

First Phase of the Evaluation of the Implementation of the Paris Declaration Generic TOR for Country Level Evaluations

1. Background and rationale

Alongside its strong focus on monitoring, the Paris Declaration also highlights the importance of an independent cross-country evaluation process. The Declaration states that this evaluation process should provide a more comprehensive understanding of how increased aid effectiveness contributes to meeting development objectives and that it should be applied without imposing unnecessary additional burdens on partners.

In response to this commitment, the DAC Development Evaluation Network explored possible approaches to an evaluation. A two-phase evaluation was proposed. The first phase of the evaluation will focus on input and output levels, through a series of partner country, development partner¹ headquarters, and thematic evaluations. The second phase of the evaluation (up to 2010) will focus on outcome and impact levels. The evaluation will complement the monitoring of the implementation of the Paris Declaration, undertaken through the Joint Venture on Monitoring.

The proposed Evaluation has received strong support from the Working Party on Aid Effectiveness (WP-EFF) and the DAC Evaluation Network. An international Reference Group, comprising partner country members of the WP-EFF, members of the DAC Evaluation Network, and representatives of civil society, has been established to commission and oversee the evaluation.

The first phase will run from March 2007 to July 2008 and will aim at providing information on the 'HOWs and WHYs' of the implementation process of the Paris Declaration in order to deliver practical lessons and help take stock of implementation performance at the 3rd High-Level Forum (HLF) on Aid Effectiveness to be held in Ghana.

The second phase of the evaluation will run from the HLF in Ghana in 2008 up to the 4th HLF in 2010. This second phase will focus on whether the intended long-term effects of the Paris Declaration are being achieved.

2. Purpose and Objectives

While the **overall purpose** of the evaluation is to provide information about the end impacts and effects of implementation of the Paris Declaration principles; the first phase of the evaluation will only focus on input, the implementation process and (to the extent possible) on the level of outputs: Are development partners and partner governments doing what they said they would do? If not, why not? What difference is it making at country level?

The **specific purpose** of the evaluation is to assess what constitutes better practices for partner and development partner behaviour in regard to implementation of the Paris Declaration. Starting from the premise that implementation of the Paris Declaration principles will lead to more effective aid, emphasis will be on *learning* by asking the twin questions: are we doing the right things and, at the output level, are we doing things right?

¹ By Development Partners is meant donors, multilateral agencies, IFIs and other organisations engaged in development assistance

The **objectives** of the evaluation are:

- To deepen the understanding of the lessons emerging from the Paris Declaration's baseline survey conducted in 2006.
- To facilitate global learning on aid effectiveness and to facilitate a more efficient implementation of the Paris Declaration by the evaluated countries.
- To make specific recommendations to the evaluated countries and to the global aid community for improving aid effectiveness.
- To provide the basis for the second phase of the evaluation.

3. Scope and Focus of the First Phase of the Evaluation

Since the endorsement of Paris Declaration (PD) in March 2005, at least 60 countries have taken steps to implement the PD. Of these, 34 countries have undertaken the 2006 Survey on Monitoring the PD. From the Survey Report, which summarised the baseline findings², and from country-specific implementation experiences recorded in a range of different studies, evidence on three dimensions of the aid effectiveness agenda can be identified:

- The utility of the PD itself as a tool for aid effectiveness³;
- The change of development partner behaviour in terms of alignment of their policies, systems and procedures to implement the PD commitments; and
- The change of partner behaviour, with ownership as the key entry-point

These three dimensions will constitute the **main scope** of the evaluation.

The Paris Declaration as a Tool for increased Aid Effectiveness.

Regarding the utility of the Paris Declaration as a tool to foster aid effectiveness three core issues have been identified:

a. Clarity. In many countries it has been unclear how implementation of commitments under the PD should be interpreted and assessed; which has led to potential lack of parity in the monitoring process. First of all, most countries have experienced difficulties in transposing the various indicators of the PD to the country context. Indeed according to the Survey Report, few country groups seem to have been able to reach a consensus on locally adjusted definitions. Especially the indicators concerning capacity strengthening (indicators 4 and 6) and programme approaches (indicator 9) have given rise to extensive discussion and, in some instances, further normative work.⁴ But also indicators providing a relatively unambiguous measure of progress, such as indicator 5 for alignment to country systems and procedures, have been subject to measurement problems.⁵ As a result of the perceived lack of *clarity*, the lowest denominator has often been applied allowing development partners to place their performance closer to the targets than what would otherwise be the case. It comes therefore as no surprise that the Survey Report cautions against a naïve utilisation of the baseline data and that firmer steps are needed to ensure the standardisation of measures for the next survey rounds.

² The survey report is scheduled for release March/April 2007.

³ There is no agreed-to definition of aid effectiveness, but a widely held consensus about the different changes in behaviour and practice which are together taken to comprise effective aid.

⁴ See e.g. *PIU Reference Matrix* of Cambodia: <http://www.oecd.dac/dataoecd/42/58/37105997.pfd>

⁵ E.g. according to the Survey Report, for several countries it is not clear that all of the programmes included as using country budget execution systems are accurately described as « subject to normal country budgetary execution procedures, namely procedures for authorisation, approval and payment, as specified in the survey's Definitions and Guidance paper.

b. Relevance. Also the *relevance* of some of the Paris Declaration Indicators has been questioned during implementation in regard to the perceived main aid effectiveness issues in-country. Some of the indicators appear too narrowly defined to capture the intended commitment. E.g. ownership dimensions which are crucial to the whole aid effectiveness venture are only measured by the proxy indicator of the existence of national development plans, while the interest of the country's senior officials and its politicians in setting the agenda for development efforts is not captured. Another example is the reduction of parallel implementation units (PIUs) as a sole measure of capacity building. Furthermore, some of the commitments included in the PD are not captured in the 12 indicators such as commitments concerning donor-to-donor delegation and complementarities of development assistance – issues critical to the harmonization agenda. As a result, the implementation of these commitments at country level, have proven difficult to pursue. In addition, current country progress measures considered critical to the attainment of the aid effectiveness agenda are not captured by the PD indicators such as harmonization of salary supplements and allowances, and codes of conduct for capacity building.

c. Coherence. Thirdly, the *coherence* of the Paris Declaration, in terms of the inter-linkages between the various commitments and indicators, has also been challenged. In particular, alignment to partner policies *and* alignment to financial management and procurement systems are experienced to be contradictory – at least in the shorter term – due to inefficient governance systems which slow programme implementation and hence the meeting of the MDGs. In the rural water sector in Benin for example, the disbursement level fell from 108 per cent in 2004 to 55 per cent in 2005 due to new alignment measures – a difference in disbursement that had a direct influence on the number of water points installed.⁶

Development Partner Behaviour

In regard to development partner behaviour required to meet the PD commitments, a number of issues have been identified.

a. First of all, a **disconnect between development partner headquarter policies and in-country practices** has been noted, which has led partner countries to increasingly voice their concerns about the slow pace of change in development partner practices. In particular, development partner driven technical cooperation and lack of progress on untying aid have been highlighted as areas of concern. While there is agreement that development partner *commitment* is critical for even PD implementation, the picture is less clear in terms of the entry point for reinforcement – headquarter or field offices, or both. For some development partners there is a tendency for the PD to be owned by policy staff at headquarters level with country level staff seeing harmonisation tasks as getting in the way of efforts to achieve tangible development results. For other (typically project-oriented) development partners, the picture is reverse with country level staff experiencing difficulties in engaging in collaborative efforts due to legal liability and financial control concerns of headquarter. Indeed, in some instances the legal liability concerns of development partner HQs have led to initial below-PD commitments at field level.

b. Communication and Understanding While the development partner' headquarters/field level disconnect is a real issue, country experiences demonstrate that leadership on PD commitments is first and foremost person-borne reflecting, commitment/ownership dif-

⁶ Mise en œuvre de la Déclaration de Paris au Bénin. COWI, 2005

ferences of individual staff as well as uneven *capacities*. Indeed, a single development partner representation might represent very different approaches to aid effectiveness as has been registered during PD roll-out with some staff embracing the PD agenda while other staff sees collaborative efforts as time-consuming tasks with limited bearings on development results. As a consequence, development partners and National Coordinators alike have called for more effective and unambiguous communication on PD issues between headquarters policy advisers and operational staff; this especially is the case in countries where the aid effectiveness agenda has been launched only recently.

c. The *incentive systems of the development partners* have been reported as a critical parameter for efficient development partner behaviour. The baseline survey suggests that a number of obstacles work against development partners' ability to meet the commitments made in Paris. These include amongst other things, excessive pressures for disbursements, lack of flexibility on staff time, and high staff turnover, which taken together create incentives that reward short-term benefits over longer term, and collective gains. Further, the development partners' need for visibility and influence at times takes precedence over the commitment to harmonized approaches – a tendency which has been especially noted in intervention areas such as decentralization where development models are seen as 'export-vehicles' of different development partner systems. Similarly, the same need for visibility limits the embracing of delegation – even when development partners are willing to harmonize and align - as illustrated by the proliferation of development partner groups *and* development partner group members. It seems that career prospects for development partner staff are improved by the maintenance of individual development partner profiles through active participation in development partner coordination. Such incentives may result in permanently high transaction costs.⁷

Partner Country Behaviour

Partner behaviour is a critical factor for a successful implementation of the PD. As mentioned above, the starting point for aid effectiveness is that the partner countries assume leadership and responsibility for their own development in response to their citizens needs and own development priorities. And, measured in the form of the proxy indicator of national development plans and the degree to which they are prioritized and linked to budgets, expenditures and results (indicator 1), the baseline findings show that country ownership needs substantial strengthening. Partner leadership in aid coordination is another major concern. But there is no specific indicator dedicated to measure this dimension of ownership. However, the variable is measured indirectly through other sections of the survey: the degree to which aid data are captured in the national budget or the government accounts (indicators 3 and 5) and the use of Programme-Based Approaches, for which a government-led policy framework is a necessary condition (indicator 9). Fortunately, the survey findings demonstrate that partner governments are more inclined than they were only a few years ago to assume a leadership role in aid coordination as demonstrated by the recent proliferation of Aid Policies.

a. As indicated above, these proxy indicators for **ownership** are increasingly being viewed as too limited to demonstrate the complexity of the ownership dimension. First and foremost, the fact that a given partner country holds different ownership claimants, as reflected by an **uneven commitment to national development policies** and aid policies, is not

⁷ Ole Winckler Andersen and Ole Therkildsen. *Harmonisation and Alignment: the Double-Edged Swords of Budget Support and Decentralised Aid Administration*. Danish Institute for International Studies. 2007.

addressed. Whose ownership is to be strengthened? Is it the executive or the legislative arm of government? Is it politicians or officials? Is it central or local government? Is it the Ministry of Planning and Finance or the sector ministries?⁸ Further, to what extent is this ownership inclusive, especially with respect to key civil society constituencies' relation to human rights, gender equality and the environment? These questions are important to clarify when implementing the PD, as the approach to national development and aid policies differs strongly depending on the partner stakeholder. E.g. one of the fundamental tenets of the PD – namely the programme approach – has during PD implementation mainly been championed by the central ministries, such as ministries of finance, while sector ministries have been reported seeing budget support (general *and* sector) as a relinquishing of their power. Another example is the oft experienced resistance of central governments to the devolution of competences and funds to local governments in the context of decentralisation.

b. *Capacities* of ownership in terms of adhering to and communicating the underlying ideology of partners' development plans are critical. While the World Bank criteria for the assessing the state of operational national development plans are commonsensical, they do not say anything about the content of the countries' development policies. Nonetheless, in practice conflict has been experienced between development partners seeking an MDG-driven poverty reduction strategy and partner countries wanting a growth-oriented development strategy with major infrastructure projects as the key elements.⁹ Further, experiences show that sector ministries routinely accept development partner funding which is non-aligned to partner sector policies with the consequence of having multiple approaches to e.g. cost-sharing within a given province depending on the development philosophy of the development partner.

c. Finally, the extent of ownership of national development results has been an issue for discussion with **partner incentive systems for aid effectiveness** being the entry point. In several countries, development partners have been voicing concerns about partner governments' slow progress on key reforms, leaving the development partners without a programme framework and/or systems for alignment. Further, weak leadership has also been noted in regard to ensuring that emerging donors such as China and global funds adhere to the commonly agreed aid effectiveness principles. Indeed, in Zambia the provision of non-concessional funding from non-JASZ signatories has been stated as a key risk to the debt sustainability of the country.¹⁰

Emerging Results

While the PD might be too recent for the capturing of outputs, emerging aid effectiveness results might be recorded either in the form of *process* results and/or *outputs* based on pre-PD aid effectiveness initiatives¹¹. In regard to process results the Survey Report has noted an improved understanding at country level about the PD objectives and commitments which is expected to be translated into an actionable agenda for a number of countries. There is evidence that “dormant” country harmonisation processes have been to some degree revived as

⁸ Richard Batley. *Mozambique: The cost of 'owning' aid*. Public Admin. Dev. 25, 415-424 (2005).

⁹ Although the two development approaches may be mutually dependent with commitment to growth being a necessary (but not significant) prerequisite for poverty reduction.

¹⁰ Joint Assistance Strategy of Zambia. 2007.

¹¹ Toward Country Led Development: An Independent Evaluation of the Comprehensive Development Framework, the World Bank; 2003; The Drive to Partnership: Aid Coordination and the World Bank, The World Bank, 2001; The Round-Table Mechanisms, UNDP, 1998, DP/1998/CRP.2, New York; Evaluation of General Budget Support, DFID 2006).

actors within government involved in the survey had an important instrument for instigating change. Emerging outputs are yet to be collected in a coherent manner. However there are indications that for countries which have been engaged in the aid effectiveness discussions for some years, harmonisation efforts (such as division of labour exercises) have led to fewer overlaps of assistance. Further, the managing for results approach – linking resources with results – has at sector level in some instances led to more strategic partner-donor dialogue (e.g. in terms of realistic projections of fulfilment of the MDGs) as compared to what has previously been noted.

4. Limitations of the evaluation

The selection of countries for evaluation is based on a process of auto-selection which does not enable the establishment of a proper sampling frame. However, considering the high number of countries already volunteering for evaluation – a total of 10 countries: Bangladesh, Bolivia, Mali, the Philippines, Senegal, South Africa, Sri Lanka, Uganda, Vietnam and Zambia – the sampling frame is considered sufficiently large and balanced in terms of region and aid dependency and per capita income, to abate this concern. As ‘fragile states’ are not represented in the sample, a thematic study has been proposed.

The output level will to the extent possible, be addressed by capturing emerging results. Hence, the first phase evaluation will not assess the underlying assumptions of the PD; namely that increased aid effectiveness leads to development impact. Instead, the assumptions will be assessed (in the extent possible) during phase two of the evaluation, evaluating the same countries. Other assumptions underlying the PD may however be assessed, i.e. that harmonization and alignment, ownership and mutual accountability may form the necessary preconditions leading to aid effectiveness.

5. Evaluation Questions

As mentioned above the evaluation will focus on learning by asking the twin questions: ‘are we doing the right things?’ (Relevance) and ‘are we doing things right?’ (Effectiveness) Hence, the outlined evaluation questions below shall be taken as explorative starting points for the assessments.

While the issues to be evaluated are split ‘neatly’ into the three dimensions or aspects: **Utility of the PD; Development Partner Behaviour; and Partner Behaviour**; it is understood that strong inter-linkages exist. For example, partner ownership of development efforts depends to a significant degree on development partner behaviour, while several dimensions of alignment depend on actions by partners. To the extent possible, the country level evaluations should capture these inter-linkages.

All 10 country level evaluations are expected to cover these three main dimensions critical to the implementation of the aid effectiveness agenda. However, in order to accommodate for a variety of country circumstances the country level evaluations may differ in the degree of focus and detail.

Assessment of the Paris Declaration:

- What is the perceived *clarity* of the PD commitments and indicators? If further clarification work has been needed, which agreements have been reached by the partners (country government and development partners) and are the agreements satisfactory?
- What is the perceived *relevance* of the PD commitments and indicators? What are perceived as the critical aid effectiveness issues in country? Are these addressed by

the PD principles? Are all elements perceived critical to aid effectiveness in the country currently addressed?

- What is the perceived *coherence* of the PD? Are any of the commitments and indicators and/or derived implications experienced as contradictory?

Assessment of development partner behaviour:

- Are development partner field staff aware of the PD commitments? Are they *committed* to implementing the PD? How has this been demonstrated in development partner practices? Do development partner field staff across sectors and themes address PD commitments evenly? Are development partner HQ and field offices aligned with respect to PD significance and implementation?
- Do the development partners work coherently to support nationally led development frameworks such as the national plan, PRS or UNDAF?
- Do development partner *incentive systems* motivate field staff to fulfil PD commitments? (Have incentive systems changed to reflect PD commitments?)
- Do development partner field staff (including project/programme staff) hold sufficient *capacities* to implement the PD?

Assessment of partner behaviour:

- What do partners understand as ‘ownership’? Who are the key claimants to ownership? Which national development and aid policy objectives hold real political power in terms of high government *commitment*? How well do these align with PD commitments? How are internal alignment conflicts resolved? Has the implementation of the PD principles had an impact on the level of ownership inclusiveness in regard to civil society, marginalised groups, and other national bodies?
- Do partner stakeholders have *capacities* to communicate and adhere to partner national development and aid policies? Has the nature of partner ownership given rise to change in development partner-partner country relations? If conflictual, how was the conflict resolved? Are emerging donors such as China more or less attuned to partner country needs?
- Do the partner country’s *incentive systems* motivate staff to fulfil national development and aid policy commitments?

Capturing of emerging outputs:

- What are the emerging intended and unintended effects of the aid effectiveness initiatives set against the five axes of the PD – ownership, alignment, harmonisation, results-based management, mutual accountability? Is there evidence of changes? Has the roll-out of the aid effectiveness agenda had effects on development co-operation priority-setting, including cross-cutting priority issues?
- What are the transaction costs/cost-benefits of implementing the PD commitments of the five axes? And, in what directions have the transaction costs/cost-benefits moved since implementation of the PD commitments?

6. Structure of Work

The development of this generic ToR into country specific ToRs should be guided by the “Guidance for Management of Country Level Evaluations” (Annex 2A). The evaluation should be conducted in three phases:

Inception Phase. Based on the adapted country terms of reference, the contracted evaluation team will develop an inception report (30 pages maximum) including:

- A contextualised evaluation approach and framework based on the outlined evaluation questions of the present generic ToR;
- A sampling frame (sector- and geographical focus) including the identification of relevant information sources;
- Data collection methods and draft instruments (interview guide, questionnaires, etc.);
- Processes for institutional learning during the evaluation; and
- A detailed work plan.

The Evaluation Management Group should be invited to review and comment on the draft Inception report. If at all possible there will be an Inception Workshop/Meeting of all evaluation teams to discuss and compare approaches, before fieldwork is undertaken to share ideas and understanding and to try to encourage comparability in approach and conceptual frameworks including evaluation indicators and criteria.

Data collection and report drafting Phase.

The evaluation questions listed above are intended to be posed to development partner and partner country stakeholders alike, with a focus on *perceptions of changed behaviour*. Further, it is recommended to also include civil society stakeholders in the evaluation process.

The drafting of the report will be facilitated; adhering to the country level evaluation report outline attached in Annex 1 (to be developed). The country level evaluation report should be of maximum 50 pages including the executive summary.

Consultation and Finalisation Phase.

Evaluation findings would need to be discussed at country level between the respective country and its development partners and other stakeholders (the reference group) before being finalised and communicated to the Evaluation Management Group.

7. Composition of Teams

The evaluation team should comprise the following key skills: Advanced knowledge and experience of aid effectiveness and development policies including that of the Paris Declaration. Advanced knowledge and experience of programme approaches (General Budget Support and Sector Wide Approaches). Knowledge and experience of the country in question. Knowledge of and training in evaluation methodology including process and participatory evaluation.

Team members should reflect a gender balance and comprise national and regional/international consultants.

8. Timing and Conduct of Work

The timetable for the evaluation is as follows:

2007	
January – March	Agree Evaluation Framework
April – May	Develop specific ToR for country level evaluations.
May – June	Contract evaluators
May – October	Country lesson learning evaluations

June or July	Possible Inception Workshop
September/October	Draft country level evaluation reports
November	International Workshop on emerging findings
November-December	Finalize Country reports for publication