

**Paris Declaration Evaluation  
Terms of Reference  
Thematic study on  
the Paris declaration, aid effectiveness and development effectiveness<sup>1</sup>**

**1. Background and rationale**

Background

The Paris Declaration (PD) is seen by the international development community as a major tool for improving aid effectiveness among development partners and partner countries. The PD is the practical embodiment of the findings of two decades of research and evaluation findings from practical work on aid effectiveness. While it is difficult to argue that it is the be-all and end-all of aid effectiveness, it comprises an agreement among a large number of partners. The PD continues to capture the attention of the more than 130 countries and agencies that signed the Declaration in 2005. Its implementation and monitoring have demanded significant financial and staff resources from development partners and partner countries alike.

The PD sets out principles for improvement in the efficiency with which aid is delivered, received, and managed. According to the Declaration, this improvement requires strengthening development partners' harmonisation and alignment with the policies of partner countries, with the aim of enhancing partner country ownership, reducing aid delivery transaction costs, avoiding overlapping and contradictory interventions, and increasing the accountability of both sets of partners to their sources of finance.<sup>2</sup>

The implementation of these principles is to lead to more effective aid which, in turn, is to increase development effectiveness. One definition of development effectiveness is the extent to which an institution or intervention has brought about targeted change in a country or the life of the individual beneficiary. It is influenced by numerous factors, beginning with the quality of project or program design and ending with the relevance and sustainability of desired results.<sup>3</sup> An example, from which the above definition is taken, is provided by the UNDP in the following box.

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<sup>1</sup> The term development effectiveness is meant to describe the level of achievement of overall development goals which are affected by a host of different factors. By adding the notion of effectiveness to the term development, the idea is to assess aid against official, long term and quantifiable development goals (e.g. the MDGs or national goals). Thus development effectiveness is not solely the level of goal achievement of aid/development interventions.

<sup>2</sup> Definition of "aid effectiveness" drawn from several sources, including the "Paris Declaration" of March 2005.

<sup>3</sup> Definition of "development effectiveness," including example in box, from *Development Effectiveness: Review of Evaluative Evidence*, UNDP Evaluation Office 2001, p.11. Other definitions of development effectiveness are possible. One of the tasks of the consultant will be to develop a working definition of development effectiveness.

In order to assess the effectiveness of a given intervention or organization, two questions need to be answered in tandem. Have the immediate goals of assistance been achieved? And have those goals enhanced the development process? That a given forestry project in Thailand has fulfilled its objectives may be reason for satisfaction, but what if overall forest cover in the same region has fallen dramatically at the same time? Success at the micro-level does not portend success at the macro-level. It is from this broader holistic perspective that the concept of development effectiveness should be seen.

## Rationale

The rationale for this Thematic Study will be to provide a conceptual approach for testing the hypothesis stated in the second paragraph of the Statement of Resolve in the PD: "...we believe they [prior declarations and principles] will increase the impact aid has in reducing poverty and inequality, increasing growth, building capacity and accelerating achievement of the MDGs." In order for the Evaluation to test this hypothesis, the linkages and causal relationships explicit and implicit in the PD will need to be clearly articulated in a "logic model". Most importantly, the programme theory or set of hypotheses that give the PD its logic has not yet been fully articulated. The overall purpose of these ToRs is to call for the articulation of this logic.

In the context of the PD Evaluation, a study of the consistency, appropriateness and potential impact on development effectiveness of the ideas and initiatives laid out in the PD is needed. The study should present a critical reading of the PD and a theoretical discussion of its key issues and assumptions, as well as their assumed contribution to development effectiveness. Within the PD Evaluation the study should provide a basis for the elaboration of Terms of Reference for the studies on outcome and impact of the PD in the second phase of the Evaluation.

## **2. Purpose and objectives**

The purpose of this thematic study is to serve as a **primary document to frame Phase 2 of the evaluation by assessing the relationship between the recommendations of the PD and aid effectiveness and development effectiveness.** The six general objectives of the study are to:

1. present the rationale of the core principles of the PD in a clear and straightforward manner;
2. assess the validity or plausibility of the underpinnings of the PD and its different partnership principles;
3. clarify the concepts of aid effectiveness and development effectiveness, drawing from, but not limited to, the PD;
4. provide on the basis of literature and expert views insights on the plausibility of the theoretical linkages between the PD principles if correctly implemented and aid effectiveness;
5. suggest ways to practically test the links specified between the PD and aid effectiveness;
6. provide an outline of approach and methodology for phase II of the evaluation.

### 3. Scope and Focus

The study is a desk study and does not include field research. It will be theoretical and conceptual in nature and will not be based on primary empirical research. Based on the existing literature, it is expected to present and discuss key principles and causal relationships. A review of the literature on these concepts and relationships should be included whereas quantitative analyses are not to be attempted.

In relation to the links between aid effectiveness and development effectiveness, the study should not embark on discussions of the pertinence of different policies for development or of different development objectives. Rather, the study will explore the proposition, stated in various ways in the literature on aid effectiveness, that partner countries' own efforts (policies, programs and management for results) are largely responsible for their development progress, and that aid that is aligned with the countries' own efforts is most effective.<sup>4</sup>

The study should cover the following elements:

1. Presentation of key concepts and causal relationships in the PD. This should include a discussion of the evolution of the concepts and relationships from earlier **official** texts<sup>5</sup>, notably including the official documents from Monterrey (2002), Rome (2003) and Marrakech (2004) as well as previous relevant work on aid coordination and aid effectiveness by the DAC, UNDP, and World Bank.
2. Literature review in relation to core principles and causal relationships. Possible core principles include the partnership commitments of the PD (ownership, alignment, harmonisation, results management, and mutual accountability), aid effectiveness and development effectiveness. Key causal relationships to be summarized from the literature include the relationship between the partnership commitments and aid effectiveness and the potential relationships between aid effectiveness and development effectiveness. Based on this review the consultants should develop a working definition of development effectiveness.
3. Critical discussion of core principles, including aid effectiveness, and causal relationships. Of particular concern are (i) the conceptual clarity of the ideas in the PD; (ii) the realism of the suggestions and assumptions in the PD in view of the present organisation of development assistance; (iii) the robustness of the causal relationships assumed by the PD; (iv) the identification of possible missing links critical to achieve greater aid effectiveness; and (v) the possible unintended consequences of the partnership commitments in relation to aid effectiveness and development effectiveness.

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<sup>4</sup> Literature (and experience) suggests that not all aid effectiveness measures are symmetrical; for example, assistance that is harmonized may reduce transaction costs *to the partner country*, although it may raise the transaction costs to the donors.

<sup>5</sup> Studies/evaluations informing these texts should also be consulted.

4. Examination of emerging findings from the first phase of the PD Evaluation and from other sources regarding the relationships between the partnership commitments, aid effectiveness and development effectiveness. It is important to put the conclusions into context and to identify possible systematic variations in the relationships across countries. Possibly, the relationships are stronger in particular societies than in others, and the study should try to link this issue to the question of weak/fragile states.
5. Presentation graphically and verbally of a logic chain illustrating the causal relationships/correlations from the Paris Declaration commitments through aid effectiveness to development effectiveness.
6. Present and discuss options for approach and methodology for phase II of the evaluation.

Towards the end of the study a workshop to discuss findings should be organised. The participants should comprise max 10 scholars and practitioners who can peer review the draft report.

### **Composition of the Team**

The team will consist of at least two persons. Both should have extensive experience in policy-oriented development research, including publications.. The Team should be composed so as to cover the following issues:

- Advanced knowledge of and experience with the discussion of aid effectiveness.
- Advanced knowledge of economic studies of the relationship between aid and development.
- Advanced knowledge of aid impact studies.
- Advanced knowledge of political economy analyses of development assistance.
- Advanced knowledge of and training in evaluation methodology
- Knowledge of and experience with programme based approaches (including Sector-Wide Approaches), and the range of implementation mechanisms including, but not limited to. General Budget Support, Sector Budget Support, trust funds and other pools, projects, grants to NGOs, etc.

The team should preferably comprise international consultants reflecting regional as well as gender balance.

### **Reports**

The products of the study include

- An inception report describing how the team intends to organise the work and methodological approach
- A final report of no more than 60 pages plus annexes, with an executive summary that does not exceed 5 pages.

### **Level of Effort**

- App. 5 person-months

**Timing and Conduct of Work**

- October 2007 – Agreement on TOR
- November 2007 – Contract Evaluators
- November 2007 – April 2008 – Conduct Thematic Study
- 15<sup>th</sup> of January 2008 - Deadline for the inception report which should be discussed with the Evaluation Management Group
- 31 January/1 February participation in the “emerging findings” workshop of Phase 1 of the evaluation (in South Africa)
- February/March: workshop with scholars and peer reviewers on draft report
- April 2008 – Finalize Thematic Study