

# The Evaluation of the Paris Declaration

Phase 2

Executive  
Summary

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# **THE EVALUATION OF THE PARIS DECLARATION**

## **PHASE 2**

### **FINAL REPORT**

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May 2011



# Preface

**T**he 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<sup>1</sup> 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<sup>2</sup> 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

<sup>1</sup> Seven of these countries also participated in the first phase.

<sup>2</sup> 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<sup>3</sup> 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 4<sup>th</sup> 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.



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<sup>3</sup> 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 Kliet, 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*

# Acknowledgements

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



## 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

**T**he Paris Declaration on Aid Effectiveness,<sup>4</sup> 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*<sup>5</sup>. The Evaluation analyses whether and how the commitments, actors and incentives brought together by the Declaration and the Accra Agenda for Action<sup>6</sup> 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

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

<sup>6</sup> 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.

<sup>4</sup> Hereafter referred to as the 'Declaration'.

- 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<sup>7</sup> 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.

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

*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<sup>8</sup> 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.

<sup>8</sup> 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.<sup>9</sup> 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

<sup>9</sup> 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 Phase 2. 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 unin-

tended effects of the Declaration approach have been identified<sup>10</sup> 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-all’ 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<sup>11</sup> 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<sup>12</sup> 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

<sup>12</sup> 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 poten-

tial 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.





"This Evaluation Report provides a credible basis for a constructive discussion in respect of the reforms to Aid Management by both Partner Countries and Development Partners in accordance with the Principles enunciated in the Paris Declaration and the Accra Agenda. The extensive country evaluations based on multiple sources of evidence and techniques, and carried out in diverse and complex country contexts admirably succeed in testing the operational commitment of the relevant actors responsible for ensuring improved Aid Effectiveness, and identifies clear and useful norms of good practice to inform future action and the way forward, in terms of what works and what does not work.

An important conclusion of the Report is the realization that successful Aid Reform can only be achieved through a long-term campaign driven by political commitment rather than technocratic fixes. It should be stressed at the same time that this should not offer justification for the slow pace of change registered to date. There is need in this regard to develop robust criteria for constant monitoring of progress."

*Ms. Mary Chinery-Hesse*  
*Member of the African Union Panel of the Wise and*  
*Former Chief Advisor to the President of Ghana*

*Lord Mark Malloch-Brown*  
*Former Administrator of UNDP and*  
*Former UK Minister*

## Countries and agencies evaluated in Phase 1 and/or Phase 2

Afghanistan • African Development Bank • Asian Development Bank  
Australia • Austria • Bangladesh • Benin • Bolivia • Cambodia • Cameroon  
Colombia • Cook Islands • Denmark • Finland • France • Germany  
Ghana • Indonesia • Ireland • Japan • Luxembourg • Malawi • Mali  
Mozambique • Nepal • Netherlands • New Zealand • Philippines  
Samoa • Senegal • South Africa • Spain • Sri Lanka • Sweden • Uganda  
United Kingdom • UNDP/UNDG • USA • Vietnam • Zambia

## Ownership, Alignment, Harmonisation, Results and Accountability



High Level Forum  
Paris ■ February 28 – March 2, 2005



부산 세계개발원조총회  
**4th High Level Forum  
on Aid Effectiveness**  
29 Nov – 1 Dec 2011, Busan, Korea