aid agency. There have been substantial variations over time because the commitments, capacities and incentives for change have also varied widely.

3. Findings on Contributions to Aid Effectiveness

3.1 Core Evaluation Question 2: '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? How?'

This chapter of the Report analyses the evidence on the central question of whether the Declaration campaign has had the intended effects of improving both the effectiveness of aid (as defined in the question) and the quality of partnerships between countries and aid providers.

It will:

- sketch the aggregate findings in the answers to this question;
- briefly outline the approaches used to find the answers;
- lay out the findings assessing the progress in each of the 11 intended outcomes that had been specified in the opening paragraphs of the Declaration; then
- offer concluding points on this central evidence base.

3.2 Overall findings under this question

At the risk of oversimplifying complex questions and answers, the Synthesis Report presents an overall appraisal of the effects of the Declaration on aid effectiveness (distilled in Table 2 below). It comes with the cautions that this can be only a very broad analysis since on most of the intended outcomes there are such major differences in the performance of individual partner countries and donors. For this reason, aggregate or average ratings across the whole group would be meaningless or misleading.

Thus the multiple ratings given list the largest category first, followed by any smaller one(s). For example, on intended Outcome V. Reformed & simplified procedures, more collaborative behaviour, the table shows that:

- this is mainly the responsibility of donors and agencies;
- the degree of difficulty in achieving it is rated as only limited;
- most donors began from a low starting point in 2000-05;
- the largest group of donors has managed a slow pace of change, the next largest group a moderate pace, and the smallest group a fast pace; and
- finally that the largest group still has a substantial distance to go to achieve the intended end state, while a smaller number have only a little distance to go.

The accompanying diagram (Figure 5 on page 21-22) shows graphically the *range* of performance against each intended outcome. The detailed assessments in the rest of this chapter are integral to a full understanding of the findings.

The standards for defining the pace of progress and distance remaining are elaborated in the Technical Annex. In summary, however, the relative and absolute are blended. If a number of countries or donors have been able to substantially achieve the end condition in the intended outcome, then this is taken as a measure of the possible, and the pace and distance remaining for others is assessed accordingly. If there is no such relative 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.[52]

Overall findings: Since the problems which the Declaration campaign is intended to resolve were 50 years in the making, with so many actors and interests involved, it is not surprising that the pace in changing them over the past 5 to 10 years has been *mostly slow to moderate*, and that a *substantial distance remains* to the satisfactory resolution of many. At the same time, a number of partner countries and donors have been able to achieve a *faster* pace of change, and have *little further distance* to go on some changes. There is now significant internal commitment and momentum embedded in most partner countries and it has withstood changing circumstances.

52 The assessments are based on the process of categorising responses from the country evaluations by different Core Team members and then triangulating among those categorisations, as detailed in the Technical Annex.

Among donors, the most striking feature is the highly uneven pace of change – with a handful of exemplars of good practice, a good number of gradual and partial subscribers and some potential backsliders. Overall both leading and lagging records among partner countries and aid providers underline the need and the potential to apply lessons and accelerate further improvements. A serious limitation is that there is no authoritative source of evidence for breaking down the performance of individual donors systematically on most of these expected outcomes, but credible examples are cited where available.[53]

This Synthesis assessment also takes into account factors that have often been overlooked or blurred in assessments of performance, but have been integrated in Table 2 and in the assessments throughout this chapter:

- where the main responsibility for achieving each outcome lay – whether with partner countries, with donors/agencies, or jointly between them;
- that different outcomes presented challenges on different scales, making an assessment of the 'degree of difficulty' important based on specified criteria[54];
- each of the expected reforms may have had different starting points in different countries and donor/agency systems in 2000-05 (as emphasised above in the chapter on Context).

3.3 The approaches used

To answer this central question, the evaluations were asked to assess and explain the progress achieved, or not, in realising each of the 11 intended outcomes specified in the Declaration. This framework for assessing changes in aid effectiveness was used in the standard Matrix for all country evaluations. Most of the evaluations used comparable rating scales selectively, preferring to capture the particularities of each case. For this reason the analysis here presents an aggregate picture, highlighting the most common findings, themes and main variations, illustrating important points with representative examples and reflecting more particular findings in the detailed analysis.

Following the synthesis of the primary evidence from the country evaluations, this Report cross-refers it with other findings from the donor/agency studies and supplementary sources. Differing terms of reference meant that no systematic cross-checking between country evaluations and donor studies was possible, but there are significant points on which the readings from the country level (including inputs from field level donor personnel) intersect with the findings at donor headquarters levels and in other analyses.

In order to reflect the further political emphases and priorities brought out in the Accra Agenda for Action, one refined 'intended outcome' on mutual accountability was added to the list in December 2009 for inclusion in the Evaluation Matrix due to its intensification of the Paris commitments. As a further way of shedding light on progress in relation to the Accra Agenda for Action, the intended outcomes were clustered under the main action headings of: country ownership of development, building more inclusive and effective partnerships for development and delivering and accounting for development results.[55]

53 There are frequent indications in many if not most evaluations that some donors are doing much more than the average on implementation and adherence, but only fragmentary references to whom they are. Most of the donor studies and updates did not ask the questions set out in the Phase 2 Evaluation Framework, and covered different timeframes. The credible information in the evaluations and studies has been used to make specific references to individual donor records wherever possible.

54 The criteria for arriving at this assessment were the following:
the breadth and complexity of the changes required;

- whether the needed changes would be administrative, regulatory, organisational, legislative or possibly even constitutional;
- whether they would require major investments or diversions of financial, human and managerial resources, taking account of the means of the country or donor/agency mainly responsible;
- whether they would require short, medium or long-term capacity development, taking account of means; and
- 'evidence of the possible' – reflecting the range of achievement found among different countries or donors.

55 The Accra emphases were drawn out further in pursuing individual questions, but received few direct answers, possibly owing to the limited time available for Accra to become known and make its influence felt, as confirmed by the lack of responses to direct questions on its effects.

Table 2. Summary of Aggregate Progress toward Intended Outcomes on Aid Effectiveness

Intended outcome[56]	Main initiative/responsibility	Degree of difficulty[57]	Starting points in 2000-05[58]	Pace and extent of change[59]	Distance remaining[60]	Strength of evidence[61]
Country ownership of development						
I. Stronger national development strategies and operational frameworks: i. National strategic	Partner countries	i. Moderate	i. Mostly midstream	i. Moderate to fast	i. Little	Good
ii. Detailed operational		ii. High	ii. Mostly low	ii. Mostly slow/some moderate to fast	ii. Substantial to some	
II. Increased alignment of aid with partner country: i. Priorities, systems and procedures	Donors / Agencies	i. Moderate	Mostly low	i. Mostly slow	Substantial on both	i. Adequate
ii. Building of capacity in systems		ii. Limited		ii. Mostly slow		ii. Good
III. Defined measures and standards of performance and accountability in country systems	Partner countries	High	Mostly low/ some midstream	Mostly slow/ some moderate to fast	Substantial to some	Good
Building more inclusive and effective partnerships for development						
IV. Less duplication of efforts and rationalised more cost-effective donor activities	Donors / Agencies	Limited to moderate	Mostly low	Mostly slow/ some moderate to fast	Substantial to some	Good
V. Reformed and simplified donor policies and procedures, more collaborative behaviour	Donors / Agencies	Limited	Mostly low	Mostly slow/ some moderate to fast	Substantial to little	Good

56 Summarised.

57 Scale: High, Moderate, Limited, Straightforward.

58 Scale: Uniformly high, mostly midstream, mostly low, uniformly low.

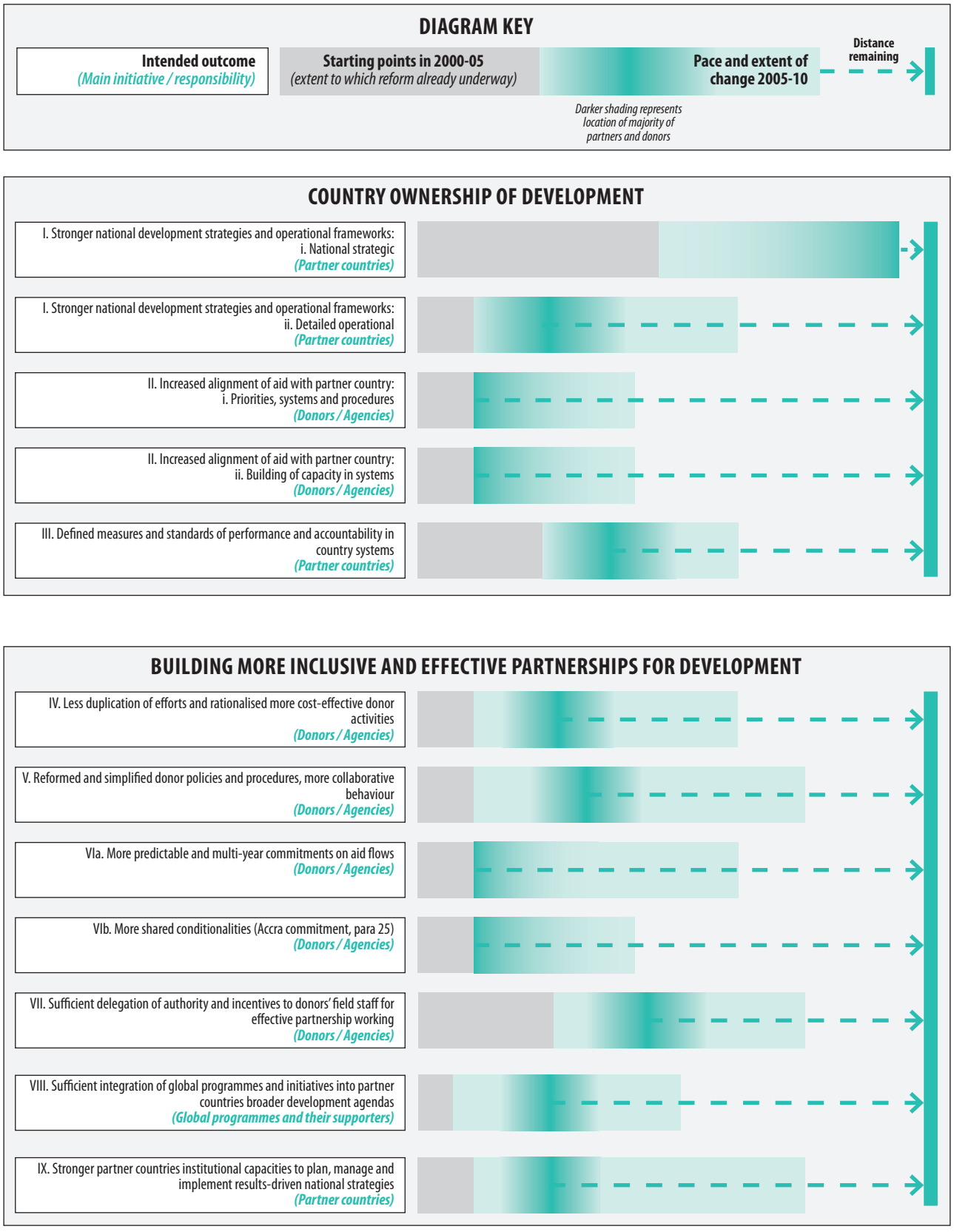
59 Scale: Fast, moderate, slow, very slow, none or regression.

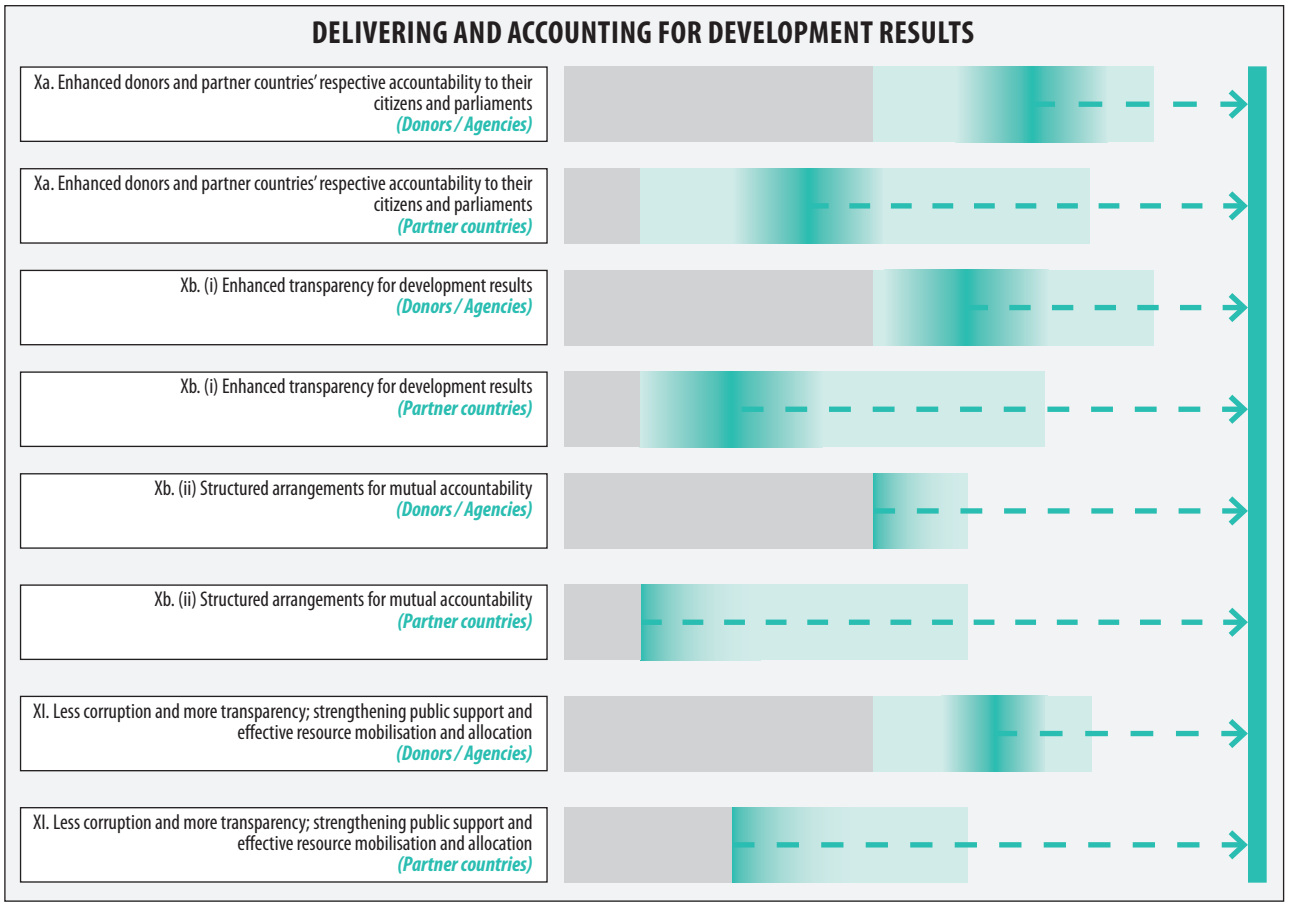
60 Scale: Substantial, some, little, none.

61 Scale: Very good, good, adequate, poor (takes account of supplementary sources available).

Intended outcome[56]	Main initiative/re-sponsibility	Degree of difficulty[57]	Starting points in 2000-05[58]	Pace and extent of change[59]	Distance remaining[60]	Strength of evidence[61]
VIa. More predictable and multi-year commitments on aid flows	Donors / Agencies	i. Moderate to high for bilaterals, limited for multilaterals	i. Mostly low	i. Mostly slow	i. Substantial to some	i. Good
VIb. More shared conditionalities (Accra commitment, para. 25)		ii. High	ii. Mostly low	ii. Mostly slow	ii. Substantial	ii. Poor
VII. Sufficient delegation of authority and incentives to donors' field staff for effective partnership working	Donors / Agencies	Limited to moderate	Mostly low/ some mid-stream	Mostly slow/ some moder-ate to fast	Substantial to little	Good
VIII. Sufficient integration of global programmes and initiatives into partner countries broader development agendas	Global programmes and their sup-porters	Moderate	Uniformly low	Mostly slow/ some moder-ate	Substantial to some	Adequate
IX. Stronger partner countries institutional capacities to plan, manage and implement results-driven national strategies	Partner countries	High	Mostly low	Mostly slow/ some moder-ate	Substantial to little	Adequate
Delivering and accounting for development results						
Xa. Enhanced donors and partner countries' respective accountability to their citizens and parliaments	Donors / Agencies	Straightfor-ward	Mostly mid-stream	Mostly slow/ some moder-ate to fast	Some to little	Good
	Partner countries	Limited	Mostly low	Mostly slow/ some moder-ate	Substantial to little	Adequate
Xb. i. Enhanced transparency for development results ii. Structured arrangements for mutual accountability	Donors / Agencies	i. Straightfor-ward	Mostly midstream on both	i. Mostly slow to moderate	i. Little to some	i. Good ii. Adequate
		ii. High		ii. Slow to none	ii. Substantial	
	Partner countries	i. Moderate	Mostly low on both	i. Mostly slow to moderate	i. Little to substantial	
		ii. Moderate to high		ii. Slow to none	ii. Substantial	
XI. Less corruption and more transparency; strengthening public support and effective resource mobilisation and allocation	Donors / Agencies	Limited	Mostly mid-stream	Mostly mod-erate	Some	Adequate
	Partner countries	High	Mostly low, some mid-stream	Mostly slow	Substantial	Poor

Figure 5: Aggregated progress – range of performance against each intended outcome





3.4 Country Ownership over Development

I. Stronger national strategies and operational frameworks (mainly a partner country initiative/responsibility)

Findings: All countries are moving in the right direction, with almost all now having national strategic frameworks in place. But there is much slower and more uneven progress in the more difficult tasks of setting out the operational frameworks needed to ensure that aid actually supports country priorities. No major backsliding or loss of commitment is recorded since 2005, and there has been some recuperation of momentum in a small number of cases where it had flagged.

Taking account of their very different conditions, almost all of the 21 country evaluations find that a reasonably robust national development strategy is in place. Some of these are very strong, capturing both medium- to long-term development objectives and political priorities. All offer at least a plausible broad framework for national development policies and priorities and donor/agency contributions. Most of these countries have evolved different types of strategies over more than a decade, recognising the limits of planning and allowing for necessary flexibility. At least two-thirds credit the Declaration campaign with some influence in strengthening these strategic frameworks since 2005.

On the other hand, only about a third of the evaluations find a clear strengthening of country-owned sectoral and sub-national strategies and resource allocation linkages that would make the national strategy fully operational and provide the full expected guidance and discipline for donor interventions.[62] Others find a static, mixed or 'patchy' picture, with the Declaration having contributed to some improvements, usually at the sectoral level.[63]

This goal included a commitment to developing and implementing these strategies through consultation. Different groups of stakeholders have different definitions of satisfac-

62 See Samoa p.54 for a useful example of government action in the health sector and some of the operational problems that are being addressed.

63 In answering these questions, most of the country evaluations have taken into account the results to date from the Declaration monitoring indicators but, taking into account other evidence, arrive at somewhat more insightful findings.

tory performance under this commitment, and there is no simple yardstick. Nonetheless, half of the evaluations find various degrees of strengthening in the consultative and participatory foundations of the development strategies since 2005, with Declaration-type practices and donor/agency engagement being of some help. The picture emerging in the other half of the evaluations is unclear, mixed or static.

The Bangladesh report outlines some representative findings, and important sub-themes and complexities.

> *'An inclusive consultative approach was followed to cover all types of stakeholders from different regions of the country, like people's representatives including members of local government bodies, government officials, civil society members, NGOs, private sector representatives, academia, researchers, representatives of women, children, the weak and vulnerable groups etc. While an inclusive consultative process for developing national strategies has been well established, there is, however, virtually no consultation with the beneficiaries and other stakeholders in formulating individual development projects. Despite some progress, foreign aided projects continue to remain mostly donor driven and designing and preparation of such projects are often donor led. Particularly, technical assistance projects, many of them aiming to reform the existing country systems are undertaken at the initiatives of the donor without having consultation with the stakeholders. As a result, such projects suffer from lack of ownership and are often not demand-driven.' (Bangladesh p.21)*

Where national development strategies have been cast at a broad level of priorities, donors/agencies have had an easier time demonstrating the compatibility of their programmes with those strategies, although there have been instances of major shifts to follow partner country leadership.[64] Where countries have translated their priorities fairly systematically into prioritised programmes, linked to medium-term expenditure frameworks and annual budgets, their leadership has mostly been strong enough to secure donor support and adjustments, at least over time. Where country leadership at the operational level has not been as strong, donors have been left a wide margin to interpret national priorities, although national leadership and donor responsiveness are sometimes found in particular sectors.[65]

In terms of supporting country ownership, from the headquarters perspective, all of the donor/agency studies and other donor sources can point to continuing or intensified work to be guided by the countries' strategies in shaping their programmes. However, this engagement can range all the way from simple consultation in preparing the donor's country assistance strategy to full participation in country-led Joint Assistance Strategies.

The donors' commitment to help countries strengthen their capacities for strategic leadership can involve:

- direct support to strengthen these functions in government;
- participation in forums and processes that encourage country leadership (including the national consultative processes);
- actually making adjustments in their programmes as required; and
- implementing other Declaration commitments designed to ease the complexities and burdens on countries in exercising leadership and helping to build their capacities 'by doing.'

The evaluations and studies have shown considerable donor engagement on point 2 above, and less on points 1 and 3. The record on implementing other Declaration commitments (point 4) will be further analysed in the following sections.

II. **Increased** alignment of aid with partner countries' priorities, systems and procedures, help to strengthen capacities (mainly donor/agency initiative/responsibility)[66]

Findings: While there is no evidence of backsliding, the pace has been mostly slow and the distances travelled by donors in aligning their aid vary by donor, by country and by the different aspects of alignment involved. In terms of help to strengthen countries' capacities, these evaluations point to significant efforts, but not notably well-coordinated or harmonised ones, and with limited measurable results to date.

From the country end, 17 of 21 evaluations find evidence of moderately increased alignment of donors' overall aid with country priorities.[67] At the same time, seven of the evaluations find that the strategic country priorities are not yet clear or constraining enough to prevent donor 'cherry picking' and favouring 'donor darlings' or pockets of strength in the country administration. The differing time horizons and programming cycles for country and donor strategies is a significant problem for alignment.

64 For example, Bolivia. Ghana and Samoa all report increasing aid flows behind new national priorities.

65 Mozambique referring to health p.66. Other examples include water in Uganda, Education and Health in Nepal (though not in other sectors), the environment sector in South Africa, where results are cited as being (according to interview data) directly attributable to the Declaration, p.37.

66 Results on this expected outcome interact especially with expected outcomes iii, x, 10b, and xi.

67 This evidence of policy compliance is more robust than in the Phase 1 findings of 2007.

The following findings from two reports represent a number of evaluations' findings on progress and obstacles with regard to the greater alignment of aid[68]:

> *'The review finds that there has been a significant improvement in alignment of projects with Ghana's development strategies. Nevertheless, off-budget and off-plan activities still remain, indicating lack of alignment with Government of Ghana priorities and systems. Whereas Ministries Departments and Agencies lack capacity to plan, Development Partners are also limited by their own institutional arrangements and procedures. Thus although a new aid landscape is being witnessed, aid effectiveness challenges still remain. Challenges with country systems and non-use or partial use by donors due to mistrust has undermined country systems.' (Ghana p.61)*[69]

> *'Alignment is happening in terms of improvement and increasing use of systems, which is without doubt positive for government, but is still partial, and without a clear strategic vision from government, alignment to government priorities remains an exercise in picking the parts of government plans that suit the country programme of each agency.' (Mozambique p.32)*

Across evaluations, programme-based approaches, joint assistance frameworks and multi-donor trust funds are identified as helping strengthen alignment. A minority of the evaluations finds increased alignment with the budget or 'on-budget' shares of aid; in some cases driven by the partner countries' own stronger reporting requirements. Several evaluations also report a concern about the large volumes of aid and numbers of activities supported through non-governmental organisations being off-budget and/or unreported.[70] Others, such as Colombia and Vietnam, note that measuring alignment in relation to reporting on the national budget is misleading in not capturing the range of delivery channels that cooperation agreements may reflect, such as decentralised mechanisms, and that ministries may face major hurdles in putting aid through the budget.[71]

The continuing prevalence of project implementation units is noted in the Senegal and Vietnam evaluations but in neither case is this simply seen as a result of donor non-compliance. More generally, the reliance on these units does not emerge from the Evaluation as either a simple issue or a burning one. It is not easy to distinguish the 'parallel' units that can have negative effects on country systems, and there are many grounds for countries as well as donors to want to continue to use parallel structures.[72] As found in Phase 1 of this overall Evaluation, the study on the African Development Bank documents a conclusion that is also relevant to a wide range of donors' and partner countries' project implementation units and to using the reduction of these units as a Monitoring Survey indicator of progress:

> *'The Bank's treatment of [reducing] project implementation units as a compliance issue has led to apparent solutions that do not really address the underlying capacity constraints. As the examples … show, the problem can only to some extent be addressed through capacity building.' (African Development Bank, para.64)*

On the negative side of the ledger, a large majority of the evaluations find only limited if any overall increase by most donors in the use of country systems and procedures, notably financial and procurement systems.[73] Half of the evaluations find that the limited use of country systems is mainly explained by a continuing lack of confidence by donors in those systems and/or concerns about prevailing levels of corruption, as well as concerns that country systems can still be slower and more cumbersome than those of donors. In several instances, the general donor reluctance was reported to be unchanged in spite of considerable effort by governments and/or positive, objective assessments of progress. Other examples of donor reluctance or pullback were linked to specific disputes, for instance about a government change in applying procurement requirements.[74]

In terms of help by donors for capacity development to strengthen country systems, half of the evaluations included substantial findings, beyond the specific area of help with public financial management and procurement which is treated in the following section. These evaluations point to

68 The material in the following paragraphs draws out some of these obstacles from the available evidence. They generally mesh with the findings from a number of donor studies about a focus on compliance and a risk-averse culture, as well as the over-centralisation of many donors' systems and decisions, running counter to alignment.

69 See also Zambia p.35.

70 E.g. South Africa, Malawi; see also Benin p.65, Nepal p.42.

71 See particularly Vietnam p.22.

72 This is an illustration of a specific Declaration commitment that may have been too simplistic and dogmatic, especially when backed by a quantitative target in the Monitoring Indicators. See the conclusions of the Vietnam report for a clear critique.

73 Examples include: Malawi, which reports continued limited use by donors despite Government action for improvement. Zambia (agriculture sector) which reports that donors would not use national financial and procurement systems despite Government efforts to improve them; Bangladesh, where the use of Government systems by development partners remains limited despite substantial reforms in Government's procurement and public financial management systems which have drawn on the support of development partners; and the Nepal assessment that 'there has been no progress in the use of country systems since 2005. Whilst the level of use of country systems appears to have increased in real terms this is due to the increased levels of ODA from committed Development Partners. Proportionately all the key indicators remain unchanged and some may have deteriorated' p.43.

74 E.g. in Bangladesh where a disagreement between Development Partners and the Government on the Government's relaxation of certain provisions of the Public Procurement Act 2006 through a recent amendment of the Act, has led to a further decline in the use of the country procurement system in respect to Development Partners placing restrictions on local procurements of the projects they finance (Bangladesh p.22). Also see Zambia in the health sector, footnoted elsewhere, and Mozambique, where perceived governance concerns resulted in a suspension of budget support by donors.

significant efforts, but not notably well-coordinated or harmonised ones, and with limited measurable results to date. The three main explanations provided are:

- the lack of clear country strategies or priorities for capacity strengthening;
- donors' preference for strengthening capacities in their own priority areas; and
- frequent movement of people in key public service posts, frustrating capacity development efforts.

In a few cases, the evaluations find that strong multi-donor support arrangements have led to more coordinated and apparently effective capacity development support. Examples include Malawi, where an OECD/DAC joint venture is developing a common methodology and tools for benchmarking and assessing country procurement and public financial management systems and Benin, where partners including the European Commission, Denmark, the Netherlands and Belgium are working jointly to implement an action plan for improving public financial management systems.

III. **Defined** measures, standards of performance and accountability of partner country systems in public financial management, procurement, fiduciary standards and environmental assessments, in line with broadly accepted good practices and their quick and widespread application (mainly partner country initiative/responsibility)

Findings: At least two thirds of the evaluations reporting on this outcome find that the countries are moving in the right direction, but mostly slowly. The difficulties in achieving these goals appear greater than presumed and the progress goals set for 2010 leave great room for interpretation of how much progress is enough for donors to actually trust and use country systems. Two countries claimed that this work is done. Of the remaining country evaluations, a third find considerable effort and progress, another third find gradual and uneven progress, and a third find little progress. In all these countries, however, there now appears to be significant internal commitment and momentum. This would appear to suggest digging in for the next stage in a longer journey, learning from success and setbacks and finding the best ways of working towards further step-by-step improvements, with donors using the systems as much as possible to help improve them.

Almost all of the evaluations report sustained efforts (some longer and harder than others) to achieve these outcomes, and different levels of progress achieved.

For all but Colombia and South Africa – where this job is found to be done – work to arrive at 'defined measures and standards of performance and accountability of partner country systems in public financial management, procurement and fiduciary standards' has been underway since before 2005 and in most appears to have been intensified and solidified since the Declaration, in several cases spurred by demands inherent in modalities such as budget support.

None of the evaluations finds any major backsliding, but as captured in the quote below, all have found that achieving these goals is complex and difficult, working and building in linked stages.

> *'Achieving recognised standards of performance and accountability in public sector management has been challenging for Cambodia which continues to suffer from historically weak human resource and institutional capacities, particularly in line Ministries. Public sector reforms (in public financial management, civil service reform, decentralisation and sub-national democratic development, and in the legal and judicial sector) have proven to be challenging and, given the complexity and possible 'reform overload', may only be expected to yield significant dividends in the medium to long term.' (Cambodia p.34)*

At least as important as the technical and management challenges in improving these systems are other powerful obstacles. Corruption is identified in the Benin evaluation as the central 'braking' influence on progress with public financial management, and several others see it a key explanatory factor. Other hurdles identified are limited human and technical capacities, frequent rotation of personnel and the consequences of a range of external crises – food, energy, economic – dominating the attention of key actors.

The Uganda evaluation confidently cites 'tremendous progress' and 'major improvements' in the country's public financial management systems,[75] while five others find considerable effort and progress on a broad front,[76] five find gradual and uneven progress[77] and four find little progress.[78] As to the 'quick and widespread application' of these standards, five evaluations[79] identify the next level of challenges in moving reforms out from the centre of government to wider application in other ministries and governmental levels, and the studies in Mozambique and Vietnam point to clear plans or progress underway.

75 Uganda p.31; Malawi and Zambia also emphasise support to the audit function as a way of generating increased confidence in systems (though neither report on results).

76 Cook Islands, Mali, Mozambique, Samoa, Vietnam. Note that the Mozambique evaluation finds compelling evidence from both government and donors, contesting the relevant Monitoring Survey/Country Policy and Institutional Assessment results.

77 Afghanistan, Bangladesh, Cambodia, Malawi, Zambia (though Malawi reports donor concerns around procurement).

78 Benin, Cameroon, Nepal, Senegal.

79 Afghanistan, Bangladesh, Malawi, Mozambique, Vietnam.

Four evaluations[80] find that the countries have taken account of how complex and long-term these reform tasks are and confirmed a clear multi-year commitment to 'stick with it'. In four others,[81] the evaluations identify a kind of 'second-generation' or booster commitment in the past couple of years, with upgraded approaches and instruments put in place to further advance reforms.

Few of the evaluations include coverage of the expected standard for environmental assessments. One notable exception is the first and second phase evaluations in Bangladesh, where environmental issues featured in sectoral treatments.[82] It is not clear why environmental assessment standards were so little treated elsewhere, although some queries indicated that they were understood as a different kind of standard from the others enumerated in the Declaration.

3.5 Building More Inclusive and Effective Partnerships for Development

IV. Less duplication of efforts and rationalised, more cost-effective donor activities (mainly donor/agency initiative/responsibility)

Findings: Seen from the country level, while the overall direction is right, the pace and distance covered are far behind the implied expectations for harmonisation by this stage, especially considering that major international commitments on harmonisation go back to the Rome Declaration of 2003. Aid fragmentation is still found to be high in at least half of the evaluations. Many experiments are underway, particularly at sectoral or thematic levels, and joint funding arrangements may create a more conducive environment for reducing duplication, although sometimes at the cost of adding complex new processes. Formal 'untying' of aid from their own suppliers is well-advanced for those donors adhering to the Declaration, but specific concerns of *de facto* tying are still identified with these programmes, as well as a general concern that non-Declaration providers continue to tie their aid.

None of the evaluations finds major progress in the achievement of this outcome on harmonisation since 2005 at the country level although all countries record changes in coordination structures (thematic groups etc.). More than half of the evaluations find significant progress in reducing duplication and increasing rationalisation at the sectoral or thematic level, albeit with areas of continuing high fragmentation and few formal 'division of labour' arrangements. The quotes below are representative of a wide range of findings:

'Government feels that donors are currently not fully recognising their comparative advantages or working together to fully utilise the potential gains of streamlining their activities.' (Malawi p.34)

'The PD has improved donor harmonisation as evidenced by the Joint Assistance Framework and the Division of Labour in the health sector. However, most development partners are caught between working collectively at country level and responding to differing priorities and concerns of their Headquarters. Inevitably, pressure remains on some development partners to retain direct accountability of their aid. The continued fragmentation of aid modalities in the health sector places a huge administrative burden on sector capacity and is a reflection of development partners' lack of trust and confidence in national systems.' (Zambia p.xii)

The situation with reducing duplication and rationalising donor activities is still not simple and neither is it entirely bleak. The Uganda evaluation[83] finds that the process of rationalisation of donor efforts was already strongly in place before 2005 under government leadership, and five other reports[84] also find government leading in these efforts, while the Colombia and Vietnam reports do not find significant progress. The Bolivian evaluation finds at least a broad 'division of labour by default' between different multilateral agencies and the active bilaterals.[85] Some evaluations[86] as well as European donor studies raise significant experience and expectations around results from the European Union (EU) Code of Conduct on Complementarity and Division of Labour of 2007 and its fast track initiative in 2008. However, the EU monitoring reports suggest that division of labour efforts are still mainly promoted by donors, which may help explain why they appear to be more effective in sectoral areas

80 Cambodia, Cook Islands, Mozambique, Vietnam.

81 Afghanistan, Bangladesh, Benin, Zambia.

82 Also addressed in Colombia and South Africa.

83 However, see the caveat 'Commitments to donor harmonisation have been more difficult to achieve with division of labour among international organisations proving to be more complex than anticipated. Practical emphasis on joint assistance strategies has been limited even when the government developed the strategies and is working towards enhancing them. The lack of consensus among development partners on the ideal mode of funding remains one of the most stumbling blocks to successful implementation of the PD in Uganda', p.61.

84 Bangladesh p.26 refers to the mutual commitment within the Joint Cooperation Strategy to achieve donor complementarities under a Government led initiative. Up to now Government, constrained by capacity limitations and the absence of a clear policy/strategy, has not been able to demonstrate any effective lead role in achieving increased use of donor complementarity. As a result this has remained a matter left to the donors themselves.

85 Bolivia p.57.

86 Bolivia, Cameroon, Mozambique, & Senegal. The Mali evaluation notes s that 'the group of donors engaged in the division of labour are members of the European Union, who are thus setting an example by respecting the EU Code of Conduct of the 15 May 2007'p.20.

than at the broad strategic level.[87] The UN Development Assistance Framework for UN agencies is also cited as an actual and potential influence for harmonisation.[88] A good number of multi-donor forums, trust fund arrangements, sector wide approaches and other programme-based approaches have all helped improve rationalisation where they have been put in place. On the other hand, five evaluations find[89] that they are not necessarily reducing workload or 'transaction costs' particularly for the donors involved.

As a cross-check on the country results, key findings reported in the recent donor/agency studies and updates yield a mixed picture with respect to reduced duplication and more rationalised donor activities. Five studies/updates (in Austria, Australia, African Development Bank, the US and New Zealand) suggest very limited progress and a continuing fragmentation of programmes and proliferation of programme modalities, while the Ireland study still finds some degree of fragmentation. In two other cases (the UK and the Netherlands) the increased use of programme modalities is credited with improvements, and the Australian update indicates that the use of delegated cooperation among donors is growing in its programme as a tool for scaling up its funding. There are few other references to this in the evaluations or studies.

The few substantive explanations offered in all the reports for limited progress emphasise donor headquarter insistence on their distinctive channels for reasons of visibility and/or because of political sensitivity and inter-ministerial engagement at home, particularly in security-related assistance. The Vietnam evaluation specifically finds that the government is ready to accept the costs of donor duplication as part of the price for valued political relationships. This may well be a broader tendency, as other evaluations have testified to the partner countries' reluctance to impose harmonisation measures or a division of labour among donors.

As one conceptual and methodological input to the Evaluation in February 2010, one of the specialised task teams of the Working Party on Aid Effectiveness offered an analysis and suggestions for pursuing the theme of 'Division of Labour among Donors: An Approach to Harmonisation'.[90] More work in this area is expected to feed into the High Level Forum in Korea. In the current Evaluation, few of the evaluation or donor/agency reports were able to go deeply into these questions, but the limited progress shown in the Evaluation results with alignment and country-led harmonisation suggest that much further effort on more active harmonisation is required.

Untying: Half of the country evaluations report findings on the untying of aid. The Benin evaluation reports that basically all aid is untied, and the Mali and Bolivia studies find that further progress is being made. The Bolivia report reflects the high variability that remains among donors. A quarter of the evaluations raise questions around the statistics showing that tied aid is either eliminated or further reduced, citing the following findings:

- Much technical assistance and food aid remains tied.
- It is unclear whether the tying of aid at the sub-national level is properly reflected.
- It is questionable whether the relevant untying (and alignment) statistics can capture the different channels and types of aid that are so large and important with security-related assistance in fragile situations.
- The statistics on untying relate only to DAC donors, so that major shares of Non Governmental Organisation (NGO), Chinese and Arab Fund aid are not included.

Of the donor/agency studies and updates, only Ireland and the Netherlands reported significant findings on the untying of aid, citing the Monitoring Survey results. It appears that the donors/agencies mainly count on the partial changes finally negotiated in 2001 and the monitoring systems in this area to report on progress and sustain momentum. The box below provides the gist of the findings of a thematic study completed in 2009. The results, supported by a set of country and donor cases, are consistent with the findings from the evaluations.

87 The monitoring of the EU fast track initiative on Division of Labour (DoL) covers 28 countries with the following relevant here: "(9) DoL seems to be a process which is promoted by donors. Most partner governments approve progress triggered by donors but only rarely take an active role in steering the process. There has been little progress in strengthening partner ownership of DoL since the last monitoring. In countries where the EU Code of Conduct [on Complementarity and DoL] has been the starting point and major vehicle of the DoL process, non-EU donors do show limited interest in DoL. Reasons for this might be twofold: the Code of Conduct gives no clear guidance on how to actively integrate other donors into the EU driven process and certain bilateral and multilateral donors with broad aid portfolios are hesitant to engage in DoL processes. Contrary to the international agreement on division of labour in the Paris Declaration, the Accra Agenda for Action and the Good Practice Principles on Country-led DoL, some multilaterals claim at the country level that their statutes impede their involvement in DoL processes." Buercky, U and Knill, P (2009) 2nd *Monitoring Report of the EU Fast Track Initiative on Division of Labour*, A Product of the EU-Technical Seminar on Aid Effectiveness, 30 November 2009. The evaluation in Bolivia also finds that while such a DoL forum is in place, there is little government engagement or ownership in the process, which has constrained progress.

88 Cameroon and Malawi though see the critique in the Benin report that despite the UNDAF, planning of individual agencies continues in isolation, p.43.

89 For example the Zambia report provides strong evidence of the challenges encountered in a Government led effort through the Joint Assistance Strategy for Zambia to drive DoL and rationalisation within sectors. The evaluation on the African Development Bank cites the 'sobering' findings from the joint evaluation of the JAS in Zambia. The report also notes that although the Bank had participated in Joint Assistance Strategies in eight countries, 'The process of joint strategies has recently lost momentum' and the Bank has re-focused on preparing its own country strategies.

90 This study, by the Task Team on Division of Labour and Complementarity was posted on the Evaluation Extranet site for comment and potential use by Evaluation participants and on the Paris Declaration Evaluation page of the DAC website. See also the *2009 OECD Report on Division of Labour: Addressing Fragmentation and Concentration of Aid Across Countries*, OECD/DAC.

Box 2. Untying Aid: Is It Working?

'The overall picture is very positive in terms of progress by DAC donors in the formal untying of their aid…. The changes over the past 10 years indicate that the 2001 Recommendation on untying of aid, together with other international agreements such as the Paris Declaration, have had an overall positive impact on further untying aid. But there are important qualifications.'

Exclusions: Free-standing technical cooperation and food aid (the latter now explicitly tied only by the US) were excluded from the Recommendation and both remain significant 'grey areas'. Also outside the Recommendation were: emergency and humanitarian aid both in-kind and through personnel, channelling of aid through NGOs, support to governance, post-secondary education, research and Business to Business assistance.

De facto practice: Many informants raise questions about the genuineness of the declared formal untying of aid. Changes in policy and regulations may allow the sourcing of goods and services outside of the donor country but, in practice, are there still sufficient obstacles that aid remains de facto tied? Two forms of statistical evidence indicate a presumptive gap between the formal declared untying of bilateral aid and actual practice, which implies a considerable element of intended or unintended de facto tying.

'The country study evidence suggests that the obstacles to untying are now for most DAC members not to the formal process of untying, but to reducing or even removing intended and unintended tying practices.'

Source: Excerpted from the summary of the 2008-09 special study for OECD and the Paris Declaration Evaluation, pp. vi-viii.

V. Reformed and simplified donor policies and procedures, more collaborative behaviour (mainly donor/agency initiative/responsibility)

Findings: Seen from the country level, significant, in some cases substantial, forward movement is found in half of the country evaluations, mostly at a slow pace still, but with encouraging exceptions. While the drivers are varied, they mainly revolve around joint assistance frameworks of various kinds, different levels of programme-based approaches, and other types of multi-donor joint funding. Evidence suggests that these forward steps may be self-reinforcing, encouraging further collaboration.

The Declaration framework has been conducive to strengthening these processes but there is no evidence yet of reduced 'transaction costs', and some evidence of persistent double burdens. There are also suggestions in several evaluations that, depending on how they are implemented, multi-donor arrangements can sometimes result in additional delays, demands and rigidities.

Although this is another area where donor/agency initiative is central, and country evaluations would not capture detailed changes inside donor administrations, the country evaluations yield informed assessments from the field staff and country stakeholders who directly administer or are affected by donor policies and procedures. The reports offer examples of collaborative measures, trends in collaborative behaviour among donors, and variations in their performance. The assessment in the Benin evaluation is one of the more positive overall, but raises common themes:

> *'Since the signing of the Paris Declaration in March 2005, many donor policy and procedural reforms have been made in Benin. These reforms are especially noticeable with regard to donors that are OECD members and PD signatories. These reforms involve these donors' ever-growing commitment to the use of measures such as budgetary supports and programme-based approaches, even though certain donors are still reluctant. …In addition, the donors have improved their procedures, reducing the number of field missions and diagnostic studies likely to duplicate work. …Not withstanding this progress, reluctance is noted in the field (use of plans, joint missions and joint analytical work) in implementing the Paris Declaration where certain donors are concerned, notably China and Arabic funds.' (Benin p.47)*

> *'[Despite a range of initiatives]… this principle is still hurt by the following facts: donor policy and procedure reforms dependant upon government leadership; donors' reluctance to set up trust funds financed by multiple donors.' (Mali p.47)*

Overall, the greatest spur to more collaborative behaviour and simplified donor policies and procedures, and also the strongest source of evidence that it is happening is the experience with joint assistance frameworks of various kinds, different levels of programme-based approaches and other types of multi-donor joint funding. Taken together, these instruments are credited with substantial contributions to this outcome in four-fifths of the evaluations analysed, although many add that participation varies widely for different donors. In most cases, it is apparent that the wider awareness and encouragement of these instruments through the Declaration framework has been conducive to strengthening processes that had begun on a narrower base.[91] At the same time, project aid remains prevalent and several evaluations specifically cite its advantages for countries, such as faster disbursement at sector level. In other cases, donors are found to insist on project

91 One third of the evaluations find reformed and simplified donor procedures in less extensive examples of sectoral arrangements and multi-donor trust funds, while another third cite little or no evidence of significant change in simplifying policies and procedures or more collaborative behaviour.

approaches where they are not ready to rely on government systems.[92]

The Samoa and Uganda evaluations report a far-reaching strengthening of collaborative behaviour between government and donors over the period since 2005.[93] This improvement extends from close alignment between the respective development strategy and assistance frameworks, and is supported by the use of programme-based approaches (if not comprehensively) and by agreed monitoring frameworks and systems that appear to be actually linked to a basis for 'clear and transparent' disbursement decisions (as hoped for in the Declaration). In both cases, this strong base appears to provide further incentives to harmonise procedures and collaborate to work out problems, although one of these evaluations raises questions about whether the system will be sustainable. In the Cook Islands, two traditional donors have moved to one of the most harmonised joint programmes anywhere. As a result, however, when their joint focus changed, the government felt the need to access new aid providers in areas they were not covering.

In four other evaluations, joint strategic frameworks of different types have been important – successful in three countries (Zambia, Malawi and Vietnam) and requiring revitalisation in another (Bangladesh). Enhanced collaboration among UN agencies via the 'One UN' process is also noted in Vietnam and Malawi. In particular, the UN Harmonised Approach to Cash Transfers is cited in Malawi (as it was elsewhere in Phase 1) as a reformed and simplified way of managing the transfer of resources from the UN system to local systems, while continuously assessing risk with the local systems with the view to addressing them.

In spite of this moderately positive set of findings in a majority of the country evaluations about improvements in collaborative behaviour and some simplification of donor policies and procedures, a cautionary element also emerges. With one exception[94] there are no clear findings of reduced administrative burdens ('transaction costs') in managing aid for either governments or donors and several evaluations specifically note that they find no reductions. The Malawi evaluation by contrast documents a number of the expected benefits:

> *'the formation of the Common Approaches to Budget Support, which has facilitated the collaboration of donors in aid delivery, has largely reduced the relational complexities that the Government had with the donors. This arrangement has lessened the strain that the government machinery had especially in meeting the demands of individual donors. Under these arrangements, government is not supposed to produce a multiplicity of reports with different reporting formats as demanded by each individual donor. This simplification and reformation of donor procedures and policies has contributed to the quality and timeliness of government reporting on aid disbursement and reporting.' (Malawi p.35)*

The Vietnam evaluation finds simply 'no reductions in transaction costs' on either side in a fairly strong collaborative model, and in fact refers specifically to where more transaction costs have been introduced[95] and the Zambia study finds it still unclear whether this burden has been lessened. The Senegal report finds possibly increased burdens for both government and donors, certainly new demands for specialised expertise and coordination work, few solid examples of progress, but still a greater openness by donors to collaboration.

Evaluations in three countries with relatively developed collaborative systems have suggested that the ways in which the Declaration and aid effectiveness have been implemented have led to an apparent rise in aid management 'transaction costs' (especially but not only for donors) creating a kind of 'backlash.' The Mozambique report says:

> *'the heavy coordination machinery in [country]… around the [donor coordination group] and the Performance Assessment Frameworks (PAFs) used to assess Government and donors has led the majority of donors to complain that the cost in terms of time and resources of working on common approaches is higher than that incurred when operating bilaterally.'[96] (Mozambique p.38)*

Half of the evaluations touch on two other aspects of increased collaborative behaviour, those that were selected to make up Indicator 10 in the Monitoring Survey, namely increasing the shares of country analytical work and field missions that are conducted jointly by donors. The evaluations have little new to add to the citation of the first two rounds of Monitoring Survey results on these issues, although four outline the measures taken by the government to limit missions, not always successfully.[97] The Senegal report finds that with more than 300 missions a year, the mission load

92 See Malawi p.35 for example.

93 Though the Uganda report also notes that 'Nevertheless, some donors still make only limited use of Programme-Based Approaches; further progress on this aspect of harmonisation would be welcome.' p.35.

94 The Malawi report finds reduced burdens though the simplification and reformation of donor procedures and policies, which has contributed to improved quality and timeliness of government reporting on aid disbursement and reporting, p.35.

95 Vietnam p.30.

96 See also Cambodia and Uganda, 'Transaction costs remain high and these are associated with demands Development Partners 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 with a larger proportion of missions being carried out jointly and with good coordination, the improvement is not large enough to equally significantly reduce the absolute number of missions that are uncoordinated' p.65.

97 See Zambia p.27, 'Cooperating Partners (CPs) continued to make separate missions even during the mission-free period. One of the major challenges among CPs for poor performance in this area is the continued desire by CPs to remain visible by "raising their flags"'.

on the government is still far too heavy, but an independent analysis[98] is cited in another evaluation as showing a general improvement in this trend in Africa. On joint missions and analysis, a good example of practical progress[99] is in the Netherlands, where a system has been set up enabling embassies to signal missions and analytical work initiated by headquarters departments that have not been properly coordinated.[100]

VI. More predictable and multi-year commitments on aid flows to committed partner countries [Has the nature of conditionalities been changed to support ownership in line with the Accra commitment] (mainly donor/agency initiative/responsibility)

Findings: While progress has been mostly slow, half of the evaluations find improvement in aid predictability,[101] substantial for some donors. In the other evaluations, a mix of factors – not all under the control of donors – impedes progress. Initiatives are spreading by countries to set up or strengthen their own tracking systems, with a prospect that they will induce at least more complete and transparent reporting by donors, as they have in existing cases where such platforms have been set up. (See also Outcome X)

The most important explanation given for these improvements is found in the multi-year frameworks provided by more donors. In several cases, more multi-year support has been expedited by a budget support protocol with several major providers. Declaration expectations, especially when combined with joint donor arrangements, can add peer pressure for donors to meet commitments on predictability.[102] Different evaluations note that the multilateral agencies have been making multi-year commitments since well before 2005, and would like to see bilaterals move to similar three-year cycles. It was also noted that the 'emerging donors' do not make multi-year commitments. Two donor countries have been prominent in attempts to advance multi-year predictability, while reconciling it with parliamentary allocation processes[103]:

> *'[The UK's] DFID has been particularly innovative in paving the way for increased predictability in some of its partner countries through the use of ten-year Development Partnership Arrangements (DPAs) ....To date, the UK has limited its use of ten-year DPAs to nine countries in which it sees bilateral cooperation to be particularly important over the medium to long-term. In common with other donors, the degree to which such instruments offer a firm and credible commitment of future aid is limited by the domestic resource allocation process – in the UK's case, the three-year non-rolling Comprehensive Spending Review. … DFID has instructed its offices in countries covered by the Public Service Agreement to give rolling three-year resource indications where it provides resources through government'. (DAC Peer Review of the UK, 2010 p.78)*

> *'New Zealand has increasingly moved towards five to ten-year programming frameworks for partner countries, alongside three-year allocations. The New Zealand legislature sanctions annual budgets with inbuilt flexibility to rollover over-spends of up to 10% and under-spends of up to 20%. This level of flexibility is much higher than for most other donors, and provides for a good balance between predictability and flexibility.' (DAC Peer Review of New Zealand, 2010)*

The evaluations note several problems with data on the predictability of aid. The Indonesia study finds relative stability in terms of multi-year commitments but with a major discrepancy between OECD and government figures on disbursement.[104] The Bolivia report finds that using the aggregate data from the Monitoring Survey indicator masks wide variability among donors.[105]

A third of the evaluations find timing problems. The most common are delayed disbursements, in some cases related to implementation capacity or 'over-optimism' by the country, in at least one other attributed to 'difficult' donor relations after a period of suspension of funds that resulted from allegations of theft. For Mozambique, the reasons for delayed disbursement or delivery on pledges are not clear, and the Bolivia and Benin studies report that even having aid committed through multi-year frameworks has not shortened disbursement delays.[106] Knowing allocations in time for budget preparation is another concern raised.

98 By the African Forum and Network on Debt and Development (AFRODAD).

99 The Asian Development Bank reports progress on Joint Field Missions in 2009 accounting for 53% of all missions, up from 40% in 2008 (ADB update).

100 Netherlands p.15.

101 Although some of these rely almost exclusively on the first two rounds of Monitoring Survey data for the factual base.

102 The Malawi report claims that 'much of the improvement in predictability of aid flows can be attributed to Paris Declaration (PD) implementation as a result of several factors, including (a) increased peer pressure within the Common Approaches to Budget Support (CABS) for the members to meet their commitments, leading to a more coherent joint responsibility among the CABS members, (b) the pooling of donor money under the CABS and also the simplification of reporting procedures under the PD, thereby enabling government to submit most of its reports in time and ensuring a more steady and predictable flow of funds, and (c) reduced multiplicity of reports, reporting procedures and formats under PD', p.36.

103 The Australian update for Phase 2 of the Evaluation notes that multi-year predictability of aid commitments is also being strengthened at the regional level through the Pacific Partnerships for Development framework.

104 Indonesia p.60.

105 Bolivia p.49.

106 E.g. Malawi, where limitations in disbursements are linked to 'low absorbing capacity of government institutions, the macroeconomic and portfolio performance of the country, the impact of recent economic and financial crisis within a donor country and governance issues', p.37.

Four evaluations[107] find significant reporting concerns in obtaining adequate information from donors to mesh with budget figures and to reflect funding through NGOs. One of these countries has launched a new reporting platform and another is at the planning stage, and one of the stronger systems credits its multi-year indicative financing framework with helping to track and improve predictability.

Conditionalities. The concept of conditionalities as such is not prominent in the evaluations, and only a third[108] of them explicitly raise findings on changing conditions, in response to a specific question in the common Matrix. In general, while the Bolivia evaluation finds general agreement in its country survey that conditions are now more flexible and are agreed more transparently,[109] and Vietnam cites an important and highly positive model[110] others raise questions about whether the handling of conditionalities is improving as intended. Some examples include:

- donors justifying their conditionalities on flows by pointing to weak prioritisation and unpredictable changes by government (Benin);
- additional conditions (some political) being added to an agreed assessment framework, with a later suspension calling into question the credibility of donors (Mozambique);
- conditions being re-organised rather than reduced (Mali);
- conditions on disbursement considered a more serious problem than policy conditionalities (South Africa); and
- conditionalities dealing with procuring consultants/materials from donor countries 'triggering the opinion among the government officers that all aid is tied' (Indonesia).

Apart from the innovative efforts by the UK and New Zealand to improve multi-year predictability noted above, the donor studies and updates do not have extensive coverage of predictability although two (in Ireland and the Netherlands) show limited progress in delivering against spending targets. A number of others[111] report on processes designed to enhance predictability whilst others[112] refer to some of the reasons for poor performance. One wider initiative worth highlighting is a multi-donor effort through the OECD/DAC to produce an annual 'Report on aid predictability: Survey on donors' forward spending plans.' The latest (third) edition is for 2010 and reports on plans for the 2010-12 period.[113] The reports cover both bilateral and multilateral donor/agencies and reflect the limitations that they face, but they are an important step in combined transparency and predictability as well as a possible tool of peer pressure for continued improvement.

VII. Sufficient delegation of authority to donors' field staff, and adequate attention to incentives for effective partnerships between donors and partner countries (mainly donor/agency initiative/responsibility)

Findings: Progress in general is slow and very uneven, although a few donors/agencies have demonstrated the much faster pace and greater distance that are possible. Only one quarter of the evaluations covering this outcome find general progress. Half of the reports underscore the excessive centralisation of many donors' programmes. This is primarily attributed to lack of political will by donors and a bureaucratic determination to maintain tight control in their headquarters. The finding that few donors/agencies have incentives in place to promote effective partnerships is consistent with this over-centralised approach.

The country evaluations have yielded considerable coverage on this expected outcome,[114] and in this case there is a basis for triangulation with findings from other sources, including a number of the Phase 2 donor/agency studies, Phase 1 studies and the donor updates received, as well as the results of a 2009 DAC survey of 19 members' levels of decentralisation to the field.[115]

The country evaluation results so far support drawing a distinction in the responses between the decentralisation of authority and of capacity to the field, as well as incentives, even though all these factors are interrelated. Interestingly, three evaluations (in Colombia, Benin and Uganda) find little

107 Benin, Colombia, Senegal, Uganda.

108 Benin, Bolivia, Indonesia, Malawi, Mali, Mozambique, South Africa.

109 Bolivia p.103.

110 Vietnam: 'Vietnam's Poverty Reduction Support Credit, launched in 2001, has developed into a model of best practice on conditionality in budget support operations, based on principles which were subsequently reflected in the Paris Declaration and Accra Agenda for Action. The annual conditions take the form of short-term policy actions designed to achieve Vietnam's stated development goals. They are negotiated between Government of Vietnam and Development Partners (DPs) through sectoral working groups, with non-funding DPs able to participate, making the instrument a key platform for policy dialogue on development policy.' p.28.

111 African Development Bank, Australia, Japan, Sweden.

112 Spain p.46, Asian Development Bank, Austria.

113 See www.oecd.org/dac/scalingup for this Report and the previous editions.

114 Work in both phases of the Evaluation has underlined the importance of donors/agencies putting in place the capacity to know in depth the contexts in which they are working, to be able to respond in timely and appropriate ways, and to coordinate and harmonise their actions with different parts of their own administrations (policy coherence) and with others (harmonisation). These capacities are stressed in the Paris Declaration itself.

115 OECD (2009) *Survey on the levels of decentralisation to the field in DAC Members' development cooperation systems* DCD(2009)3/FINAL 26 May 2009 [See International Partnership on Managing for Development Results Report on pilot of incentives self-assessment tool WP EFF].

delegation of authority to donor field staff, but increased levels of capacity on the part of field and/or local staff.[116] The Cameroon study explicitly finds that donors need to refer to headquarters for all decisions, be it for commitment of funds or reallocation of resources.

Ten evaluations stress that levels of delegated authority and capacity vary greatly among different donors/agencies, and six[117] include their assessments of some of the donors that have advanced most and least on this front.

Five reports find modestly increased levels of delegated authority and a somewhat stronger scaling up of field capacity. Ten evaluations[118] find little change, and nine of those find that donor systems are generally still far too centralised on headquarter decision-making, with negative implications for implementing the Declaration principles. The Senegal evaluation finds that the situation is actually getting worse, with greater delegation of work to donor field staff, without the accompanying delegation of power needed to carry it out.

The observations on decentralisation from the Mali and Malawi reports are broadly representative of the majority of the evaluations:[119]

> *'Overall, there is still no evolution in the right direction:*
> *– Headquarters restrict aid in the field;*
> *– Missions have little room to manoeuvre in the field;*
> *– Certain field operations are subject to restrictions;*
> *– Certain decisions made by headquarters for political or geostrategic reasons limit agencies' actions in the field.' (Mali p.29)*

> *'Except for very few donors such as Norway and DFID, virtually all donors' decisions come from their headquarters, with very limited delegation to Country Offices'. (Malawi p.37)*

The strongest (mostly implicit) explanation within reports for this widespread lack of progress on decentralisation is a lack of political or senior bureaucratic will and a determination to maintain tight central control rather than any fundamental obstacle to putting adequate capacity in the field.[120] Higher administrative costs are also known to be a factor. The Cameroon, Mozambique and Zambia evaluations specifically identify the rapid rotation of donor field staff as a problem or constraint,[121] with Cameroon observing that rotation in multilateral agencies is less frequent. More decentralised systems are noted – 'DFID and the Nordics' in Malawi and Mozambique, and Australia in Samoa. In the evaluation in the latter country, China and Japan are found to be the most centralised provider systems also reducing transparency in their operations.

Incentives. One quarter of the evaluations report on incentives for donor staff to work for improved partnerships. One finds the available evidence unclear, while the others find that 'a handful', 'some' or 'many' of the donor agencies with whom they work have built in such incentives. The South Africa evaluation observes that incentives for partnerships can be said to exist at two 'levels' – traditional bilateral aid and foundation driven support, and now stronger incentives with the growth in 'trilateralism'.

A supplementary source. The 2009 survey of the level of decentralisation to the field of DAC members' development cooperation systems is a valuable additional source, notwithstanding the fact that it covers only 19 of 24 DAC members[122] and that its findings are the result of self-reporting and not independent assessment. The survey comprised four topics: policy, financial authority, staffing, and roles and systems. The main findings provide quite fine-grained information for the 19 DAC members responding on each of these aspects, including in individual donor country profiles and statistical breakdowns. The overview of the survey report captures the gist of the results:

> *'The survey results indicate that all DAC members are attempting to decentralise authority over development cooperation to the field and the commitment to decentralisation has been rising since the Paris Declaration was adopted. This commitment has been expressed in official policy statements by most members, but, as expected, the degree of delegation of authority varies considerably from country to country. The survey shows that in terms of financial commitments and disbursements, there is a wide range of authority at the field level, ranging from none to unlimited. The share of staff between headquarters and the field also varies widely, as does the ability to formulate and approve strategies, programmes and projects.*
>
> *All of these findings suggest that some members are more decentralised than others. Differences are due partly to political will, previous level of centralisation of each member's development aid system, the complexity of management systems (number of ministries in charge of policy and operations, existence of separated implementing agencies), aid volume and number of partner countries. Despite their differences, all members face three main challenges when decentralising:*

116 Uganda cites the case of World Bank decentralisation, and Benin reports increased levels of capacity to offices but with decisions still being still made at headquarters.

117 Bangladesh, Indonesia, Malawi, Mozambique, Samoa, Uganda.

118 Benin, Cambodia, Colombia, Cook Islands, Indonesia, Malawi, Mali, Nepal, South Africa, Zambia.

119 For other examples see Cameroon p.46 and Zambia p.28.

120 On the other hand, the Malawi evaluation reports doubts on the capacity of field actors to handle more authority.

121 This concern is also reflected in some self-critical analyses by donor agencies. See DFID 2009k, p.73.

122 Not taking part were: Greece, Korea, Spain, Sweden, and the United States.

- *clearly defining the division of roles and responsibilities between headquarters and field offices;*
- *adapting management systems to support the decentralisation process;*
- *meeting new demands in terms of human and financial resources.'*

The overview adds that 'figures on financial authority and staffing give an indication of the levels of decentralisation, but other factors such the efficiencies of systems and the level of bureaucracy would also have to be factored in for a fuller picture.' Bearing this caveat in mind, it is useful to note the results on these two key measures and cross-check them against the findings in the country evaluations and donor/agency studies.

The survey results reveal that the 10 donors with the highest levels of *disbursement* authority in the field are: Norway, Netherlands, United Kingdom, Denmark, Australia, Belgium, the European Commission, Ireland, Switzerland[123] and France – with the first five also having the highest levels of *commitment* authority in the field. The 10 donors with the highest shares of expatriate staff in the field relative to headquarters are the European Commission, France, Denmark, Germany, Netherlands, Japan, Finland, Norway, Ireland and the United Kingdom.

The differences between these two measures of decentralisation, even setting aside the different patterns of local staffing, testify to the distinctive models of management applied by donors. Nonetheless, the prominence of several donors in both categories – notably Norway, Netherlands, United Kingdom, Denmark, Australia and Ireland – is consistent with specific mentions of them in country evaluations or evidence in country studies of advanced practice in effective decentralisation. There is less evidence relating to other donors found in both categories or close to them. Taking the same measures as broad indicators (and applying the same caveats) a number of highly centralised systems also emerge in this group at the other end of the spectrum, with both very limited financial authority and very limited expatriate staff capacity in the field. They are Austria, Canada, Italy, Luxembourg, New Zealand and Portugal.

Finally, the country studies and updates produced for this Evaluation generated the following findings, which cover some donors not included in the DAC survey – notably Spain, Sweden and the United States – as well as updating information on some others. Of the 14 donor headquarter studies and updates reviewed, five studies report positive changes in the level of delegated authority to country level in response to the Declaration[124] while Austria and the US report no change in delegated authority.

In terms of decentralisation, findings so far show a continuum of progress, as follows:

- from donors whose high levels of decentralisation are perceived as adequate to meet Declaration commitments (Denmark and Australia);[125]
- to self-reported high levels of decentralisation constrained by headquarter decision-making on e.g. Division of Labour (the Netherlands);
- to donors which are aiming to decentralise but where progress is slow (Spain and the African Development Bank[126]);
- to donors which remain fairly centralised, particularly in terms of decision-making (Sweden, New Zealand);
- through to those which remain highly centralised (Austria and the US).

The studies and updates, like the DAC Survey, report on some of the organisational and technological obstacles to decentralisation and delegated authority cited by donors.

The overall evidence from the country level does not support the following strongly positive interpretation put on the DAC Survey results on decentralisation, apart from the fact that the issue has had a higher profile since 2005.

> *'DAC member agencies have made, and are continuing to make, strong efforts to decentralise their development cooperation systems. Although some members had begun decentralisation prior to the Paris Declaration, the Declaration appears to have had a galvanising effect leading to increased decentralisation efforts and ensuring the issue has a high profile.'*[127]

The main difference in these findings may arise from the different perspectives of the partner countries, pressing to see tangible progress on decentralisation, and donor/agency headquarters, painfully aware of the many practical obstacles to overcome and issues to manage. Nonetheless, the evidence from both the evaluations, donor/agency studies and the DAC survey is consistent in showing that a number of donors/agencies have long since managed to resolve these challenges. The evaluations also share a consistent finding that these donors/agencies are more effective as a result.

123 Information about Switzerland's decentralisation relates mainly to Swiss Agency for Development (SDC). The State Secretariat for Economic Affairs (SECO) has not started a structured process of decentralisation yet.

124 Asian Development Bank, Australia, Ireland, Japan, UK.

125 Australia has an approach whereby 'the extent of devolution depends on the size and location of country programs, with management tending to be less than fully devolved to smaller offices' Australia p.6.

126 "Decentralisation reform is seen as single most important factor affecting the Bank's performance on aid effectiveness by both staff and partners in regional member countries (see staff survey, Annex 5), but slow progress means that delegation of responsibilities is still ongoing and the scope for effective engagement at country level remains limited.' (Para 16).

127 OECD (2009) *Survey on the levels of decentralisation to the field in DAC Members' development cooperation systems* DCD(2009)3/FINAL 26 May 2009.

Policy coherence: All the donor/agency studies have documented the long distance still to go to improve policy coherence in dealing with partner countries, particularly through donor systems with multiple organisations, and in fragile situations where developmental, security and political interests and agencies come most strongly into play. This finding is consistent with those from donor/agency studies and updates. These show that most donors are still searching for mechanisms to ensure an informed and balanced government-wide handling of the range of policy issues that affect development in partner countries, taking into account the diverse national and institutional interests at stake. Those donor systems where multiple institutions maintain major distinct aid operations are shown to be struggling to strengthen coherence even among their aid programmes, let alone in wider policy areas. At the same time a positive finding in the Japan study deserves to be highlighted. The major rationalisation underway in the Japanese aid system, the fifth largest bilateral aid programme in the world, offers a serious prospect that even deeply rooted institutional interests and obstacles to coherence may be overcome. These fundamental structural changes – with major milestones in 2006 and 2008 – had important internal drivers and were also influenced by Japan's participation in the international aid effectiveness campaign.[128]

VIII. Sufficient integration of global programmes and initiatives into partner countries' broader development agendas (mainly responsibility of global programmes and their supporters)

Findings: Progress towards the sufficient integration of global programmes and initiatives has been mostly slow, with only a quarter of the reporting evaluations indicating progress, and others documenting problems caused and the pressures exerted by the lack of integration of these major programmes.

All but one of the country evaluation reports include findings on this expected outcome. A clear majority[129] finds that this integration of global programmes is insufficient and does not find significant progress in this direction, one-third finds that it is satisfactory.[130] Some come close to questioning the validity of the Declaration's goal of integration. The analysis focuses on the major health programmes, and the following excerpts reflect the range of findings.

'There is evidence of some integration of global programmes into broader development agendas, with Government of Nepal formally applying for the Global Alliance for Vaccines and Immunisation (GAVI) and other global support based on their strategies. However global programmes have not effectively aligned at the institutional and operational level though GAVI is going to channel its capacity building resources through the SWAp pooled account.' (Nepal p.52)

'Both Government and donors state that global programmes and initiatives are not sufficiently integrated into the national strategy or national systems. Rather, they tend to take a top-down approach, require dedicated conditionalities and reporting and display a limited ability to integrate with existing initiatives in the country or to use national systems without requiring specialised conditionalities. Very high transaction costs are reported and the Ministry of Health has even proposed that a stand-alone, donor-financed, external unit is needed to take care of the administrative requirements of the Global Fund. A lack of official representation in country exacerbates the situation and Government states that common funds are much more effective than global programmes and initiatives in achieving development results. However, this may depend on the timescale considered, as it was felt that vertical funds may deliver results faster, but are unsustainable in the medium term.' (Mozambique p.41)[131]

Nearly half of the evaluation reports make clear that this is a complex and controversial issue in the countries concerned. Even those critical of the insufficient integration of global programmes in several cases explicitly recognise the importance of the additional funds and activities involved, and in some cases the results achieved, particularly in relation to a number of key health improvements. At the same time, a third of all the evaluations convey critiques of wider negative effects on national priority setting and the development of sustainable health systems. The Malawi evaluation comments on the high transaction costs reported in the implementation of vertical programmes, while the Cook Islands report implies that the country has actually integrated into the global funds' priorities rather than the reverse.

The one-third of assessments that are positive find, as the Senegal study says, that these programmes 'fit within national strategies, align and harmonise',[132] and the Uganda and Indonesia studies note the governments' stated position that the global health programmes are considered core programmes within the ministries concerned, and so are considered to be embedded in the country's broader sector development

128 Participation in the international campaign for aid effectiveness as a driver for reform is also cited in the Spain study.

129 Cameroon, Colombia, Cook Islands, Ghana, Malawi, Mali, Mozambique, Nepal, Samoa, Vietnam and Zambia raise concerns around regionally funded initiatives and how many donors are attracted to support such initiatives largely because it is more convenient to the donor to spend through such channels.

130 One evaluation finds a mixed picture (Bangladesh), one is very positive (South Africa) while the final findings of another are unclear (Benin).

131 See also Mali p.39.

132 Senegal p.42; see also South Africa.

agenda.[133] The Vietnam evaluation, which finds that the integration is underway but at an early stage, notes the hope that the International Health Partnership Plus will hold out potential for further improvement.[134] The Bolivia study sees benefit in the fact that such programmes enable a focus on institutional capacity in specific sectors.

The Netherlands update cites the widespread finding from embassies that global funds and vertical funds, with the exception of a few initiatives, have been undermining the agendas of Paris and Accra by placing exorbitant demands on national capacity while also jeopardising national planning processes.

IX. Stronger partner countries' capacities to plan, manage and implement results-driven national strategies (mainly partner country initiative/responsibility)

Findings: With a small number of reported exceptions, the pace of progress towards this goal is slow and the limited distance covered is noted as a source of frustration in several cases. There is also considerable evidence that the destination for this reform is not always clearly or commonly understood by many countries and agencies.

All the evaluations report on this expected outcome. Four of them[135] cite clear evidence that the countries have strong national capacities in these areas, and the Indonesia study asserts that this is the case.[136] One of these evaluations, in Colombia, notes that the government does not apply its strong capacities fully to development cooperation, given the relatively modest resources involved. The Mozambique study[137] finds that in spite of a strong and reasonably operational assessment framework (with an improved score from C to B on the 2005-07 Monitoring Surveys) the system is still not used enough to inform future action.[138] The Uganda report finds that:

> *'Performance in relation to management for development results has improved. PD (Paris Declaration) has made a contribution in encouraging development partners to increasingly focus on development outcomes and the need to work together and also with the government in improving national statistics and poverty monitoring. However, other factors have been equally important. Prior to PD, Uganda's concern for development results was already strong.' (Uganda p.64)*

Four-fifths of the other evaluations find varying degrees of strengthening of results systems since 2005 and more efforts underway, but with limited effects in most cases. The appraisal by stakeholders reported in the Nepal evaluation report is fairly representative:

> *'Both Development Partners (DPs) and Government of Nepal (GoN) respondents agree that there has been a greater focus, in recent years, on the preparation of results frameworks and results based reporting. Some major DPs are providing support to sharpen results based frameworks and reporting systems, notably the Asian Development Bank (ADB), who have been supporting the mainstreaming of managing for development results (MfDR) since 2005.*
>
> *However, both GoN and DP respondents indicated that the leadership provided by GoN towards a greater focus on results is less than adequate. 77% of GoN respondents said that GoN is only partly leading this process and 89% of DP respondents felt that GoN was only partly leading or not leading at all. Although work is ongoing focused on improving monitoring frameworks, 68% of DP and 69% of GoN respondents felt there is little improvement or no improvement at all in the GoN monitoring frameworks.' (Nepal p.49)*

Efforts in different countries often follow different paths, with diverse drivers and obstacles and realising varied kinds of progress:

- new budgeting systems have been a spur in two countries, in Benin bolstered by the requirements of a widening multi-donor programme of budget support which 'reinforces the culture of evaluation of results';[139]
- investment in monitoring and evaluation capacities;
- results-based approaches institutionalised in Medium-term Expenditure Frameworks where they have allowed

133 Although the sector study on health in Uganda states that 'Global funding initiatives such as the Global Fund to Fight AIDS, Tuberculosis and Malaria and the Global Alliance for Vaccines and Immunisation have not always been on budget and well aligned to sector priorities. Resources have been channelled through donor project funding mode and predictability has been limited. In order to improve overall efficiency in the sector it is planned that funding from global initiatives will be better integrated with Health Sector Strategic Plan III activities and more predictable in the future.' p.45.

134 Mozambique also cites the hope being placed in the US' Global Health Initiative to work with Governments and other donors to target system-wide change, p.41.

135 Colombia, Mozambique, South Africa, Uganda.

136 Uganda adds that the main problem to be addressed, which was also documented by the Phase 1 Evaluation of the Declaration, is not so much to do with measurement of outcomes and impacts per se, but about the weak monitoring of the quality of inputs and of implementation of aid financed initiatives which is really hindering aid effectiveness in relation to development outcomes, p.66.

137 Mozambique p.43.

138 See also Ghana p.44 for evidence of some level of strengthening in Ghana's capacity in this area. South Africa reports strong capacity on results based management in its universities, with consultants and in civil society which as yet Government has not made sufficient use of in its operating systems. 'This is changing however, with contributions to critical issues of measurement coming on stream', p.42.

139 Benin p.51.

linking policy, public expenditure and results, with joint reviews providing a platform for mutual accountability.

Several evaluations find limited progress because of over-stretched capacities and/or insufficient investment in this work, while Bangladesh and Samoa are investing in generating reliable data as a base for stronger systems. Three other countries, Cambodia, Zambia and Malawi, are found to be moving in the right direction and have in place much of the 'architecture' for results-driven strategies but these systems are not yet mature or effective in managing major shares of resources or they have severe capacity constraints. The evaluation in Vietnam finds that this is still an area of weakness, and only a 'long-term objective' because it is complicated by structural issues such as the organisation of the budget and decentralisation.

Many of these countries are investing in capacity development in these areas in varying degrees and several specifically find relevant support for this work from donors[140]. Other findings from different evaluations include:

- 'substantial progress has been made since 2005' (Nepal) but little evidence exists of donor support to government work;
- donor partners are putting forward inadequate efforts to strengthen the mechanisms and tools to evaluate national strategies (Mali);
- the country's own emphasis on managing for results has led donors to increasingly apply results-based approaches but that results are not visible yet (Senegal);
- the move to reduce and harmonise the use of indicators in one general budget support framework agreement – from 85 to 30 (Senegal);
- there has been insufficient progress overall (Cameroon, Mali and Bolivia) and a failure to take this work seriously enough (Indonesia).

On the donor side, a number of efforts are identified within donor studies and updates to adopt or strengthen results approaches.[141] The seven donor headquarter studies and four updates which commented on this area identified the following problems relating to both partner countries' systems, the donors' own and the relationships between the two. It should be noted that these findings and obstacles still echo those found in Phase 1 of the Evaluation in 2008:

- Three studies (Japan, Sweden, US) note concern that reliance on partner countries' management information and statistical systems can undermine monitoring and reporting on results where these are weak and where there is limited commitment to improvement.
- The same three studies comment on challenges of attribution, particularly where reporting results is heavily reliant on the use of national systems.
- Two studies (Sweden and Japan) identify a tension between the Declaration commitment to strengthening partner country systems for results (ownership and alignment) and the need for accountability driving a donor-centric agenda of results reporting. Phase 1 of the Evaluation found that this was a problem with results reporting for donors in general and there is no evidence to suggest that this has changed.

Other factors identified by individual studies are:

- a lack of specific additional monitoring of adherence to Paris and Accra Commitments beyond the DAC monitoring cycle (Ireland) and/or a lack of objective ODA indicators (Spain);
- a lack of an organisational culture of monitoring and evaluation and a lack of capacity to design results frameworks/conduct monitoring and evaluation activities (Spain);
- a lack of clarity around understandings of Managing for Development Results (Sweden);
- excessive initial emphasis on the design of frameworks and indicators, and not enough on systems for data collection (African Development Bank).

3.6 Delivering and Accounting for Development Results

X. a) Enhanced respective accountability of countries and donors to citizens and parliaments (donors and partner countries separately responsible)[142]

Findings: With a number of striking exceptions, progress among donors, from a higher starting point and with greater resources, has been mostly slow. Among partner countries it has also mostly been slow with substantial distance remaining, but some countries have made moderate progress from a higher base and show what is possible. More partner countries are taking in hand the need to secure and publish donor information about aid. Two-thirds of the evaluations reporting find that countries' own provision of information about aid has

140 The Asian Development Bank reports having increased its technical assistance support for partner country capacity in this area.

141 Examples include: (Asian Development Bank) an extended MfDR action plan developed to mainstream MfDR across the Bank; (Australia) new systems to improve the rigour of performance measurement and quality assurance systems; (Netherlands) part of its support to GBS put on a 'structural basis', with part in the form of an 'incentive tranche' based on the scores for the indicators within a Performance Assessment Framework results matrix.

142 See UNDP/UNDCF survey of national mutual accountability initiatives in 70 countries.

improved, generally along with greater accountability to and through parliaments, and through them potentially to citizens at large. Only six evaluations address accountability to organised civil society, with quite mixed findings.

Timely publication of key information about aid flows, uses and results is the pre-requisite for enhancing the accountability of countries and donors to their citizens and parliaments. In most cases, submission, scrutiny and acceptance of the key information and proposals by parliaments are both a major vehicle for public transparency and an important part of the legal process. Meaningful opportunities for direct consultation and participation by citizens and organised civil society are also expected under this outcome.

None of the country evaluations tries to assess donors' accountabilities to their own parliaments and publics, but nearly two-thirds of them do address the donors' transparent information on aid within their host countries. Half of these find that setting up national databases on aid flows has increased transparency and the potential for accountability. Another three countries – Cameroon, Senegal and Zambia – are aiming to get similar databases into place to be able to hold donors accountable for their commitments and improve on aid predictability, and one further evaluation, in Benin, endorses the same need. On the prerequisite of national publication of basic information about aid, the Colombia and Uganda reports find that already strong systems have been maintained, ten[143] that the practice has been enhanced to varying degrees since 2005, and six[144] that it is no better.

Accountability to (and thus through) parliaments is found to have been enhanced in the same half of the evaluations, although the degrees of improvement vary widely, and in some half of these cases formal review is only assured of parts of the entire aid/budgetary/results cycle. Other findings include:

- It is open for the legislature to play a more active role, but aid is not a compelling political issue at the national level.
- Chronically late submission of budget laws has undermined parliamentary and public accountability.
- Three evaluations, in Vietnam, Cameroon and Bolivia, find that donor accountability is still quite limited.[145]

Just under one-third of the evaluations include direct findings on consultation and participation by citizens and organised civil society in aid matters. It is found to be growing moderately in three countries through the government providing more space and/or through the pressure of civil society organisations (CSOs). Other evaluations find a wide range of results and reasons:

- A slow pace and great distance still to travel are found in five countries.
- Mozambique has formal structures in place but limited involvement in practice.
- 'Limited demand' is found in Vietnam while in Senegal there a strong demand from CSOs for a more participative process of preparing national strategies.
- The sheer numbers of different organisations to be consulted and the multiplicity of different voices are found to be an obstacle in South Africa.
- The Cambodia evaluation finds encouraging signs of mutual accountability among government and civil society stakeholders at the local level.

Only one evaluation, in Benin, finds that Declaration related changes have had a direct effect in enhancing transparency and accountability, while eight others imply that they have probably had at least an indirect effect. At a minimum, as the Cook Islands evaluation finds, 'expectations from stakeholders are increasing'.

The Phase 2 results have largely supported the finding in the Phase 1 Synthesis that the domestic transparency and accountability of both donors and partner countries is the foundation of mutual accountability. This was also the specific starting point in the Declaration itself. Nonetheless, it remains true that direct mechanisms of *mutual* accountability have evolved in fewer cases than expected.[146] The few additional substantive inputs on this outcome from the donor studies confirm the sense of scattered and limited progress emerging from the country evaluations. Three studies – in Japan, Sweden and the US – found a lack of mechanisms to address mutual accountability despite specific policy-level commitment to the principle in the first two countries.

Other arrangements that have been put in place include:

- an intensified/continuous strengthening of country system capacity (Ireland, the Netherlands);
- an emphasis on joint evaluations (Japan);
- the publication of conditions linked to disbursements (UK);
- increased transparency and publication of information on country allocations and disbursements (UK);
- specific country level work with other donors and government partners to improve mutual accountability (UK);

143 Bangladesh, Benin, Cambodia, Cook Islands, Malawi, Mozambique, Samoa, Vietnam, Indonesia, Zambia.

144 Afghanistan, Bolivia, Cameroon, Mali, Nepal, Senegal.

145 For example Bolivia notes that accountability seems more concerned with donor accountability to their constituencies at home than to Bolivian society, p.71.

146 Ghana cites a unanimous view of survey respondents that the quality of dialogue on public financial management has improved.

- use of tools such as governance and corruption analyses (Netherlands, UK);
- ensuring engagement with civil society in partner countries when employing modalities such as sector wide approaches (Netherlands).

Part of the explanation offered for the limited progress is the difficulty of mobilising and structuring mechanisms to put into effect such a commitment requiring agreed action between the partner country and many donors.

Another source of interesting findings and analysis on the status and progress of mutual accountability mechanisms and aid transparency initiatives at country level has been the survey in 70 countries carried out by the UN system to inform the 2010 Development Cooperation Forum and the High Level Meeting of the UN General Assembly on the Millennium Development Goals in September 2010.[147] The background paper building on this survey included a wide range of findings and proposals relating to mutual accountability at both the national and international levels. Some of the main points, mainly around the national level, were these:

- Progress on mutual accountability is limited, but a few countries have established important foundations as a basis for future progress.
- There is still much confusion over what mutual accountability on aid means, how to measure it and how much progress has been made. A much clearer definition should be given in the 2011 Paris Declaration survey.[148]
- A strong need exists for regular global assessments of progress on national-level mutual accountability, to learn lessons and create pressure for stronger global progress.
- The international community should judge mutual accountability as meaning that parliaments and other domestic stakeholders hold not only their own executive government, but development cooperation providers, responsible for their aid.
- Like-minded donors need to be even more proactive in leading national-level mutual accountability.
- Non-DAC providers (governments, global funds, NGOs and private foundations) should be encouraged more strongly to participate in national-level mutual accountability.
- Much more effort is needed to connect international and national-level mutual accountability and transparency processes.

X. b) Progress towards commitments in the Accra Agenda for Action (para. 24) on transparency and accountability for development results (donors and partner countries separately and jointly responsible)

Findings: Both the lack of widespread findings and the nature of the findings available testify that progress toward the transparency goal has been mostly slow to moderate for both donors and partner countries, and slow to none on the joint goal of having 'mutual assessment reviews…in place by 2010 in all countries that have endorsed the Declaration'.[149]

Enhanced transparency, a theme which cuts across most of the key goals, has been mainly covered under Outcome X above. It is worth noting here, though, that a broad International Aid Transparency Initiative (IATI) has begun to open up new windows, assuming that it is careful to add value to existing information systems. Support for this initiative and collaboration with its work offers another opportunity for both donors and agencies, partner countries, civil society and others to follow through on their commitments to this principle.[150] This organisation was launched in September 2008 in Accra, Ghana, as an initiative which aims to make information about aid spending easier to access, use and understand. It brings together donor countries, developing country governments, non-governmental organisations and experts in aid information to agree ways of sharing more and better information about aid. Two donor updates – for the UK and the Netherlands – cited the Initiative as a specific mechanism for ensuring mutual accountability. Sixteen other donor countries and agencies are also signatories of the Initiative, together with 19 developing countries. In the case of Sweden and the UK, domestic Transparency Guarantees have also been introduced.

In another noteworthy initiative, a non-governmental organisation, Publish What You Fund, has gone further with the first attempt to undertake a detailed comparative stock take of the current levels of aid transparency among donors. Working from eight data sources and using criteria and a total of 16 weighted indicators derived from its set of Aid Transparency Principles, this assessment uses a specified methodology to

147 See ECOSOC (2010) *Key findings of the 2010 mutual accountability survey, Development Cooperation Forum, and Martin, M (Ed); Rabinowitz; G and Kyrili, K (2010) Review of progress in international and national mutual accountability and transparency on development cooperation* Background Paper for Development Cooperation Forum High-Level Symposium, Revised Version, October 2010, The United Nations Economic and Social Council: New York.

148 Apparently the Survey and discussion were instrumental in revising the original over-simplified question on this issue for the 2011 Paris Declaration Monitoring Survey.

149 Accra Agenda for Action, para. 24b.

150 The recent "Quality of Official Development Assistance" proposal for ratings actually includes donor membership in IATI as an initial indicator of high quality assistance as part of its "transparency and learning" dimension. Eighteen donors have so far become signatories to IATI, and 19 partner countries are endorsers, the difference being that donors undertake specific reporting obligations. This Initiative is open to all, including providers of aid from beyond the OECD/DAC, so it could become a vehicle for more inclusive transparency in future.

produce aggregate transparency scores for 30 multilateral and bilateral donors. They find very wide variations among donors, with the highest score more than double that of the lowest. The authors put caveats on the use and interpretation of these results, and they are criticised in some quarters.[151] This Evaluation has not made any full assessment of its own on their reliability, but finds that they are sufficiently well-grounded to cite here. This may help stimulate debate and hopefully further action on what is probably the most vital foundation for aid effectiveness, where authoritative information and action have been badly lacking for far too long.[152]

As to structured arrangements for mutual accountability, while there is no clear overall trend, it is worth identifying a range of individual findings falling in two broad groups:

a. Countries where there is incremental progress or good potential identified:

- The Bangladesh evaluation finds functioning arrangements for mutual assessments in two sectors and notes plans to develop a wider system.
- Two others, in Cambodia and the Cook Islands, find systems that are gradually improving, with one crediting improved compliance with financial management and procurement requirements, audits and prosecutions (alongside the Declaration principles) for helping achieve this advance.
- In Senegal, the medium-term expenditure framework and the proposal for more focused indicators in the framework agreement for budget support are found to offer prospects for improvement.

b. Countries where efforts have been made but with little success so far:

- In Colombia, a tripartite mutual accountability forum was tried in 2010 but was mainly limited to sharing information.
- In Malawi, a High Level Forum on aid coordination ran in 2007 but was 'not particularly successful'.
- In Zambia, donors find mutual accountability weak, largely due to lack of progress in developing a formal mutual accountability framework, and compromised by weak data availability and management.

151 For example, the inclusion of membership in IATI as one of the 16 indicators is contested by some.

152 See Publish What You Fund, *Aid Transparency Assessment*, 2010. For reference the aggregate scores are summarised below:

- Group 1: Above 75% (World Bank, Netherlands, UK);
- Group 2: Above the donor average of 60.8% (EC, Ireland, AsDB, Sweden, Australia, Global Fund, AfDB, IDB, Norway, UN, Denmark and Germany);
- Group 3: Below the donor average of 60.8% (Finland, Switzerland, Belgium, Spain, GAVI, France, New Zealand, Canada, Luxembourg, U.S. and Korea); and
- Group 4: Below 50% (Italy, Portugal, Austria and Japan).

Several of the evaluations[153] emphasise the overriding problem that accountability between the country and donors remains asymmetrical.

'The Paris Declaration has enhanced transparency and mutual accountability at the country level in Cambodia, although accountability relations with development partners have remained asymmetric' (Cambodia p.41)

'Mutual accountability perhaps generates the most tension between the Government of the Republic of Zambia (GRZ) and donors. Some GRZ officials interviewed expressed the view that whereas there is much scrutiny of government's actions, donors are not equally open to scrutiny on their part on issues such as timely release of aid. The inclusion of donor performance related indicators on the Performance Assessment Framework may go a long way in addressing this perceived imbalance. Other GRZ officials also want civil society organisations receiving donor support [to] be made part of this mutual accountability framework.' (Zambia p.20)

XI. Less corruption and more transparency, strengthening public support and supporting effective resource mobilisation and allocation (donors and partner countries separately responsible)

Findings: The measures needed to improve transparency have been progressing slowly to moderately in almost all cases and it is now clearly stronger in half the countries. A range of anti-corruption measures is being attempted in even more countries, but appraisals by informed respondents and other sources cannot yet document the kind of tangible progress that would be needed to strengthen public support and the effective mobilisation and allocation of resources.

All evaluations report findings on this expected outcome, with their coverage focused on the situation and actions in countries, not on the expected complementary efforts by donor countries to combat corruption internationally.

Complementing other findings on transparency, eight evaluations[154] specifically find more transparency on public finances. More than two-thirds find new or reinforced anti-corruption strategies or sets of measures since 2005, including steps to strengthen laws, audits, institutional and procurement reforms. Five[155] find little significant impact as yet. Four evalu-

153 Cambodia p.41, Mozambique p.47 and Malawi include commentary on asymmetrical power relations.

154 Bangladesh, Benin, Cambodia, Cook Islands, Malawi, Mozambique, Samoa, South Africa.

155 Bolivia, Cameroon, Indonesia, Malawi, Mali.

ations[156] point explicitly to recent or ongoing investigations. The reports note different assessments in some cases, by governments, donors and civil society of the efforts being made and the progress achieved. None of the evaluations finds marked progress in reducing corruption[157] as yet, and several testify to the stubborn obstacles still in the way:

- In Afghanistan, the internationally-publicised anti-corruption strategy is little-known within the country, and duplicative and competitive roles between agencies impede effective measures.
- In Benin, a sweeping governance reform programme launched in 2006 with a set of anti-corruption tools and public service modernisation including human resource and remuneration reforms has yet to bear fruit.
- Uganda finds that in spite of a stated 'zero tolerance' policy and an array of anti-corruption agencies at the national and local levels, corruption remains unabated.

At the same time, a number of the reports signal a rising tide of public anger and frustration at corruption. The Benin report is succinct:

> *'Corruption is the factor most hindering progress in the area of public finance in Benin. This phenomenon is perceived today by all segments of the population as a genuine obstacle to the country's socio-economic development'. (Benin p.37)*

In several cases, joint action with donors (or concerted pressure by them) has been an important reinforcing factor in combating corruption:

- In two recent instances (Uganda and Zambia), groups of donors providing budget or sector-wide support took strong joint positions to secure action.
- In Nepal, pressure by a donor led to recommending independent procurement for a sector programme.
- Government-donor dialogues on corruption are maintained in several countries, mostly pressing for stronger enforcement.
- Even in Senegal, a country where there has been regression in transparency, with large blocks of public funds – presidential, national assembly and audit funds, as well as those from emerging donors – not open for budget scrutiny, the evaluation finds that concerted and sustained donor pressure was helpful in achieving a new procurement code.

Donors' actions to combat corruption internationally mainly go beyond the ministries and agencies responsible for aid, being channelled through their broader governmental and legal structures. The key instrument has been the 1999 OECD Anti-Bribery Convention, reinforced by the 2009 Recommendation for Further Combating Bribery of Foreign Public Officials in International Business Transactions.

3.7 Summary points on the findings on aid effectiveness

The three objectives in Core Question 2 – improving the efficiency of aid delivery and the management and use of aid and promoting better partnerships – have cut across the assessments in this chapter of progress against the main expected outcomes of the Declaration. Reviewing the findings gives the following perspectives.

Efficiency of aid delivery

Summary finding: Overall, the picture on efficiency gains is mixed, but so far disappointing in relation to the importance of this consideration among the Declaration's objectives.

The general finding of the Evaluation is that there has been generally little reduction to date in aid management burdens where Declaration-style cooperation has been applied – and even increased burdens have been noted in a few cases. This suggests that if there were original hopes of rapidly reduced burdens, these have been proved unrealistic.

At the same time, many Declaration-style mechanisms and practices are allowing for a much better overview of aid by the partner country and donors. When matched by sufficiently robust country systems, they have increased the country ability to handle more strategic support, particularly at the sectoral level. Other things being equal, this is reflected in rising donor expenditures on aid.

More specifically, where aid is delivered through programme-based approaches, as is clear from analyses in the health sector, efficiency appears to have increased in cases where reforms are well embedded. However, in other cases, the transaction costs are so far considered to actually exceed the requirements of working bilaterally – often associated with little or no reduction in donor missions, meeting requirements or analyses.

Finally, at least indirect efficiency benefits may be expected from the contributions being made by Declaration-style aid to strengthening public financial management reforms.

Management and use of aid

Summary finding: With all the necessary reservations about slow and uneven progress, it is clear that overall the management and use of aid has improved in the countries studied, especially in relation to the pre-Declaration

156 Indonesia, Malawi, Mali, Zambia.

157 For example Benin p.51, Mali p.29.

situation. Further, Declaration-style aid appears to have made significant contributions to that change. Global programmes are mainly found to still be insufficiently integrated with other processes, but in some cases are considered to be making stronger contributions to development results.

While the record for each of the relevant outcomes is mixed across and even within countries, aggregate standards are rising. Some countries are exerting strong ownership and confident management and use of aid across a wide span, with others doing so on a selective basis in particular sectors or programmes. Effects are very dependent on the context of the operating environment. Elements which appear to support improvement are:

- the length of time that Declaration-style reforms have been embedded;
- strong country ownership including political governance and political and bureaucratic commitment;
- a strong policy framework, both for development objectives and for aid itself;
- robust country systems; and
- strong and comprehensive reporting and assessment frameworks.

Virtually all the evaluations cite at least a sector-level example of strong management and use of aid, even where there are caveats, and there are some good examples of national-level improvements e.g. through general budget support.

A sufficient critical mass of donors has been available to support and participate in these cases of improved management and use – judging that systems are sufficiently robust. There is evidence that at least a strong minority of donors is ready to do more, and to address and manage the risks involved as necessary. While there are clearly still disagreements and frustrations about how far improvements in these areas have gone and could go, few instances of major disputes have been reported.

However, there remain widespread concerns around public financial management and corruption issues, cited as a major constraint to progress in some contexts. Improved results strategies and frameworks provide further assurance and a basis for confidence. The Evaluation also finds evidence of a need for greater sustained commitment at policy level to using aid to give priority to the needs of the poorest and most excluded, including women and girls.

Promoting better partnerships

Summary finding: The group of outcome assessments which reflect 'building more inclusive and effective partnership for development' show a generally positive change. A direct change that has occurred is that the Declaration has placed an explicit focus on aid relationships, and opened up important dialogues about partnerships themselves – between countries and donors, donors and donors, and with other stakeholders, rather than just the technical or financing aspects of managing aid. There are also a number of clear practical benefits already being felt.

There is evidence that partnerships are generally now operating on a firmer basis, based on strengthening levels of transparency, partner country ownership and structured arrangements for higher-level dialogue and collaboration, particularly around programme-based modalities for aid. These naturally add to the requirement to break down some of the boundaries, agree priorities and set about addressing them.

There is some evidence of donor rationalisation particularly where supported by an Aid Management policy or similar instrument, and strong government leadership. However, this is not a comprehensive trend. Predictability is improving, but fragmentation continues to impede dialogue and a shared understanding of priorities and ways to tackle them. Much more concerted and coherent effort is needed from both donors and partner countries.

The lack of consistent donor delegation to the field is frequently cited as a practical obstacle to better partnership behaviour. Decisions being made at headquarters – or not being made when needed – are impeding progress, and partnerships, on the ground.

The improvements achieved in partnerships so far have been made despite limited progress almost everywhere in setting up adequate mechanisms for mutual assessments of performance. Neither donors nor partner countries can claim to have met all their commitments, but a recurring theme is that relationships remain largely asymmetrical. Making further progress against this obstacle will require much stronger leadership from countries, with donors acknowledging their responsibilities for accountability within the relationship.

The promising base for improved partnerships may moreover be fragile. In moving from the early stages of implementing aid reforms into deeper problem-solving and meeting new challenges, the demands on partner countries and on donors as a group are likely to intensify. Early improvements in habits of partnership and foundations of greater trust will be tested to see if they are resilient enough to withstand these changes, without dissolving or sliding back into the fragmented approaches of the past.

4. Findings on Contributions to Development Results

4.1 Core Evaluation Question 3: 'Has the implementation of Paris Declaration strengthened the contribution of aid to sustainable development results? How?'

This chapter of the report takes the next step from analysing changes in aid effectiveness to analysing the evidence on whether the Declaration campaign has yet contributed to results. It will:

- briefly assess the overall responses of the evaluations to this question; then
- lay out the evaluation findings by the four more specific sub-questions set out in the Evaluation Matrix.

4.2 Overall findings under this question

None of the evaluations finds an immediate and direct connection between the Declaration campaign and development results achieved, but there is evidence in a solid majority of the reports that it has made at least some *plausible contributions* to better results through the pathways of the reforms traced in the previous chapter.

The analysis follows the agreed framework for assessing the possible contributions of aid reforms to sustainable development results.[158] The contributions of aid – and in turn any reforms – are dependent on the development progress achieved in a country. Aid is only one factor, as the Chapter 2 on Context emphasises.

Following the agreed framework, the country evaluations relied on conventional sources for reports on the development progress achieved. Then other evaluative work and assessments were used to gauge the contributions of aid to those results. As a third step, the evaluators assessed what value the reforms could so far have added to aid. Before crediting the Declaration reforms with any contributions, the evaluations have taken into account the influence of other factors in improved aid contributions and development results, and weighed alternative explanations including the possibility that the results might have occurred anyway in the absence of these contributions.[159] The findings in the evaluations on these questions are consistent with their findings on changes in aid effectiveness synthesised in the previous chapter.

The four areas examined[160] were:

1. results in specific sectors (particularly in health, the common study sector);
2. results in giving priority to the needs of the poorest;
3. results in strengthening institutional capacities and social capital; and
4. results in improving the mix of aid modalities.[161]

The findings across these areas are summarised in Table 3 below, followed by further analysis of the evidence.

158 All of the evaluators involved knew that tracing these effects would be a major challenge. Some were initially very sceptical, and some reports are still tentative in making findings on this Core Question.

159 Thus they applied the basic rule of the 'contribution analysis' approach to evaluation.

160 Many other areas of results could have been chosen for testing. The selection of a small number of areas was necessary for the evaluations to go into sufficient depth. These four were selected, through extensive consultation among participants, as being representative of some of the most important issues for development results and offering the prospect of sufficient information and primary analytical sources.

161 The mix of aid modalities – between projects, programmes, budget support, etc. – is clearly not a development result in the same sense as the others, but the findings are fundamental, given the widespread assumption that the Declaration agenda is centred on increasing programme-based approaches to aid as a key to better results.

Table 3. Summary of Aggregate Contributions to the Development Results Analysed

Assessed through a three question sequence:

1. Were development results achieved? → 2. Did aid contribute? → 3. Did aid reforms plausibly add value to the aid contribution?

Development result/s analysed	Progress achieved[162]	Contribution of aid to progress	Contribution of aid reforms since 2000-05 to the aid contribution	Strength of the evidence chain[163]
Development outcomes: Enhanced development results in specific sectors *(notably in health as the common case study)*	Some	Some / substantial	Some / little	Adequate
Reaching the poorest: Greater priority to the needs of the poorest people, including women and girls	Little	Some / little	Some / little	Adequate
Building capacity: Sustainable increases in i. institutional capacities and ii. social capital	i. Some / little ii. Some	Some / little	Some	Poor
Aid modalities: More effective mix of aid modalities *(e.g., projects, programmes budget support, etc.)*	Some / little	Some	Some	Adequate

Because of the range of different findings, the ratings show the most common finding first, followed by the next most common, with more particular findings reflected in the detailed analysis.

As in Table 2, the multiple ratings given list the largest category first, followed by the smaller one where applicable. To explain these aggregate findings with the first two examples: for results in sectors, notably health, *most* of the country evaluations found *some* progress in terms of development results. *Most* reports showed either *some* or a *substantial* contribution of aid. *Most* – though not all – countries found *some* plausible contributions of aid reforms to the contribution of aid itself to the intended result/s.

In terms of giving higher priority to the needs of the poorest people, the results achieved are mostly assessed as *little* and the contributions of aid are also assessed as *less* than for the first area, *but* the value added to the aid contribution by aid reforms is somewhat *greater* than in the case of health.

4.3 Specific findings

Development outcomes: "Were results in specific sectors enhanced through the application of the PD principles?"

Findings: A majority of the evaluations find at least some significant progress in development results since 2000-05, notably in health. Most also find some (if uneven) contributions by aid to those improved results, in some cases substantial.

162 Scale: Substantial, some, little, none.

163 Scale: Good, adequate, poor.

The evaluations find between some and little strengthening of the contribution of aid over the period linked to the Declaration's reforms package. These effects are mainly related to the Declaration's role in promoting, strengthening and legitimising platforms and frameworks for action and coordination. By facilitating greater investment, participation and efficiency the evaluations find that there are already plausible contributions by Declaration-influenced aid to improved health services or outcomes, with more mixed or inconclusive results in other sectors.

Focusing on contributions in specific sectors has largely succeeded in grounding the analysis and in helping to explain performance. All of the 21 reports find some contribution of the Declaration campaign in sectoral development efforts. Many of these reflect process changes, but they have often facilitated greater investment, efficiency and development results in the sectors concerned. The different levels and types of roles – and some remaining challenges – are elaborated in the following excerpts from reports:[164]

'Areas of contribution to progress on aid effectiveness of the Paris Declaration (PD) include development policy framework, aid coordination mechanisms and sector wide management approaches. These are significant and sustainable results which have translated into some development investments which reflect all or some of the PD principles in their design and implementation. More specifically, the PD has enhanced intense dialogue in the sector which has contributed to the development of mechanisms and processes that have encouraged coordinated support to national systems and the wider use of programme-based approaches. PD commitments have guided implementation of the National Strategic Development Plan towards achievement of the Millennium Development Goals.

The PD has encouraged harmonisation of donor approaches as evidenced through the Joint Assistance Framework and Division of Labour in the health sector. However, most development partners are caught between working collectively at country level and responding to differing priorities and concerns of their Headquarters Offices. … The continued fragmentation of aid modalities places a huge administrative burden on sector capacity and is a reflection of lack of trust and confidence by development partners in national systems.

…It is difficult to trace whether the PD has been an influencing factor in managing for results at sector level. Similarly, there is no evidence that the PD has been a determinant factor in influencing mutual accountability due to the asymmetric accountability relationships between government and the development partners. With respect to administrative efficiency, it is evident that a substantial amount of time is spent by both Cooperating Partners and Government of the Republic of Zambia officials attending SWAp coordination meetings which overall appears to be increasing rather than reducing transactions costs (especially for the Lead Donor or the Troika).' (Zambia p.50)

'The implementation of the PD principles in such sectors as health strengthened aid relations and allowed donors to increase resources into these sectors…the implementation of PD principles influenced the determination of where aid should be used in line with the status of the MDGs. The increased resources have to a large extent led to better development outcomes'… (e.g. via use of SWAps) – poverty data / infant mortality / education etc. all show improvement.' (Malawi p.45)[165]

As requested, all but one[166] of the evaluation reports deal to some degree with contributions in the health sector. In many of these countries, aid is an important financial, technical and organisational support to the sector, and is credited with at least some contribution to improved health services or outcomes in the country over recent years. Moreover, two-thirds[167] of the evaluations find evidence that the aid contributions have been improved by Declaration-style reforms since 2000-05, as typified by the examples above. All of them also document uneven progress and other factors at work[168], in a number of cases drawing comparisons or contrasts with other sectors. The Evaluation does not have sufficient comparative evidence of other sectors to determine how representative these broad results in health may be.

Two evaluations, in Vietnam and Samoa – a large country with long experience in aid effectiveness and a small country

164 See also the Benin pp.63 and 68, for a breakdown of effects in both the health and water sectors.

165 See also Nepal p.57.

166 Colombia, where the sector receives little or no external aid.

167 Afghanistan, Bangladesh, Bolivia, Cameroon, Cook Islands, Indonesia, Malawi, Mozambique, Nepal, Senegal, South Africa, Zambia. Additionally, Cambodia finds that 'Although there is no direct link between the PD and the [government] focus on poverty reduction, specific development 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. These developments are consistent with the PD.' p.69.

168 See the South Africa report for one example of the other factors identified. 'The implementation of PD principles is occurring simultaneously with other interventions, such as clear policy statements and directions, a commitment to outcomes-based planning and a change of leadership at national and provincial levels', p.48. In two other cases – Benin and Uganda – disappointing results in the sector were attributed to weak or absent leadership or instability in political governance and broader sectoral problems that also frustrated attempted PD contributions. The Benin evaluation found that a strategic vision was not enough to overcome the dysfunctions in the health system; Cameroon found corruption and insufficient funding to be key constraining factors; in Zambia despite very good results, stronger aid coordination processes has been hindered by the creation of parallel aid delivery structures. In contrast, in Mozambique, vision with leadership in government is credited as the key factor in the progress achieved and in Malawi, addressing the weak human resource base was a major factor in success of the health sector SWAp.

with only recent experience – find that it is too early to assess changes in the effects of new aid practices or instruments on health outcomes. Two other evaluations – in Benin and Senegal – find that vertical fund approaches have so far made more concrete contributions to health outcomes than systemic approaches, while the Uganda evaluation records and explain more mixed findings on this record.[169]

The experience reported with contributions in other sectors is also mixed, and some interesting explanations emerge. In the water sector, PD-type approaches are credited with significant contributions in three countries, especially through facilitating platforms for multi-stakeholder engagement – Senegal, Uganda and Benin. A forum with donors was set up for the agriculture sector in Zambia, but policy differences (involving fertiliser subsidies and the state role in maize marketing) slowed progress. In two other countries – Uganda and Mozambique – the agriculture sector showed lesser results.[170]

Finally, in Colombia, a middle income country where the relative role of aid and its potential contribution to development are less significant than elsewhere, the introduction of aid and PD-style processes and instruments is found to have made a significant 'niche' contribution in helping respond to new or complex development issues. Thus in dealing with both the environment and a major challenge of displaced people, Declaration-style international cooperation has helped by providing a platform and through experience sharing, as well as a sector wide approach in environment.

> *'We note that as regards implementation successes, unlike other modality-related perceptions, a sectoral approach might be appropriate for a middle income country provided there is proven institutional leadership in particular sectors. ...In addition, the sector is generating a sectoral policy dialog that helps provide an integrated policy, despite varying interests and players.... One major result of the sectoral modality is that, as a result of support by the Netherlands, synergies have been achieved that leverage the support of other donors in the sector.... At any rate, in Colombia's case, the sector-wide modality has sometimes encouraged donors to come together on environmental matters.' (Colombia p.81)*

Reaching the poorest: "Did the implementation of the PD help countries to improve the prioritisation of the needs [beyond income poverty] of the poorest people, including women and girls?"

Findings: Overall, the pace and distance of travel in strengthening these priorities emerge as from most of these evaluations as little, with evidence of some positive contributions by aid and some value added by reforms and Declaration-style operations since 2000-05. In these cases, one clear theme is the Declaration's contribution to building partnership-based frameworks for dialogue, programming and monitoring for addressing these 'cross-cutting' issues.

All of the evaluations dealt with the question to different degrees. The country evaluators were advised to approach it by analysing prerequisites of effective prioritisation, such as the building of analyses and disaggregated data on inequalities, institutions and mechanisms, strategies and plans, platforms and budgetary allocations. With these foundations in mind the results achieved could be examined for the contributions of aid and for improved contributions through implementation of the reform agenda.

The reports clearly show that whether priority is given to the needs of the poorest people, including women and girls, depends above all on the national and societal commitment – or lack of it – to tackle the deep roots of inequality, exclusion and disempowerment. A few evaluations find significant advances since 2000-05, most find very slow and limited progress and some find none at all.[171] Contributions by aid and aid reforms have been made within these realities.

Four reports – in Bangladesh, Uganda, Malawi[172] and Vietnam – find progress in giving priority to these needs and in the case of Bangladesh and Vietnam, substantial development results achieved. The Bangladesh and Vietnam evaluations credit aid, and Declaration-style aid in particular, for some contributions, while the Uganda report finds that the momentum is exclusively internal and pre-dated the Declaration by several

169 The Uganda evaluation finds that changing patterns in aid effectiveness reform (e.g. stagnation in policy processes / instability in political governance) are linked with stagnating development outcomes', p.44.

170 In the power sector, these approaches are reported at least broadly to be contributing in Bangladesh, as well as in transport (also in Bolivia) and climate change programmes. Infrastructure is a further area of contribution found in the Cook Islands.

171 These findings echo a synthesis report prepared for the High Level Forum in Accra based on six country case studies (Bangladesh, Bolivia, Kenya, Sierra Leone, Uganda and Vietnam). 'In summary, while there has been progress in attention to human rights, gender and equity issues at the policy level, the extent of implementation and monitoring of these commitments is less advanced and has not been given the sustained attention by partner governments or donors.' Oxford Policy Management, Social Development Direct and workingtogetherltd (2008) *Making Aid more Effective through Gender, Rights and Inclusion: Evidence from Implementing the Paris Declaration*: Analytical Summary and country case studies London: Oxford Policy Management / Social Development Direct

172 The Malawi report finds that the recognition of gender within common assessment frameworks e.g. for general budget support / more effective gender machinery is linked to Declaration implementation.: 'Recognition of extreme poverty, exclusion and gender issues within development policy and planning as well as prioritisation of the needs of the poorest people beyond income poverty increased with Declaration implementation in Malawi. . .The Declaration is credited for strengthening pro-poor strategies and approaches through active dialoguing with all stakeholders and advocacy, which has increased awareness about the needs of vulnerable groups.' p.74.

years. Thirteen evaluations[173] find varying progress, and seven of these[174] find a range of influence by aid and Declaration-style operations in particular. The assessment in Benin is fairly representative:

> *'… from the moment that these temporary results are observed in the context of the Paris Declaration, they are certainly affected by the aid relationship through the financial and technical assistance provided by the Technical and Financial Partners in the development of intermediate goods used, for example, in the process for drafting the Growth Strategy for Poverty Reduction. As a result, some progress has been made since 2005 in terms of aid contributing to these results. The same holds true for the impacts of the Paris Declaration on the aid relationship. These effects may originate from a cross-cutting influence of the aid relationship…. it can be said that some progress has been recorded in how priorities are established with regard to the needs of the poorest, including women and girls (during the period 2005-2010, compared to the period 2000-2004).' (Benin p.78)*

In Cambodia, where the evaluation finds that aid is contributing, but decentralisation will be the great test, the report finds:

> *'While the evaluation would not attribute the PD/AAA(Paris Declaration/ Accra Agenda for Action) with the achievement of gender equality results for women and girls in Cambodia …the PD/AAA has facilitated the progress of gender mainstreaming by offering an important platform for implementation, engagement and advocacy with a wide group of stakeholders…In addition, the aid coordination mechanisms, planning and monitoring tools developed to facilitate the implementation of its commitments have all helped strengthen the integration of gender equality mainstreaming into development processes at the national, sector and community levels.' (Cambodia p.67)*

The Malawi and Zambia reports include variations on this finding. Declaration-type aid activities are credited with greater priority being given to these needs in the health sector, as well as contributing to the development of a national level Joint Support Programme for Gender.[175] In the Vietnam evaluation, specific influence is found in advancing policy dialogue, programmes for ethnic minorities and the generation of disaggregated data – and the benefit of such improved data is also cited in Zambia and Malawi. In Mozambique, although the Declaration is not credited with direct influence, the evaluation does cite the argument that by legitimating the government apparatus, it may have increased the readiness of donors to support sectoral programmes giving priority to the excluded, thus increasing financial leverage for this work. However, the persisting deep regional disparities in this country and others are reminders of the more powerful determinants of outcomes. In Colombia, meanwhile, the relatively small factor represented by aid is apparently not found to have had influence in combating persistent regional and other disparities.

Two other explanations for limited progress are highlighted. In two cases – Cameroon and Senegal – the record of combating inequalities is weak. This is true in Senegal despite some early Declaration-style measures to promote a strategic approach to strengthening these priorities. In all these cases, the lack of progress is basically attributed to insufficient political will and/or the dearth of operational instruments to implement policy.[176] The Cameroon, Senegal and Zambia evaluations draw attention to the absence of data as a constraint and the Cameroon case identifies the lack of tested approaches to targeting specific population groups as an important weakness in tackling exclusion. In Malawi, disagreements between the government and donors in terms of policy approaches to the economic sectors are also found to have hampered the 'pro-poor alignment of aid'.[177]

The evaluation in Samoa raises the possibility that the Declaration agenda may have had an influence in relation to marginalised groups, but not a positive one. It finds that 'the view that the (PD-influenced) focus has been on the planning, systems and processes of aid delivery at the expense of policy dialogue and attention to outcomes particularly in relation to marginalised groups' was shared by many of those interviewed particularly in the health sector and to some extent in the power and water sectors'.[178]

Finally, the evaluation in Afghanistan is harshly critical of both government and donors on their minimal responses to the needs of women and girls, an especially crucial issue in that country.[179] The implication is that donors could and should have done more to push these priorities, given their prominent role in the country. At the same time, this case is also another illustration of the primacy of national ownership and the limits of aid and aid reforms when confronted with powerful obstacles of ingrained resistance and limited national commitment to profound development change.

173 Bangladesh, Benin, Bolivia, Cambodia, Colombia, Cook Islands, Mali, Mozambique, Nepal, Samoa, Senegal, South Africa, Zambia.

174 Bangladesh, Benin, Bolivia, Cambodia, Malawi, Nepal, Zambia.

175 Although in Zambia this is not yet translated into budgets at sector or national level.

176 Senegal p.58 'The will to help the poorest exists in the two sectors (health and water and sanitation), but the instruments to reach these targets are inadequate and do not allow for operationalizing policy options such as those defined in the Document de Stratégie de réduction de la pauvreté (DSRP). The subsidies granted by the Government appear massive, untargeted and often ineffective.'

177 Malawi p.68.

178 Samoa p.61.

179 Afghanistan report, p.55.

Building capacity: "Has Paris Declaration implementation led to sustainable increases in institutional capacities and social capital[180] at all levels to respond to development challenges? Why, how and where, and what are the effects?"

Findings: In virtually all these evaluations, the pace and distance of travel in increasing institutional capacities are found to be only some or little – falling far short of the expectations implied in 2005. On the other hand, the finding of some effects in increasing social capital is more promising.

Most of the findings on the difficulties of capacity development are not related to any role of aid or the Declaration, although one implies a negative role for aid overall. Six of seven evaluations which have findings on social capital observe that Paris Declaration principles and emerging norms have helped to create or support an enabling environment for civil society.

The extreme and persistent weakness in capacity found in the evaluation in a fragile state raises the importance of this objective, contrary to any assumption that Declaration principles and good practices are less applicable in these cases.

Virtually all of the reports respond to these questions with diverse findings but some common threads. Twelve evaluations find slow, uneven or little progress in institutional capacity development at the general or sectoral levels.[181] This is in spite of longstanding diagnoses and repeated efforts in many cases. Most of these findings are not related to any role of aid and the Declaration, or they attribute a benign but not notably effective contribution to aid and in turn to aid reforms.

Seven evaluations'[182] findings are more positive about capacity development, though only three of these (Indonesia, Benin and Malawi)[183] attribute any significant role to aid or aid reforms since 2000-05. The Vietnam report provides quite a representative overview:

> *'It is extremely difficult to separate out the impact of the [Hanoi Core Statement]184 on institutional capacity. Most ODA projects include a capacity-development component. In Vietnam, as in many other countries, making capacity development more effective is one of the most difficult challenges. …Government of Vietnam agencies tend to be poor at diagnosing their own capacity constraints, and provide little guidance to Development Partners on the kind of assistance they need. Few sector strategies adequately address the institutional prerequisites for the achievement of their development goals. In the absence of effective country leadership of capacity building, there was scepticism among Government of Vietnam officials about many capacity building projects, particularly those involving foreign technical advisers.' (Vietnam p.39)*

One theme found in a number of reports is the difficulty of achieving a balanced development of capacity at the levels of central government ministries, line ministries and regional/local governments, and in civil society. One experience is a wide-ranging but unfinished multi-year effort in Cambodia to develop a specific capacity development strategy to reach out beyond central ministries. In Senegal, some achievement in capacity development in specific sectors, together with documented failure more generally, leads to a recommendation that the focusing at the sectoral level is likely to be the most feasible course. Mali reports the opposite – that the improvements noted at the national level are not reflected yet at local level. In Mozambique the finding is that some sectors have seen strengthened capacities, but policy functions and civil society have not. The Vietnam report is worth quoting again:

> *'[The responsible ministry] examined the possibility of a national capacity building strategy, but found that the problem was too broad to be addressed in a single strategy. As a result, it would be difficult to conclude that the Hanoi Core Statement and its processes had led to any overall increase in the effectiveness of capacity building. Of course, there are many individual instances of high quality capacity building, particularly in niche areas where Government of Vietnam (GoV) has recognised the need to learn from foreign experience. …On the other hand, there have been definite improvements in GoV's capacity to manage public investments. This is clearly related to the emphasis in the Hanoi Core Statement on strengthening and using country systems.' (Vietnam p.39)*

Some evaluations point to possible negative effects on institutional capacities from Declaration style aid. The Mozambique report refers to one analysis suggesting that there has been an erosion of accountability to citizen beneficiaries which has

180 For reference, 'social capital' was defined in the Evaluation guidance as 'Networks together with shared norms, values and understandings that facilitate cooperation within or among groups' (OECD, 2001). In briefest terms, the Evaluation Matrix refers to social capital as "problem-solving networks in society".

181 Afghanistan, Bangladesh, Benin, Bolivia, Cambodia, Cameroon, Mali, Philippines, Senegal, Uganda, Zambia. The Nepal report cites the issue of still traditional fragmented technical assistance response to institutional capacity.

182 Benin, Colombia, Cook Islands, Indonesia, Malawi, Samoa, Vietnam.

183 The Benin report notes that 'Important progress has been noted in the functioning of the institutional set-up in place (during the 2005-2010 period, compared with the 2000-2004 period). The Paris Declaration has made important contributions to some improvements.', p.106; Malawi finds evidence that Declaration implementation contributed to 'modest increases' in institutional and social capital at sector level within the health sector. The same evaluation notes however that the influence of the Declaration on institutional and social capital has been constrained by its implicit assumption that macro-level implementation would lead to improved capacity through 'trickle-down' mechanisms – which has not, in fact, taken place. In the Colombia evaluation, it is again found that Declaration style aid has been able to make a 'niche' contribution in helping develop capacity in a new sector.

184 The Hanoi Core Statement is the adaptation of the Paris Declaration to the Vietnamese situation by Vietnam and its Development Partners.

weakened institution building for democratic development.[185] The implied critical finding may reflect on aid in general rather than Declaration-style aid, bearing in mind that the Declaration aims to help strengthen accountability to citizens and legislatures. If not, it would suggest that the more intense Declaration-style interaction has actually had perverse impacts. The evaluation in Mali suggests such a negative effect to date on the capacities of organised civil society – at some variance with the findings in other countries on social capital:

> *'Civil society has not benefited from capacity building through the Paris Declaration. To the contrary, civil society deems that the strengthening of Government/Technical and Financial Partner (TFP) relationships will reduce TFP support to civil society organisations (CSO). However, it appears that a Joint Civil Society Capacity Building Fund, funded by certain TFPs, is being prepared.' (Mali p.41)*

In the Afghanistan evaluation the findings are devastating on the lack of sustainable capacity development. It documents the effects of continuing over-dependency on technical assistance, chronic weakness of national institutions and an inability to grapple with the priority needs that are themselves key sources of fragility. In this case it appears that the failure to apply Declaration-style practice can only exacerbate the problems. This underlines the serious implications, and dangers, of the frequent assumption or rationalisation that the Declaration principles cannot be applied in such situations of fragility.

With respect to increases in social capital, the evaluations' findings are quite different, and on balance positive, about the contributions of Declaration-style aid. Nine evaluations[186] include substantive findings on this issue, six of which credit PD-style aid since 2005 with strengthening or sustaining effects on social capital. The range of findings and qualifications can be captured in the following excerpts:

> '*Although social capital initiatives existed before the Paris Declaration, they have clearly improved since 2005, suggesting a positive contribution by PD through ownership and structures of stakeholder dialogue.' (p.41) 'Capacity of CSOs at various levels has improved. PD seems to have contributed to this improvement through the strengthening of active dialogue and information flow among CPs that has resulted in joint financing of CSOs based on CSOs' development strategies'. (Zambia p.62)*

> *'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…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." (p.vii) '…Some participants however also noted that the PD may work against social capital, i.e., the ability to form one's own initiatives, groups, societies, etc., by emphasising the importance of formalised structures and systems which may undermine informal approaches. But in reality, formal systems and culturally appropriate informal approaches to social capital can co-exist and reinforce each other at both national and project levels in the regions.' (Cambodia p.44)*

Other evaluations share these mixed findings at a sectoral level and more generally. For example, the Benin, Cook Islands, Senegal and South Africa reports include findings on the Declaration contributions to building platforms and opportunities for more multi-stakeholder engagement at the sectoral or wider levels.[187] Even with the narrow aid role in Colombia, international cooperation is credited with 'facilitating spaces for dialogue and dispute resolution' in one of its niche areas.[188]

Aid modalities: "How and why has the mix of aid modalities (including general or sector-specific budget support) evolved and what has been learnt on the development results?"

Findings: All the evaluations find that a mix of aid modalities has continued to make sense for partner countries and donors, although more explicit attention and negotiation are being focused on these questions, opening up a wider range of options and stronger country ownership in most cases. In general the current evaluations reconfirm and extend the conclusions of a major 2006 evaluation on general budget support that 'one size fits all' aid modalities are inappropriate and that no single modality is the panacea to produce better development results. Instead there has been a learning process in all countries evaluated, with successful innovations in a majority, particularly in joint donor support at the sectoral level. These trends in the use of modalities are found to show stronger contributions to development results in four cases[189] and strong potential in at least six others.[190]

185 Mozambique p.64.

186 Benin, Cambodia, Colombia, Cook Islands, Malawi, Mali, Mozambique, Senegal, Zambia. One silent evaluation report, in Vietnam, suggests that 'As a measure of social cohesion and interconnectedness, social capital is a feature of society that is not susceptible to influence through changes in aid practice', p.40 and the silence of others may also suggest that the link was not clear to them either. Mozambique is negative, consistent with the critique on capacity development and finding that the Declaration has not strengthened social capital between Government and donors.

187 For example, South Africa finds in health that Capacity building, including governance and corporate management, is integral to most development partners' funding of NGOs and CBOs. This ensures sustainability of the NGO as well as building capacity within the health facilities, p.48.

188 Colombia p.91.

189 Cambodia, Colombia, Uganda, Mozambique (in health, with the caveat that even without the Declaration, a sector with the characteristics of strong ownership and strategy would have attracted more funds, and used them more effectively) p.67.

190 Benin, Bolivia, Cameroon, Cook Islands, Samoa, Vietnam.

All of the evaluations have included significant findings on aid modalities. The evaluations find that since 2005 aid modalities have remained mixed in all cases. In general there is no rapid or linear move to 'programme-based approaches' or budget support, or strong pressure in that direction from any side. There are diverse reasons given for this finding, which casts some doubt on the prevalent impression (and one Monitoring Survey indicator) suggesting that maximising such approaches is, or should be, a central objective of the Declaration.

A small minority of countries shows a pronounced preference for programme based approaches. The evaluation in Uganda finds that the government has set out clear preferences and directions for budget support and that this modality now dominates the aid architecture.[191] In two others – Mozambique and Malawi – the same preferred direction is evident, and the trend has been heavily weighted to budget support and pooled or joint funds, though in both countries most aid is still through projects.

In 12 other countries,[192] the governments are found to favour moves toward programme-based approaches, but not in a rigid or overly assertive way. These countries have all undergone experimentation and mixed experience with different types of programme-based approaches, some well before 2005. The general finding in these countries is that such approaches have proved most fruitful at the sectoral level, when the prerequisite host country management foundations can be put in place. In such cases, it is easier – in principle though not always in practice – for like-minded donors to advance harmonisation (with coordinated procedures, joint policy dialogue, analyses and missions, reporting and performance appraisal and sometimes joint capacity development) in support of joint funding arrangements.[193] The Mozambique evaluation finds improvements with predictability, conditionality and managing disbursements with programme-based approaches. The evaluation in Mali highlights a list of benefits found with general budget support:

'A few years after the implementation of General/Global Budget Support (GBS)/Sectoral Budget Support (SBS), the following impacts have been identified:

– On public spending:

- *Greater operational and allocation efficiency;*
- *Better apportionment between operating expenses and investment expenditures.*

– On macroeconomic management:

- *Help maintaining macroeconomic stability;*
- *Help maintaining fiscal discipline (disbursements are linked to greater tax revenues);*
- *Aid is predictable in the medium term (1 to 3 years).*

– On poverty reduction:

- *Clear links between GBS/SBS and the expansion of basic social services.*

– On the institutions:

- *Strengthening of the budget process and management of public funds;*
- *Strengthening of the process for forming macro policies (Poverty Reduction Strategy Paper, macroeconomics) and at the sectoral level;*
- *Greater aid coordination, exhaustiveness and consistency;*
- *Improved government planning and performance capacities.' (Mali p.42)*

'..the mix of aid modalities (including general or sector-specific budget support, projects and programmes) promotes sector coordination…The effects of these shifts have a tremendous change on development results in the sense that through focusing on sector strategies, [monitoring and evaluation] capacity has been reinforced. There has been better coordination and resource utilisation for [the] country's own priorities, though precise targeting of resources and scarce resource maximisation since there is less duplication of efforts. These enhanced coordination for sustainable development results. Also new sectors are now supported by aid (agriculture, gender, etc) and Government is able to deal with a better organised donor community. Delivery improved in sectors where dialogue between donors and government works (but not so much in sectors where this is not the case). General Budget Support and Sector Budget Support have a positive impact on the Government of Ghana's ownership over development but in terms [of] development result delivery, impact remains limited.' (Ghana p.55)

In four other cases[194] the evaluations find that the government does not have a clear stated position on its preferred aid modalities, working with the preferences coming from the donor side. In the case of the agriculture sector in Zambia, this is found to be a problem, with donors seen to use the weakness of local systems as a pretext for maintaining more fragmented approaches. The evaluation in Bangladesh finds a great diversity of modalities but no clear picture or systematic assessment of their relative management, absorption, relevance or effectiveness.

Finally, a noteworthy finding in the Senegal evaluation is that both the government and donors share a distinct ambivalence about increasing programme-based approaches. From the

191 Although it was noted in the Phase 1 evaluation in Uganda that there were some doubts about excessive budget support aid opening up too much influence to donors on national priorities.

192 Benin, Bolivia, Cambodia, Cameroon, Colombia, Cook Islands, Ghana, Indonesia, Nepal, Philippines, Samoa, Zambia, also South Africa in health.

193 South Africa – 'Development partners may acknowledge the importance of Declaration principles for engagement with government, but in reality they do not abide by all the principles. An example of this is not making their reports readily available to government' p.50. See also Malawi and Mozambique reports.

194 Bangladesh, Senegal, Vietnam, and Zambia in health.

government side, it finds concerns about slower execution, as well as reluctance by many ministries to accept the loss of the earmarked budgets, salaries and per diems, as well as the budgetary bargaining power that has come with direct project support. On donors' part, hesitation is attributed to concerns about satisfying the accountability requirements of their home administrations. On the other hand, the evaluation in Bolivia specifically finds that such concerns have not impeded budget support initiatives of donors like that of the European Commission, and other donors are also managing risks in the other countries where programme-based approaches are being applied.

Not all these evaluations include findings about development results from the mix of aid modalities since 2000-05, but the following ones do emerge. Stronger contributions to development results are found in five cases,[195] mainly through rationalised work and leverage of greater resources at the sectoral level.[196] In at least six other cases, without attributing changed results directly to the influence of the Declaration, the evaluations find convincing potential over recent years for contributions to better development results.[197]

> *When comparing the results contributions across all 10 development (project) investments, it appears that the greater the commitment to applying all the PD principles, in the context of a multi-donor programme-based approach, the more relevant and significant the development results will be (Cambodia p61)*

> *'The water and sanitation sector started operating according to aid effectiveness principles as early as 1999...The SWAp became operational in 2002 ...funding modalities including the General Budget Support, Rural Water Supply and Sanitation Conditional Grants, Sector Budget Support came into being before the PD. With the coming of the PD in 2005 these activities were sustained and even strengthened through better division of labour and increased attention being given to achievement of measurable development outcomes….Over the ten years since 2000/01, the sector achieved significant strides in its performance indicators. Access to clean water rose from 50% and 60% in 2000/01 to 65% and 66% in 2008/9 for rural and urban water, respectively (Table 13). The functionality of water systems in both rural and urban areas is high at over 80%. Sanitation coverage in the rural and urban areas is at 68% and 73% respectively while pupil to latrine ratio has improved to 43: 1.' (Uganda p.45)*

One important check on other analyses, as well as on progress with aid modalities over more than 15 years, has been to revisit the conclusions and recommendations of a major joint evaluation on general budget support published in May 2006.[198] It built on seven country case studies, four of which – in Malawi, Mozambique, Uganda and Vietnam – also have evaluations in the current exercise. Most of the major conclusions of that evaluation have been borne out, updated and in some ways carried further in the less-intensive examination of aid modalities in this Evaluation. Another intensive evaluation of 'sector budget support' in practice was completed in 2010, drawing as well on a range of country case studies. It presents more fine-grained and up to date experience with these instruments, but the general findings are broadly consistent with those in the general budget support evaluation and in the current evaluations.[199]

In general the current evaluations reconfirm and extend the conclusions of 2006 that 'one size fits all' aid modalities are inappropriate. Each country and its partners need to find and select the suitable mix for the country's particular needs, priorities and capacities. A wide range of programme-based approaches has, in fact, been adapted and applied in these countries, with mixed results but continuous learning and very few across-the-board preferences among modalities. At the same time, practical and evolving experience in these countries with different types of programme-based approaches does tend to confirm their value in increasing both aid effectiveness and contributing to development results, in line with the key points from the 2006 and 2010 evaluations.

195 Cambodia, Colombia, Mozambique, Uganda, Zambia.

196 Example: See Zambia for specific Declaration contributions and issues in health, p.43.

197 Benin, Bolivia, Cameroon, Cook Islands, Samoa, Vietnam. For small states with their limited capacities, the distinct efficiency benefits of joint arrangements are emphasised.

198 Lister, S et al (2006) A Joint Evaluation of General Budget Support 1994-2004: Synthesis Report, London: DFID.

199 See Williamson, T and Dom, C (2010) *Synthesis report for a study on Sector Budget Support in Practice for the Strategic Partnership with Africa,* London: ODI/ Mokoro.

5. Conclusions

This chapter is organised around several key questions that were agreed upon in the original Evaluation Framework to complement and cross-check the findings and conclusions emerging from the detailed examination of the three core evaluation questions in the preceding chapters of this report. To provide proper answers to these questions, some overlap or repetition of other chapters cannot be avoided, but the validation is important. While the lenses applied to arrive at these conclusions are different, they yield a consistent picture with the more detailed chapters.

5.1 Relevance: 'What has been the relevance of the Paris Declaration and the ways it has been implemented to the challenges of aid effectiveness?'

The principles and commitments in the Declaration, based on the experience of partner countries and donors, have almost all proved relevant to improving the quality of aid and of the partnerships needed to make it work. The ways in which the Declaration has been implemented have sometimes strained, but not yet broken, its relevance, and there are valuable lessons for pursuing these goals in the future.

Three specific areas of lesser relevance have been identified in the Evaluation. At the level of a principle, the interpretation and application of 'managing for results' has weakened its relevance. A narrow focus on the technicalities of results management frameworks and indicators has in practice obscured the original broad intention of the principle – using information to improve decisions; strengthening performance on the delivery of results towards clearly defined development goals. Secondly, a few specific Declaration commitments have been shown to be unrealistic – such as that calling for partner countries to 'provide clear views on donors' comparative advantage'– or have received little apparent attention, such as those aiming for better environmental assessments. Thirdly, the country studies have shown that at least four Monitoring Survey indicators have proved of questionable relevance – those on strengthening capacity by co-ordinated support; reducing numbers of 'parallel implementation structures,' taking the percent of aid provided as programme-based approaches as the measure of the use of common arrangements or procedures and increasing the numbers of 'monitorable performance assessment frameworks.'[200]

Past evidence and future guidance for the Declaration's relevance is found in several key conclusions:

- A large, diverse group of countries and agencies have continued to display a sense of shared ownership and responsibility for the reform campaign, and have invested a great deal of effort in it. The context in each partner and donor country affects how these good practices will be adapted and applied, but most of them have been found to make sense for almost all 'aid' relationships.

- The Declaration's core principles and commitments have built on, reinforced and disseminated the earlier good practices of different countries and donors and become widely accepted norms for good practice in development cooperation. They have also provided a common vision and a common language for change.

- In most partner countries these norms and supporting actions have helped launch or sustain reforms that countries find to be in their interest.

- Virtually all donors express a continuing commitment to these norms and can point to changes they have made to apply them (to varying degrees).[201]

200 A table on p. 25 of the Technical Annex provides a summary of evidence on the Monitoring Survey indicators arising in the Evaluation. It should be noted that 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. The Colombia and Vietnam reports provide the most examples.

201 After a slow start, the largest donor, the United States, has since 2009 seen much greater relevance in the Declaration campaign.

- The record suggests that the reform campaign has helped to support rising overall aid volumes and, in most donor countries, rising income shares of aid over the past decade.

- These norms have also attracted the interest of aid providers operating outside the Declaration framework – including non-OECD governments and South-South partners, non-governmental organisations, foundations and philanthropic organisations – and stimulated a lively global debate about improving the effectiveness of all development cooperation efforts.

Several conclusions also highlight the main factors that have put strains on the Declaration's relevance:

- The Declaration was never meant to prescribe a rigid, 'one size fits all' model for countries, and its relevance has been jeopardised when it has been misinterpreted or misapplied that way.

- The starting points for individual partner countries and donors were quite different, with some engaged and advanced in the aid effectiveness agenda well before 2005, and others less so. A few now appear almost to have completed the work of reform in key areas, others to have barely begun.

- Even with this spread, the basic timeframe for the Declaration's goals – with expectations and some targets focused on 2010 – has so far just managed to remain relevant for all countries, but resetting timeframes after 2010 for each country will be a different challenge.

- Among donors, the rates of implementing the Declaration are more uneven. Future timeframes will either have to bring the late starters and slow movers up to speed, accept that some donors are only partially committed or slow the reforms of the whole donor community down. Either of the last two options would reduce the relevance of any future reform campaign for partner countries.

- In a small group of middle income and emerging economies, aid has supplied a shrinking share of capital flows and development resources, and they can increasingly offer aid and experience to others. The Declaration remains relevant to them but in distinctive ways that need to be recognised and harnessed more effectively in the global development effort.

- The Declaration principles and practices have been more difficult to apply in fragile situations and humanitarian relief but they remain relevant. Adaptations should be more a matter of degree than of kind, with donors and other outside actors bearing a special share of responsibility for applying good practices flexibly and helping empower country partners.

- Official aid reform has often come to be treated as almost an end in itself, not taking enough account of the broader context for aid and losing relevance as a result. The realistic perspective that was found in the Declaration needs to be restored – seeing aid as just one part of the resources that countries and people can mobilise for development, and taking account of other actors, forces and events that shape its course.

The final test of relevance is the actual record of implementation. Aid reform under the responsibility of the partner countries has mostly been slow to take hold since 2000-05, but has now done so in most cases. Mustering political, bureaucratic and public support for reforms has depended on key interests and actors believing that the changes will be worthwhile and feasible. In the majority of cases, the commitment and incentives to implement the reform agenda were not sufficient by themselves to generate the needed support. But they were instrumental when combined with countries' felt needs to improve their systems for reasons going beyond aid, for example in better financial management, procurement regimes or accountability measures. In some countries it is clear that greater political will and commitment are needed. At the same time, because most partner countries are hard pressed to find or build the capacities needed to implement the Declaration reforms in the expected timeframes – and receive less help to do so than pledged – the relevance of the generalised time-bound targets for all partner countries by 2010 must be questioned.

The reforms asked of donors under the Declaration agenda are less demanding and donors' capacities for implementing change are greater. But the stakes are not as high as for aid-receiving countries, so in most cases the necessary political, bureaucratic and public understanding and support for difficult reforms have been hard to secure and maintain. The relevance of the expected drivers of change in the Declaration – 'continued high level political support, peer pressure, and coordinated actions at the global, regional and country levels' – has been sharply different for different donors, and this has been reflected in their uneven implementation.

5.2 Principles: 'To what extent has each of the five principles been observed and implemented and the Accra Agenda priorities reflected? Why?'

The main (second) phase of the Evaluation was not structured around assessments at the level of the Declaration principles, as was the first phase which focused on early implementation. The objective, after this longer period, was to move to a more specific level of assessment of achievements measured against the Declaration's intended outcomes. Nonetheless, the guiding principles have always been a crucial element of this wide international compact for reform, and it is important to assess progress through the lens of principle as well. Moreover, the Accra Agenda for Action aimed to accelerate progress

toward the Paris Declaration objectives, and strengthened or sharpened a number of important commitments and areas of work.

With this in mind, the Evaluation Matrix posed these same questions for all the studies to provide an explicit base for the summary assessments in this Synthesis, together with the wealth of findings on the individual commitments under each Paris principle. On the principles, the findings in this regard are presented in depth in the chapter on contributions to aid effectiveness and the fuller summary of aggregate progress toward intended outcomes in Table 2.

Overall the Evaluation finds that of the five principles, country ownership has advanced farthest, with alignment and harmonisation progressing more unevenly, and managing for development results and mutual accountability advancing least. The implications of this record are reflected in the key recommendations and supporting messages.

Perhaps the most important overall finding on the implementation of the principles has been the clear and almost universal failure to advance on making direct mutual accountability more transparent, balanced and effective. This gap is a critical obstacle to taking aid partnerships to a more mature level, and calls for specific measures to try to overcome the real difficulties and breaking out of this dead-end. (See Recommendations 3 and 6.) It is important to bear in mind the key factors cited in the evaluations to explain why so few direct mechanisms of mutual accountability have evolved despite the specific policy-level commitment to do so. These include:

- the imbalanced or asymmetrical relationships, leverage and sanctions between aid providers and receivers;
- the complex geometry of an aid-receiving country having to initiate and structure mechanisms to deal with multiple donors/agencies on mutual commitments;
- the lack of a generally accepted framework for defining and measuring mutual accountability in aid; and
- tensions with donors' concerns to satisfy the accountability requirements of their home administrations, and slow movement on the Declaration commitment to harmonise.

With respect to the Accra Agenda, the country evaluations were unable to obtain sufficient responses on the reflection or influence of the Agenda to date to support a meaningful synthesis assessment. This is probably mainly due to the short time elapsed since late 2008, but there is also evidence that the main thrusts of Agenda are so far less known than those of the Declaration in the large majority of countries. At the same time a group of evaluations do include evidence that the Agenda is clearly viewed and valued in the countries concerned as an important landmark in widening the participation and ownership of the reform agenda, and sharpening some of its key aspects and expectations.

5.3 Achievements: 'What has the Paris Declaration achieved for aid effectiveness and development results? How significant are these contributions? How sustainable?'

In terms of aid effectiveness, the Declaration campaign has made several significant[202] differences in clarifying and strengthening norms, contributing to movement toward the 11 intended outcomes set in 2005, supporting rising aid volumes and improving the quality of aid partnerships. With regard to development results, some significant contributions can be traced, through indirect but clear pathways, to more focused efforts and better development results. The Evaluation has good evidence for this linkage in the health sector, a focus for the country evaluations, but more scattered and inconclusive evidence from other sectors. In both aid effectiveness and development results, a number of these gains are likely to be sustainable, while others remain fragile.

The Declaration has pulled together and focused global attention on ambitious, experience-based measures to improve development cooperation and aid. It addresses a range of problems that were 50 years in the making, and holds out a vision of much more ideal conditions for aid and ultimately for development without aid. While recognising that the challenges could not all be rapidly resolved, it has focused on a very short, five-year timeframe for measurable or visible improvements. Not all of these targets were realistic, or even reliably measurable, but its principles and commitments have been applied, if gradually and unevenly, among partner countries and more unevenly among donors.

In a changing world of development cooperation, the importance of 'aid' and better aid has been clarified. Even with an understanding of the other influences that shape development, the complexities involved in managing and improving aid relationships, and the availability of other forms and sources of development resources, an unprecedented number of partner countries and donors/agencies have been prepared to invest substantial efforts into improvement.

Aid Effectiveness. The Declaration campaign has made several significant differences, for example by:

- clarifying and strengthening good practice in aid relationships and thus legitimising and reinforcing higher mutual expectations;
- contributing to movement, although sometimes slow and modest, towards most of the 11 outcomes set out in 2005, and in the process making some contributions to better development results;

202 The term 'significant' is used to mean definite and verifiable, but not necessarily major, effects.

- playing a role, probably in combination with the awareness-raising effects of the Millennium Development Goals, in supporting rising aid volumes; and

- improving the quality of a number of aid partnerships, based on strengthening levels of transparency, trust and partner country ownership.

The changes expected of partner countries have been more demanding than those expected of donors, but most partner countries that have been evaluated have now embedded many of these change processes, not just to manage aid better but because they serve the countries' national needs. The complex, long-term challenges of capacity development are the most important constraints for most countries, and they do not allow for 'quick fixes' or bureaucratically engineered solutions. Partner countries can do more to identify priorities for strengthening capacities in targeted areas, however, and donors can do more to support those priorities in coordinated ways, to strengthen country systems by using them, and to reduce donor practices that undermine the development of sustainable capacity.

On the whole, donors – with a number of striking exceptions – have at this point demonstrated less commitment than partner countries to making the (less demanding) changes needed in their own systems.[203] This is not to under-estimate the difficulties faced by those directly responsible in donor countries in securing the necessary attention, consensus and action for reform. Chapter 2 on Context sets out why this agenda is especially challenging in donor countries. But the Declaration campaign is a compact between nations. Endorsing governments – not just individual ministries or agencies – are accountable for their performance or their failure to perform. It is clear from the evidence gathered that some donors have been too uncoordinated and risk averse to play their expected proactive part in the relationship. Most donors have set high levels of partner country compliance as preconditions for their own reforms rather than moving together reciprocally and managing and sharing risks realistically. Moreover, since these agreed system changes, peer pressure and collective donor action have not yet become sufficiently embedded in many donor country systems, they are left vulnerable to uninformed policy changes, for example when governments or ministers change.

The relative performance of multilateral agencies in implementing the Declaration and good aid practice is still unclear and controversial and the Evaluation had only limited multilateral participation.[204] Most of the main multilateral agencies adhered to the Declaration and have been involved in its processes, applying parallel measures and checks of their own.[205] The country evaluations show how the multilaterals benefit from a number of greater freedoms than bilateral donors – for example the capacity granted by their funders to make multi-year aid commitments, and a degree of insulation from short-term political pressures. The Evaluation has encountered suggestions of both good and bad practice by multilaterals, but no convincing evidence either way to support any conclusion on this point.

Contributions to development results. The Evaluation design never anticipated that better aid practices, if achieved, could directly or rapidly lead to better development results – demonstrable improvements in the lives of people in partner countries, particularly the poor and vulnerable – in a five year period. Since many other factors are usually more important than aid in determining these results, the country evaluations looked for:

- first, evidence of development changes; then

- plausible evidence as to whether aid had contributed to such changes; and

- if so, plausible evidence that aid reforms might have strengthened the aid contribution.[206]

In fact the findings exceed the very modest expectations of contributions to results in this short period. A strong cross section of the country evaluations found evidence that Declaration type measures, either launched before or since 2005, but usually reinforced since then, have contributed to more focused efforts, particularly at the sectoral level. These evaluations then found evidence that those efforts had already contributed to better development results, with good prospects of being sustainable. These effects were found mainly in the health sector, which had been selected for more detailed examination in almost all the country evaluations.[207] Beyond identified effects in this 'tracer' sector in health, there is not yet sufficient evidence to track plausible contributions of aid reforms to other development results such as accelerating achievement of the Millennium Development Goals.

Although insufficient capacity remains a formidable obstacle in many countries and aid could help more than it does, there is evidence that aid and aid reform have made at least some

203 A forceful statement of this point is: '. . . the asymmetrical nature of the aid relationship. . . belies the partnership rhetoric and is reflected in there being no effective sanction for donors who do not meet their commitments. While donors have failed to undertake simple administrative fixes such as coordinating their analysis and missions, huge and complex changes have been demanded from Government in areas such as public financial management'. Mozambique p.47.

204 Two multilateral agencies (the Asian and African Development Banks) and one group of agencies (the UN Development Group) carried out studies as part of this Evaluation.

205 As one indication of the possible reasons for a parallel approach, the EU monitoring report on Division of Labour arrangements (*op. cit.*) records that 'some multilaterals claim at the country level that their statutes impede their involvement in DoL processes'.

206 Cf. Mayne, J (2001) 'Addressing Attribution through Contribution Analysis: Using Performance Measures Sensibly'; *The Canadian Journal of Programme Evaluation* Vol.6, No. 1, Canadian Evaluation Society. See discussion in Technical Annex.

207 The original rationale for selecting the health sector is summarised in the Technical Annex.

contributions to the long-term strengthening both of institutional capacities for development and of social capital.

The overall finding that there has been little progress in most countries in giving greater priority to the needs of the poorest people, particularly women and girls, is accompanied by evidence of some positive contributions by aid and some value added by reforms and Declaration-style operations since 2000-05. This disconnect drives home the limits of aid and reforms when confronted with sufficiently powerful obstacles, such as entrenched inequalities, unless there is a powerful national commitment to change.

With respect to aid modalities, the Evaluation shows that no single modality (e.g. budget or sector support, programmes or projects) will automatically produce better development results, and a mix of aid modalities has continued to make sense for partner countries and donors. At the same time, a wider range of options and innovations with modalities, particularly more joint donor support at the sectoral level, has improved actual or potential contributions to development results in half the evaluation countries since 2000-05.

Sustainability. In most partner countries, the Paris reform agenda is now seen to serve important needs other than aid management, and the change processes are now fairly firmly embedded, if still advancing only gradually. Even though more active political impetus is still needed in many countries, the basic momentum of change has now stood up through political changes and crises of various kinds, even without being able to claim dramatic results. For most donors – with a number of striking exceptions – the commitment, capacities and incentives to apply these good practices have not been strong enough to entrench them as more than broad norms and not enough to make the necessary changes. But the Declaration's reform compact depends on donors improving collectively to provide better combined support to partner countries, and a few leading donors cannot be expected to carry a disproportionate load indefinitely. This Evaluation concludes that an urgent new infusion of collective donor commitment, more active reciprocity with partner countries and realistic risk management is now needed. Otherwise a real danger exists that the emerging gains from the historic compact for more effective aid over the past decade could erode or break down, with a re-emergence and possible reinforcement of bad practices and a global weakening of development assistance.

5.4 Burdens: 'What effects has the implementation of the Declaration had on the respective burdens of aid management falling on partner countries and donors, relative to the changing volumes and quality of aid and of the aid partnership itself? Are these effects likely to be transitional or long term?'

The conclusion of this Evaluation is that the changes made by the Declaration have not reduced the overall burdens of aid management. However, they have contributed to a better quality of aid and to improving aid partnerships, as well as supporting rising volumes of aid. There is evidence that, in a few cases, the ways in which Declaration-style aid, such as multi-donor funds, has been managed has actually increased the burdens on both donors and partner countries. Bearing in mind the further evolution since the first phase of the Evaluation, it cannot be concluded that the delays in reducing burdens are only transitional, although reported problems with increasing burdens are likely to be tackled as a high priority.

The first effect of the Declaration in this regard has been to legitimise and structure the longstanding concerns about the burdens of aid management as a more prominent and explicit subject of serious discussion between partner countries and donors. In the spirit of ownership and alignment, a number of partner countries had already led the way by taking measures on their own – by producing their own aid management strategies or moving to limit the burdens imposed by multiple, uncoordinated donor missions. The donors' recognition of the needs to reduce burdens on partners and a number of their specific steps for greater harmonisation of aid had been formalised in the Rome Declaration of 2003. In its philosophy and specific commitments, the Paris Declaration pulled all the related issues together in a coherent whole and offered both national and international platforms to try to reduce the burdens, first and foremost on partner countries.

The early results captured in the first phase of the Evaluation suggested that donor agencies and their personnel were experiencing heavier aid management burdens because of growing requirements for expanded consultation and more analytical work, while the workload of traditional project management had not greatly diminished. These burdens on donor field offices were more severe in systems where authority and staff capacity remained centralised at Headquarters. It was not clear whether the greater workload was likely to be permanent or only transitional. The first phase results showed no pronounced trends or assessments of changes in the burdens of aid management falling on the partner countries, although this early 'non-finding' was not definitive.

Thus far, the general trend shows little or no reduction in the overall burdens of aid management to date. There are exceptions, but also other cases where burdens appear to have increased. At the same time, in a majority of cases, the new practices are perceived to be improving the quality of aid and providing forums and mechanisms that make it easier for countries to maintain an overview and grasp of their aid relationships. A significant group of evaluations are silent on the possible effects of Declaration practices on the countries' aid management burdens, sometimes implying that the countries' own strong systems have ensured their control over burdens. On the other hand, several evaluations record complaints from the partner country side about the workload involved in dealing with multi-donor structures and mechanisms for coordination and harmonisation. The Afghanistan evaluation

reports a strong perception that more of these structures and mechanisms would ease their burdens, while by contrast the recent multi-donor evaluation in South Sudan found that a rigid insistence on harmonised approaches there had slowed and limited the kinds of flexible aid responses required.

None of the perceptions about trends in the burdens of aid management are rooted in any structured comparisons with the pre-Paris situation[208] or in any deliberate effort to envisage what the situation might be without these practices. Similarly, there are very few explicit linkages made between these burdens and the volumes of aid being disbursed, its quality or that of aid relationships themselves. Most reports present numbers on joint and sometimes individual donor missions (usually drawing on the Monitoring Survey results) but there is no solid body of quantitative evidence on trends even on this apparently straightforward indicator.

The incomplete and particularly the uneven implementation of Paris practices by donors must be borne in mind in assessing the results achieved, since more coordinated action by donors was a premise of the expected overall benefits. However, particularly when we recall the overwhelming pre-Paris burdens of aid management documented for many partner countries – even their inability in many cases to maintain a basic overview of all the aid activities on their soil – the situation has clearly improved. At a minimum some of this improvement must be linked to the higher expectations for respecting ownership, providing information, consulting, coordinating and harmonising activities that have been propagated and legitimised by the Paris campaign. The management challenges for countries have changed, requiring more of a central management overview and senior policy engagement, but most of the country evaluations suggest that this has been key in making national ownership and alignment possible and likely. Since today's higher expectations are unlikely to diminish, improvements at this modest level will probably be sustainable.

For donors, the burdens and benefits of changing ways of doing business since Paris have been uneven. To the extent that they have attempted to apply the new approaches, all have been required to invest more in analytical, dialogue and coordination work. The studies confirm that those who have genuinely decentralised more capacity and authority to their country offices have been able to cope better, other things being equal. But only a small number of donors have been willing and able to invest sufficient dedicated time, appropriate skills and incentives to promote and actively support the necessary communication, coordination and facilitation work required, alongside national representatives, on behalf of the donor community.[209] Those most committed to the implementation of the Declaration good practices have done more than their share. They have paid a price in added aid management burdens, while others have sometimes been 'free riders' or very limited participants. It is an important question how long these reform-minded donors will be willing and able to sustain their extra, under-appreciated roles in the absence of more balanced commitment and burden sharing among donors, which is anyway essential to realising the objectives of the campaign for aid effectiveness.

5.5 Value: 'What has been the added value of Paris Declaration-style development cooperation compared with the pre-Paris Declaration situation, and seen alongside other drivers of development in the country, other sources of development finance and development cooperation partners beyond those so far endorsing the Declaration?'

Pre-Declaration comparisons. Even with the limits documented in this Evaluation, comparing current practice with the aid situation 20 years ago presents a global picture of far greater transparency and far less donor-driven aid today. It is fair to say that the 'free-for-alls' of competitive, uncoordinated and donor-driven activities that were commonplace 20 to 25 years ago are now unusual enough to attract rapid attention and criticism, except in some fragile and humanitarian relief situations, where they are still all too common. Comparing the period since 2005 with the immediate pre-Declaration situation, one must conclude that the Declaration has disseminated commitments and instruments for reform which were previously being developed and tested in a fragmentary way by a few leading countries and donors. It has raised expectations for rapid change, perhaps unrealistically, but also strengthened agreed norms and standards of better practice and partnership. There is ample evidence here that these standards have been used to reinforce or legitimise demands that good practice be observed.

The effectiveness of the Declaration *approach* to aid reform has been assessed as part of this exercise. The Evaluation has found that the attempted reach of the programme was extremely ambitious, but that it probably needed to be in order to have a hope of galvanising the necessary attention and motivation for change. Based as it was on long experience of partner countries and donors, it is not surprising that its basic diagnoses and prescriptions have been found to be relevant to aid relationships, although to differing degrees depending on circumstances. The built-in focus on monitoring and evaluating the implementation of the Paris agreements was also needed to maintain pressure for performance and mutual accountability.

208 Both tenures in office and memories are usually too short.

209 These kinds of leadership roles among donors have been called on at the national and sectoral levels, and personal interest and attributes among key donor personnel have played a part alongside institutional policies. Sometimes, multilateral actors have taken on some of these roles as a natural part of their community mandates.

Shortcomings and unintended effects. Several have emerged over time:

- At its inception the Declaration was a high-level political commitment to make historic changes in international relationships to benefit development results in partner countries. It was then interpreted and used as mainly a 'technical' and 'process-oriented' government-to-government agreement to be managed by officials. As a result, it did not initially enlist the political and societal engagement needed to push through real changes.

- The international work on the Declaration commitments has been, in different ways, both too narrow and too broad to keep the necessary focus on the critical political choices:
  - The 12 selected 'indicators of progress' for the Monitoring Survey – while essential in principle to give 'teeth' of accountability to the mutual commitments – were not sufficiently representative, or in some cases reliable, and in practice became too much the focus of attention and action. This narrowed the reform agenda while demanding enormous national and international efforts for monitoring.

  - While a participatory and balanced international superstructure was needed to mobilise and sustain the reform campaign, the demands of the process became heavy for all participants, particularly those from developing countries. An 'aid effectiveness industry' has bloomed, with an overwhelming number of initiatives and specialised international working groups, meetings and guidelines. But since the most critical shortage is not further analysis, but political will, 'aid reform fatigue' has become a real danger particularly for political leaders, policymakers and front-line practitioners.

- The perception that there was a Declaration 'formula' or model obscured the original expectation that the strategy would be adapted to different country situations and priorities. This has led to questioning the relevance of the reform agenda by some, and dangers of fragmenting the vital underlying consensus.

- As part of strengthening a joint focus on country-defined results, the Declaration has emphasised the need for partner countries to have in place national development strategies and priorities, able to guide national and international efforts at the operational level. As is often the case with planning, balancing the necessary direction and flexibility is a challenge – and the Declaration has perhaps erred on the side of the 'planners' over the 'seekers'[210] in development. It has also opened up divergent expectations and assessments of performance.

- The hope that the Declaration-based process could make a major difference to the traditional imbalance between donor and partner country accountabilities has so far been disappointed.

- This Evaluation does not conclude, as some have argued, that the Declaration campaign has focused so much on aid processes that it has had the unintended effect of diminishing the attention and action on ultimate development results for poor people, stronger respect for human rights and democracy, or more equitable international relations. There is no substantial evidence of such an effect. How best to advance each of these sets of important global priorities is the subject of animated, complex debates which are far from resolved. Meanwhile, to the extent that the Declaration's reforms can help generate better aid, it should serve to advance these goals which are also explicitly reflected in its objectives.

The Accra High Level Forum recognised problems arising with the Declaration and agreed on a number of course corrections, but the Evaluation has found that it is too early to assess their full effects. It will now fall to the Busan High Level Forum in December 2011 to integrate lessons from the Paris Declaration and Accra Agenda experience into future aid reforms.

Added value alongside other drivers of development in the country and other sources of development finance. The Declaration was originally set in a framework that recognised the wider context and key domestic and international factors affecting development, well beyond aid programmes. Yet assumptions about the potential role of aid have remained exaggerated, particularly in donor countries, as have expectations for rapid reforms by partner countries.

Much of the evidence in the Evaluation suggests that aid and the work of aid reform often continue to function in a world of their own, with managers and technicians on both the providing and receiving sides managing their specialised agendas and expectations. A wider perspective and a sense of proportion will be needed to carry aid effectiveness reforms to their full potential. Both partner countries and donors will also need to foster and harness better the many more powerful forces and policies for development that lie beyond the realm of aid.

Added value alongside development cooperation partners beyond those so far endorsing the Declaration. Development cooperation actors, relationships and arrangements have multiplied and taken on different forms, many of which are based mainly on normal interests in international relations. Using a generic definition of 'aid' to distinguish it from other forms of commercial, political or military support now yields a rough estimate that non-Declaration providers are disbursing about one-quarter as

210 Easterly, W (2007) *The White Man's Burden: Why the West's Efforts to Aid the Rest Have Done So Much Ill and So Little Good* New York: Penguin.

much aid as OECD/DAC donors. The Evaluation's thematic study on this subject finds a critical lack of transparency and reliable data on many of these other forms and flows of cooperation. It adds the assessment that the major advances in the Declaration and Accra Agenda dealing with transparency, aid effectiveness criteria and mutual accountability should be preserved and advanced further in order to include non-Declaration providers.

The Accra Forum also recognised that in recent years, development cooperation actors, relationships and arrangements have multiplied and taken on different forms. On examination, many of these types of 'development cooperation' are additional or varying approaches to the economic, political and security cooperation that have always been part of international and regional relations. They are based on national and mutual interests, and have their own rationales and rules.

The Evaluation's thematic study on other resource flows[211] has been useful as an overview of this changing landscape, and of important distinctions to keep in mind when looking at different types of cooperation. The study recalls that the Declaration campaign of reform has been specifically concerned with one major and distinctive strand among these different types of cooperation, and that is development aid, best understood as 'flows of official financing administered with the promotion of the economic development and welfare of developing countries as the main objective, and which are concessional in character' (that is, that they include a substantial grant element). This definition, in its generic form, is taken as setting reasonable boundaries for 'aid' as distinct from other forms of commercial, political or military support.

In its 'Official Development Assistance' form, this type of development assistance – non-existent before 1945 – has since evolved extensive mechanisms and practices to provide transparent and reliable data, and to maintain and strengthen its distinctive mission. So, for instance, major disciplines have been worked out to distinguish private investment, export financing, mixed credits and commercially 'tied' aid, as well as military assistance. Many other efforts have been invested to improve the quality of aid. The initiatives leading into the Paris Declaration were thus a culmination of decades of work to strengthen the developmental mission and effectiveness of aid.

The thematic study finds a critical lack of transparency and reliable data about many of these other forms and flows of development cooperation, but roughly estimates that the global total of flows of 'aid' not yet covered by the Declaration to be about US$28-US$29.5 billion annually. This compares with aid from OECD/DAC sources at about US$125 billion. The study concludes that the substantial role of these non-Declaration aid providers points to an even greater need than before for transparent information, coordination, harmonisation and governance leadership, since the number and diversity of new actors, especially civil society organisations, is increasing 'transaction costs' for aid receiving countries. It adds the assessment that the major advances in the Declaration and Accra Agenda dealing with transparency, the criteria for aid effectiveness and mutual accountability should be preserved and advanced, and extended to include non-Declaration providers.

211 Prada, F et al, *op. cit.* pp.39-42.

5.6 Implications: 'What are the key implications for aid effectiveness in the future, taking account of new challenges and opportunities (for example, climate change) and new actors and relationships?

This Evaluation concludes that to the extent that existing and emerging forms of development cooperation aspire to the mission of development assistance, the principles and norms of good practice assembled and now tested in the Declaration reforms can offer a sound and transparent basis for their effectiveness. By applying and adapting these disciplines, new forms of development assistance can avoid repeating past errors and painstakingly negotiating new disciplines.

Today's changing landscape includes a wider range of governmental players (including some that both receive and provide aid) regional organisations, global funds and initiatives, foundations, corporations and civil society organisations. Interest and activity in 'South-South' and 'triangular' cooperation has been growing rapidly, as has engagement by regional and local authorities. The section of this Report immediately preceding this one has pointed to important reasons to reflect these new realities in aid effectiveness efforts.

Financing to developing countries to combat climate change has emerged as a major and growing feature of international financing flows, possibly coming to rival Official Development Assistance in magnitude. It has many different strands and a great deal of further negotiation and institution-building to go through. It is clear, however, that these forms of financing will create many of the same challenges as have other forms of aid – perhaps even more – and yet there is very little coherent thinking or planning about adapting and applying lessons and good practices in effective aid to these new financing flows. Different institutions are involved in both partner and donor countries and internationally, and only the first tentative discussions have begun on how to anticipate and manage concerns about effectiveness. This is a critical issue of policy coherence and merits major attention at senior levels in the coming months.

Looking to the future of aid and ensuring its effectiveness, the Evaluation findings highlight five main lessons:

1. Most of the agreed principles and norms for good aid practice captured in the Declaration consensus have proved valid and have started to yield improvements. To avoid reversals or new cycles of bad practice, this reform momentum should be further focused and extended.

2. In all countries aid is a limited contributory factor in development, among many powerful drivers, obstacles and resources – and this range of factors is now widening. This points to the need for more realistic expectations on both sides of aid relationships, including the need to accept and manage risks, and to maintain openness to learning. At the same time it calls for more focused aid contributions in areas where aid can be properly managed and will add the most value in terms of results.

3. The processes for ensuring aid effectiveness need to be simplified and the commitment to the proven norms reaffirmed, but applied to individual country contexts with appropriate flexibility.

4. Better policy coherence will be critically important. This is the case for both partner countries and aid providers. It applies especially in the face of new tests such as the need to ensure the effectiveness of climate change and other new sources of development financing. Donors need to work towards greater coherence – as a group; individually across their different policy areas which affect development; and in some several cases even within their own internal aid systems.

5. Participation and ownership in the international aid improvement campaign needs to be widened as soon as possible to engage more actors and styles of cooperation. Without over-reaching the boundaries of aid, it provides a key route towards improving other distinct cooperation relationships.

5.7 Key areas identified for work beyond the Evaluation

It is quite evident that this Evaluation, while an important input to assessing past aid reforms and setting directions for the future, will not be the last word. It will come together with many other streams of work for consideration at the High Level Forum on Aid Effectiveness in December, 2011 and beyond. In the course of this work, however, the participants have identified a number of topics of different types on which further analysis and assessment would be helpful for deeper international understanding and further progress. These topics are listed below for further consideration.

- Capacity development: how to break through?
- Aid effectiveness & civil society organisations (CSOs): in light of CSOs' own efforts for Busan.
- Moving beyond aid: policy coherence for development.
- Getting political clout in donor countries for partner-led development cooperation.
- Multilateral cooperation and aid reform: the state of play and future directions.
- Further mining the sectoral analyses in country evaluations.
- Advancing the shared management of risks in development cooperation.
- Explore explanations for different results from aid and reform in health sector and in giving priority to the poorest.
- Regional cooperation and aid effectiveness.
- If not fully covered by other work-streams to Busan:
  - Fragility and aid effectiveness.
  - The effectiveness of South-South cooperation.
  - Moving forward to manage for development results.
  - Improving mutual accountability.

6. Main Recommendations

The detailed findings and conclusions in this Synthesis Report open up many possible ideas for further improving aid effectiveness, drawn from the experience of implementing the Paris Declaration. This chapter highlights the most important recommendations emerging, together with the brief rationale and basis for each one. A number of these main recommendations are clearly not new – some are both familiar and seemingly obvious. These key political actions must be pressed again – simply and starkly – both because they are so important and because they are also areas where donors or partner countries have so far failed to meet firm Paris and Accra commitments.

Relevance to other actors not specifically addressed below: The main focus in this Evaluation has been on aid reform actions since 2000-05 by partner countries and donors and agencies which had endorsed the Paris Declaration in those capacities. At the same time, the country evaluations and other work have re-confirmed the conclusions of the Accra High Level Forum about the importance of the roles in development and aid of a growing number of other actors and types of cooperation.

Furthermore, important evidence has emerged in the Evaluation on the work of: national and international civil society organisations; providers of concessional finance that have not yet endorsed the Declaration in that capacity (governments, global programmes, and private sector actors); as well as participants in regional, South-South, triangular and other forms of development cooperation, including investment, which may or may not involve concessional resource transfers. Several of these groups of actors have been engaged in parallel effectiveness efforts, and in the case of civil society organisations, have undertaken to report at the Busan Forum. It would greatly enhance the value of this global forum if others were to participate fully as well.

In the meantime, while it is beyond the mandate of this Evaluation to recommend specific actions these other groups, it is important to stress that the evidence strongly indicates that all the recommendations below are relevant to all other actors. They will bring their own perspectives and experience to any wider global discussions, but the evidence is clear that without their engagement and cooperation, the benefits of aid and aid reforms to developing countries will be greatly reduced. There are also some important areas identified where their own work would clearly benefit from the recommendations emerging from this Evaluation.

6.1 To policymakers in both partner countries and donor countries and agencies

1. Make the hard political choices and follow through

The High Level Forum in Korea needs to find innovative ways to re-enlist and maintain high level political engagement to take stock of experience, resolve hard issues and set future directions.

The high level forums have been the crucial occasions for political leaders to meet periodically to check progress, debate and resolve political issues and set the course for the next steps in improving aid. The Evaluation has repeatedly found that the key driver for successful reform in countries and donor agencies has been senior political engagement and support. Its absence may be one of the crucial reasons for lagging progress elsewhere. The high level political agenda needs to be non-bureaucratic and focused on political choices to attract and engage both experienced and new leaders, including those from countries and agencies not yet part of the Declaration coalition.

The Forum remains the right place to initiate new arrangements to sustain and widen the advances in joint international mechanisms for aid reform. It also needs to launch innovative ways of maintaining stronger political engagement *between* Forums in the continuing reform work on the ground. A stronger focus on actions at the country level will lose impact if it depends only on officials dealing with officials, or donor

officials dealing with partner country ministers. Whether further high-level forums or other settings can provide the best mechanism for the future, some high-profile and manageable means of maintaining engagement at senior political levels will still be vital.

2. Focus on transparency, mutual accountability and shared risk management

The next phase of reforms to strengthen the effectiveness of aid should build on the gains of the Paris Declaration campaign and improve on it by going beyond the global banner of the 'grand declaration' to concentrate on the most needed changes. These include:

- deepening adherence to the principles of country ownership, alignment and harmonisation of donor support, and transparency and mutual accountability in tracking and achieving results;
- adding 'shared risk management' to this framework of principles; and
- focusing mainly on country-led, coordinated action on the ground, with joint country level forums managing aid relationships and the application of reforms.

Transparency has emerged repeatedly throughout the Evaluation as the indispensable foundation for effectiveness and mutual accountability. There is progress here to build upon. Raising shared risk management as a guiding principle will openly acknowledge that there are many uncertainties and risks in development and in partnerships. It will also express a mutual commitment to confront and manage risks and disagreements jointly, in the spirit of a mature partnership. This will clarify expectations on both sides.

Managing for development results should be further targeted and treated as a set of supporting techniques rather than a separate principle in itself. This will encourage a return to the original intention of the principle and the building up of appropriate and realistic systems for using information to improve decisions; strengthening performance on the delivery of results towards clearly defined development goals.

3. Centre and reinforce the aid effectiveness effort in countries

Leadership in future aid effectiveness efforts needs to be clearly situated and supported at the level of individual partner countries, with stronger country-led mechanisms and independent facilitation as a widely used option. This should be supported by intensified peer pressure and monitoring of donor performance internationally (see Recommendation 11). At the international level, the superstructure of standard setting, analysis, reporting and monitoring on aid effectiveness needs to be re-set in order to be less onerous, especially for partner countries, and more directly useful.

The dominant findings of this Evaluation are that the main aid reform principles and commitments of the Declaration are applicable to all forms of international aid, but the weighting, priorities and timeframes for reform need to be adapted to the wide diversity of situations found in different countries. Development cooperation and aid reforms now need to return to their foundations, and re-apply their focus to the country level. This will clearly situate and apply aid reforms in their real-world context and strengthen ownership, transparency and mutual accountability in their most relevant place.[212] Experiences from the countries need to be harnessed to provide the basis for future international standards and 'aid architecture', taking the next step onwards from the top-down style of much of the reform campaign since 2005.

Annual country-level forums, with the participation of development partners, are already the rule. These should be reinforced as the centrepiece of the system of shared information, mutual performance review, wider participation and consultation, priority-setting, commitment, alignment and harmonisation. More countries have in place or are now building their own strong mechanisms to track and manage these partnerships, and others that wish to do so need to be supported in this. Key quantitative targets and timeframes for reforms and performance should be selected, set and agreed at the country level. The negotiation of longer-term aid agreements between the partner country and all its donors should follow from these efforts and lead to much-needed improvements in the coordination and predictability of aid.

To help resolve the widespread deficit in mutual accountability and the genuine challenges in making it work, all countries should have the option of calling on independent facilitator/rapporteurs to monitor and help steer these processes. Objective individuals or small panels could make a major difference, working with the country participants and the donor community, drawing on the norms of good practice and providing their independent input to the annual forums and international reporting systems.

4. Work to extend the aid reform gains to all forms of development cooperation

The unprecedented coalition in the international campaign for more effective aid and the most important improvements achieved need to be further widened to engage other forms of aid and other actors with their own approaches and innovations. This includes cooperation in fragile and humanitarian situations, new forms of support such as climate change financing, and the concessional development cooperation of providers now working outside the Declaration framework and parts of civil society, regional, South-South and 'triangular' cooperation.

212 A variety of countries have led in experimenting with localised agendas for reform, with joint assistance strategies, and a wide range of other forums, structures and performance assessment frameworks. The Evaluation has found that even some of the countries often cited as advanced cases in these areas still have serious challenges to manage, e.g. Vietnam, Mozambique, Zambia and others. Nonetheless, the country-based focus still holds the best prospect for further advances.

Not all the new or growing forms of development cooperation have an aid component, and the proven norms should not be over-extended or watered down to try to go beyond aid. But, with a modest number of refinements and adaptations where they are shown to be needed, almost all of the 56 commitments of the Declaration – beginning with those that increase transparency – have proven valid and useful as basic norms and disciplines in virtually all forms of international support for development that have a concessional or grant element. This includes cooperation in fragile and humanitarian situations, new forms of support such as climate change financing, and the concessional development cooperation of providers now working outside the Declaration framework and parts of civil society, regional, South-South and "triangular" cooperation.

5. Reinforce the improved international partnerships in the next phase of reforms

For the future, it will be vital to build upon the advances that have been made at the international level through purpose-built joint partnership mechanisms between partner countries and donors to pursue the Paris Declaration reform campaign. There must also be sufficient international processes and accountability requirements for continuing improvements.

It is beyond the mandate of this Evaluation to try to prescribe the form of future "institutionalised processes for the joint and equal partnership of developing countries and the engagement of stakeholders" envisioned in the Accra Agenda. These challenges are likely to be high on the agenda for the High Level Forum in Korea. The Evaluation does underline, however, that the key foundation must be a firm base of transparency on financing and activities at both the international and national levels.

With the proposed sharper focus on action in partnerships at the country level, the most important *international* need will be for more common purpose and demanding expectations on donors/agencies, whose activities span many different countries. The Joint Working Party on Aid Effectiveness (supported by the OECD/DAC) has played invaluable roles in helping bring aid reform efforts to this point, with much stronger collaboration than in the past between donors and partner countries. But this Evaluation has still found a potential and a need for tougher analysis, transparency, peer scrutiny and pressure among the providers of aid – including multilateral agencies and non-DAC providers of assistance – to expedite reforms. The bar has been raised, and so have the stakes.

6.2 To policymakers in partner countries

6. Take full leadership and responsibility at home for further aid reforms

Partner countries need to take on the full leadership and responsibility for further improvement in aid effectiveness in their own countries. This should be built on consistent engagement at senior political levels, stronger in-country machinery for engaging and coordinating donors and a clear option of involving independent facilitator/rapporteurs to help monitor progress and support mutual accountability.

The Evaluation has found that country leadership, when backed by political will and sufficient organisation, is likely to lead to more effective aid and increased chances of better development results. So will a solid focus on aid reform at the country level, where aid can be managed in its proper context, and the most relevant reforms for the country's own needs and capacities can be stressed. All the stakeholders, including legislatures, civil society and the private sector, can be more involved. Most importantly, by bringing the aid effectiveness agenda home, it is clear that countries can keep on improving their systems not just for better aid, but in ways that serve their wider priorities for development, as many countries are now showing.

The evidence is that most donors endorsing the Declaration will be prepared to rally behind clear country leadership, although some of their systems are not yet equipped to field the necessary authority, expertise and continuity on the ground. They will need to do more if the country determines that this is the most effective way to manage the aid it receives. By being more grounded in the country realities, both donors and partner countries will be held to more intensive scrutiny and accountability.

Strengthened, annual country-level forums, with the participation of all key stakeholders, offer the best potential to serve as the centrepiece of a continuing system of shared information, mutual performance review, priority-setting, commitment, alignment and harmonisation. Shared management of risks should be an explicit new theme. Key targets and timelines for reforms and performance should be selected, set and agreed at the country level. A manageable number of sectoral or thematic sub-forums has often proved useful, but they may need to be pruned when they do not yield fruit, rather than adding to a local aid-effectiveness industry. To support these systems, more countries should follow the trend of building their own mechanisms to track and manage information, including solid data on donors' aid projections, commitments and expenditures.

A more grounded aid effectiveness system in countries will need to work for much stronger standards and arrangements for mutual accountability for performance and commitments. Consequently, it will need the maturity and resilience to acknowledge and confront disagreements. Due to the asymmetrical and complex relationships of an aid-receiving country dealing with multiple donors on difficult issues, it may often prove useful for an objective third party to help facilitate the relationships and the process at key points. Such arrangements have been used to good effect in a few past instances. This is the rationale for the recommendation that all countries have the option of calling on independent facilitator/rapporteurs to monitor and facilitate these aid management and

reform processes with representatives of the country and the donor community. They would be able to draw on the norms of good practice, and provide their independent input to the annual forums and international reporting systems as needed to support a more balanced mutual accountability.

7. Set strategies and priorities for strengthening capacities

Most partner countries need to craft workable strategies for further strengthening the capacities to carry through their most essential public policies and operations. This would produce clearer priorities to steer the donor support that is pledged for this purpose.

The Evaluation has found that capacity constraints are the most prevalent source of difficulties in completing aid reforms and, even more important, for carrying out the essential functions that aid is intended to support. 'Capacity development' has been recognised as an urgent priority for decades, but progress has mostly been slow and difficult. It is ultimately a complex, organic and long-term set of processes – not an area for "quick fixes" or bureaucratically engineered solutions. The Evaluation has seen instances of promising steps but there is no model solution in sight. In addition to the many other efforts that countries have under way, the Evaluation found a widespread need for countries to set out key priorities for support to strengthen their own capacities. This is also the best way to secure and direct the increased and better-coordinated support that donors have promised for capacity development.

8. Intensify the political priority and concrete actions to combat poverty, exclusion and corruption

Many partner country governments need to devote higher political priority and more focused action to further reducing the most stubborn development challenges of poverty, exclusion and corruption.

The Millennium Development Goals have done a good deal to raise awareness, rally efforts and monitor progress on globally agreed development objectives. However, the Evaluation has confirmed – in assessing the widespread lack of progress for the poorest, and particularly women and girls – that even the best of aid and aid reforms can encourage and reinforce, but not replace, strong and effective national commitment and action. Keeping in mind the varying results in different countries, it is important to recall the specific joint re-commitment in the Accra Agenda for Action that "Developing countries and donors will ensure that their respective development policies and programmes are designed and implemented in ways consistent with their agreed international commitments on gender equality, human rights, disability and environmental sustainability." The fact that these priorities reflect not only widespread expectations but also shared international commitments clearly requires that they be central to both development strategies and to the continuing dialogue around aid and its implementation.

Meanwhile, the cancer of corruption, present everywhere in the world, is the focus of steadily growing public knowledge and anger in most countries. It is also the focus of the 2005 UN Convention against Corruption, which now has 140 signatories. In spite of a broad wave of initial plans and measures, corrupt practices continue to frustrate the best intentions and objectives of more effective aid and limit the potential for better partnerships. These objectives are first and foremost important to public confidence in partner-countries themselves, but they are also fundamental to aid relationships and to the support for aid in donor countries. Together with the policies and concrete actions needed, the handling of these issues will benefit from a redoubling of effort in transparency, more country-centred dialogue on aid management, and more open approaches to mutual accountability and risk management.

6.3 To policymakers in donor countries

9. Match the crucial global stakes in aid and reform with better delivery on promises made

Most donor countries, at a top political level, need to register and rectify the gaps between their high stakes in aid programmes and in the historic compact to improve them on the one hand and on the other hand a slow and wavering record of reform.

Rising aid spending over the past decade almost certainly testifies to a growing support for development in donor countries for global political and economic reasons as well as solidarity. The Declaration compact was another major step – to tackle longstanding problems in aid in a new spirit of partnership and help the world's poor build better lives in line with the Millennium Development Goals. It has attracted global attention and stirred expectations of important improvements in 'North-South relations.'

As the Evaluation has shown, most partner countries have slowly but surely started making the changes to keep their more difficult side of the aid reform bargain. Moreover, a number of donor countries – all with their own political, institutional, and administrative constraints – have also shown that these can be overcome when sufficient political priority is invested and public understanding and support enlisted.

With the high geo-political stakes involved, and the shared political commitment to 'far-reaching and monitorable actions to reform the ways we deliver and manage aid'[213] it is urgent that all donor governments find ways to overcome the internal institutional or administrative obstacles slowing their aid reforms. With political determination, even constraints like standard governmental budgetary, audit, or staffing requirements can be adapted to respond to the different requirements of effective work in development cooperation. The Declaration is fundamentally a compact between nations: it

213 Paris Declaration, para. 1.

was premised from the start on an expectation of coordinated and harmonised action by donors, to follow and support the lead of partner countries. Without this, the consensus will fray, and the momentum will be lost.

10. Face up to and manage risks honestly, admit failures

Donor governments need to acknowledge frankly that development and development aid are inherently uncertain and risky and put in place measures to manage risks jointly with partners in the spirit of a mature partnership.

In many donor countries, the period since the Paris Declaration has coincided with intense concerns about accountability for public spending that have at times translated into high levels of risk aversion. These tendencies have hampered good practice and many of the changes called for in the Declaration. But to try to avoid all risks in development cooperation is to risk irrelevance.

There are demonstrated ways of promoting a mature public understanding of the uncertainties and risks of development and aid work and how to handle and learn from them, including both cutting edge initiatives and the effective use of tools like evaluation.[214] Donors can learn from, and apply, some of these new techniques.

There is also further evidence in this Evaluation to support the conclusions of other major assessments that the new approaches to development cooperation are in reality no more risky than traditional tightly donor-controlled projects, and that there are sound ways of managing the risks in the new models while also enhancing the development benefits.

11. Intensify peer pressure on 'free-riders' for more balanced donor efforts

Donors countries and agencies need to harness, at a high political level, the instruments of constructive peer pressure that were expected in the Declaration to be drivers of better collective performance – a minority of reform-minded donors cannot hold up the donor side of the compact on their own.

The Evaluation findings suggest that more partner countries can be expected to take the lead in defining their priorities, seeking to align and harmonise different donors' activities, secure and publish information about aid, and strengthen requirements for mutual accountability at the country level. It is clear that a number of donors are already working in this mode and supporting its progress. Others are so far less willing or able to do so, resulting in highly uneven donor performance and an overall collective effort that falls short of the Declaration's agreed vision.

At the same time there are impressive examples of donors and partner countries working with host countries developing a wide variety of coordinated and harmonised support arrangements. There are clear reports of good prospects for further harmonisation and division of labour, particularly under the natural umbrella of the European Union and, for the UN family, the UN Development Assistance Frameworks and the 'one UN' concept.

Beyond these initiatives, however, there are relatively few mechanisms as yet for peer pressure to help to break through the barriers slowing some donors' progress. Peer pressure at the field level – where the needs and opportunities are clearest – is ineffective when field personnel are constrained by their headquarters. Instruments such as DAC peer reviews only take place periodically among the bilateral donors and may not influence top-decision makers or opinion-leaders in the countries concerned. Looking toward the High Level Forum – the most senior platform and opportunity for mutual accountability on aid effectiveness – it will be important for donors to use all possible opportunities for constructive peer pressure to ensure a more balanced and collective response by the donor community.

6.4 Concluding message

This Evaluation – even with its wide and deep participation – is still necessarily selective. It cannot claim to provide the last word in assessing the effects of the Paris Declaration or pointing the way ahead for aid effectiveness. But the Evaluation has found that almost all the 56 commitments in the original Declaration – reinforced by the priorities adopted at the Accra Forum – have been and remain highly relevant for the improvement of development cooperation. That brief list of balanced commitments from 2005, deeply rooted in experience, has sometimes been lost from sight with the focus on broad principles, restricted indicators or emerging trends. But the commitment to aid reforms is a long-term one, and these clear original undertakings – which have attracted such unprecedented support – are neither fully implemented nor yet outdated. They still set the standard for the Busan High Level Forum and beyond.

214 For example an innovative non-governmental organisation, Engineers Without Borders, has recently launched a refreshing initiative to publicise its own mistakes and invite others around the world to do the same (see AdmittingFailure.com). In 2010 the Norwegian Agency for Development Cooperation won the annual national prize for the institution that has best demonstrated the efficient use of government resources for its use of evaluation results in its work. To be able to serve as a model to other public entities while working in the difficult field of international aid is evidence of how much can be done.

"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

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