

Terms of reference for consultants

Joint Evaluation of the Paris Declaration

Thematic Study title: THE PARIS DECLARATION ON AID EFFECTIVENESS: ITS APPLICABILITY IN FRAGILE SITUATIONS AND CONFLICT AFFECTED COUNTRIES

Planned Date: January 2008 – April 2008

Introduction and Summary

1. The DAC High Level Forum in Accra in September 2008 will review progress in implementing the 2005 Paris Declaration on Aid Effectiveness. This will provide an opportunity to discuss the challenges of applying the Paris Declaration in fragile situations and conflict affected countries.
2. This paper outlines the scope of work for a proposed study which will contribute to both the evaluation of the Paris Declaration and the work of the DAC Fragile States Group through: (i) a review of existing evidence and analysis; (ii) preparation of a causality map; (iii) further development of a framework for monitoring and evaluating aid and development effectiveness in states which are fragile (as required by implementation of the DAC 'Principles for Good Engagement in Fragile States and situations).

3. The proposed study will contribute to the evidence gathering and the analytical framework being developed through the Paris Declaration Evaluation, and to the ongoing work of the DAC Fragile States Group (FSG) and the DAC Network on Conflict, Peace and Development Cooperation (CPDC) on aid and development effectiveness in situations of fragility and conflict. The key outputs of the study will be: (a) a synthesis of existing evidence and analysis on the aid effectiveness challenges in fragile situations, the relevance and usefulness of the Paris Declaration and how the Paris Declaration is applied in different contexts, including analysis of the constraints facing donors; and (b) a framework for consistent analysis and monitoring of the implementation of the Paris Declaration principles and the FS principles in different fragile situations. Pilot testing in 3 states is anticipated.

Background

4. The Paris Declaration is based upon a simple but important assumption: aid will be more effective if the actions and behavioural changes listed as commitments under the five principles (ownership, alignment, harmonisation, managing for results, and mutual accountability) are undertaken, and less if they are not. Mutual commitment by donors and partner countries to this agenda has strengthened its potential impact.

5. From 2005 there has been recognition that fragile and conflict affected states pose particular challenges, and that these need to be better understood: the Paris Declaration noted the need to adapt and apply these five principles to differing country situations, particularly fragile states. It also refers to specific commitments of partner countries and donors in harmonizing aid in fragile states (paragraphs 37-39). These were developed into a set of *Principles for Good International Engagement in Fragile*

States and Situations (FS Principles). The FS principles were piloted in nine countries, and refined after consultation. They were approved by the DAC's HLM in April 2007.

6. The Fragile States principles are:

- Take context as a starting point
- Do no harm
- Focus on state building as a central objective
- Prioritise prevention
- Recognise the links between political, security and development objectives
- Promote non-discrimination as a basis for inclusive and stable societies
- Align with local priorities in different ways in different contexts
- Agree on practical coordination mechanisms between international actors
- Act fast, but stay engaged long enough to give success a chance
- Avoid pockets of exclusion (aid orphans)

7. The Principles provide an important supplement to the Paris Declaration by reinforcing its messages on alignment and harmonisation, providing further guidance on applying these principles in fragile situations and by extending the framework for aid effectiveness to encompass, conflict sensitive aid, whole-of-government approaches and policy coherence in the political, security and development nexus.

8. Work is being undertaken under the Paris Declaration evaluation to articulate the 'programme theory' of the Paris Declaration (i.e., to articulate the set of hypotheses that give the Paris Declaration its logic) and to prepare a framework for analysis of aid and development effectiveness. Preparation of a similar framework to set out the assumptions underpinning application of the Paris

Declaration principles (and the FS principles) in the very different condition experienced in the range of fragile and conflict situations is needed.

9. Systematic accumulation of evidence within a more appropriate framework will provide the data from which robust policy recommendations can subsequently be drawn.

10. Initial work has been undertaken to monitor the implementation of both the Paris Declaration principles (as outlined in the Declaration itself) and the FS principles but it is not enough. The 2006 monitoring survey on the Paris Declaration included only **six countries** deemed “fragile”¹. Of the 10 countries which volunteered to undertake ‘partner country’ evaluations within the main Paris Declaration **none** are “fragile”. Whilst these analyses have helped build a picture of some of the challenges of, ownership, alignment and harmonisation in fragile states the coverage is limited. Some work has been undertaken to monitor implementation of the FS principles as part of OECD Peer Reviews, but this is at an early stage.

Objectives

11. There are two broad objectives for this study, both of which will be available to feed into the High Level Forum on Aid Effectiveness in Accra (September 2008):

(a) To document and expand existing evidence and analysis on aid effectiveness in fragile states, identifying key known challenges in implementing the Paris Declaration principles and the FS Principles in those states; and,

¹ A first round of monitoring the Paris Declaration was conducted in 2006 and will be followed by a second and third survey in 2008 and 2010. The 2006 survey covered six fragile states: Afghanistan, Burundi, Cambodia, DRC, Mauritania, Yemen

(b) Preparation and piloting of a monitoring and evaluation framework (drawing upon the work being undertaken in the main Paris Declaration evaluation, but tailored to the conditions experienced in different types of fragile situations) that will, in the longer term, allow the systematic collection of evidence. The framework will ultimately lead to more rigorous analysis of the development outcomes attributable to different patterns of donor and partner government behaviour in fragile situations.

Scope, Tasks and Methodology

12. A desk study to undertake the following:

- 1) *Literature Review and review of the existing evidence on the aid effectiveness issues and constraints in different fragile situations according to the typology of fragile situations developed by the DAC Fragile States Group (i.e.: (i) deteriorating governance environments; (ii) prolonged crisis or impasse; (iii) post-conflict/crisis or political transitions; (iv) gradual improvement).*
- 2) *Preparation of a causality map, identifying the key assumptions underpinning use of the Paris Declaration principles and FS Principles in engagement in fragile states (this should link closely with the work being undertaken in the main Paris Declaration evaluation).*
- 3) *Produce a provisional monitoring and evaluation framework for piloting within case study countries. An example of questions which the framework might address are included in the annexes. The inception report will be used to refine and focus these questions to ensure that agreed core questions are answered.*

13. When agreed with both partner country Governments and the evaluation steering committee, ‘Light-touch’ studies will subsequently be conducted, to pilot the monitoring and evaluation framework and to contribute to the evidence base on the aid effectiveness challenges and the difficulty of applying the Paris Declaration in fragile states. Afghanistan, Burundi and Yemen have been tentatively suggested for the following reasons – all three countries participated in the 2006 monitoring survey and will participate in the 2008 survey. Yemen was also a pilot country for the implementation of the Principles for Good International Engagement. However, this has not been negotiated with these countries, and this suggestion is therefore speculative only. The available timescale may well be a constraint. No field work will be conducted before full agreement on content and timing has been reached with Partners and the management group.

14. Preparation and analysis of evidence during the piloting/country study phase will draw on the existing evidence base, including the work undertaken by the Fragile States Group when developing and piloting the Principles, the DAC Peer Review reports, and other country reports on aid effectiveness².

Evaluation questions

15. Overarching questions:

- Are the Paris Declaration principles relevant within states in different fragile situations, and are they applied differently in different contexts? How do the FS Principles and the Paris Declaration principles complement each other? Does implementation of these principles lead to improved development outcomes?

² It will build on the ODI Report “Harmonisation and Alignment in Fragile States” (2005) and other relevant literature and country reports on aid effectiveness.

- Are donors implementing the commitments made? If not, what are the constraints?
- What are the critical measures for whether donor behaviour is effective or not in different fragile situations?

EXPECTED DELIVERABLES

16. Literature review and review of existing evidence.

17. An Inception Report by mid February will include the causality map (in whatever form is agreed to be appropriate), a monitoring and evaluation framework to be approved by the Management group and subsequently piloted, and the methodology to be used when undertaking pilot studies, highlighting the specific questions which will be covered.

18. Individual country study reports (by mid April 2008). These will produce evidence and deepen understanding, as well as testing the framework.

19. A final report, including analysis of the country studies, a Causality Map (revised if appropriate) and Evaluation and Monitoring Framework for more extensive use in future evaluative work.

Funding and Management arrangements

20. The study will be undertaken jointly between the Paris Declaration evaluation and the DAC Fragile States Group.

21. A broadly representative Steering Committee will be established, including the FSG and Paris Declaration Reference Groups, and partner countries and institutions. A Management Group will undertake decisions, based wherever possible on the consensus views of the Steering Committee.

Team composition, contracting and reporting arrangements

22. The study will be undertaken by consultants, who will be required to hold expertise and experience in the following areas:

- a) Familiarity with the key issues in programme delivery in fragile situations, and experience of working in a range of states in fragile situations.
- b) Familiarity with the aid effectiveness literature and the Paris Declaration and the Principles for good engagement in fragile states.
- c) Familiarity with evaluation techniques, including the OECD-DAC evaluation criteria, and experience of conducting research, reviews and evaluations in developing countries (including fragile states).
- d) If pilot studies are undertaken, the team will need to organise their own work and logistics.
- e) Ability to draw in strong inputs from Southern development institutes.

Timescale

23. The work will be completed by the end of April 2008.

ANNEX A

The experience from the DAC Principles pilots revealed a number of issues that need to be taken into account for the implementation of the Paris Declaration in fragile states. The DFID FST have identified a number issues and relevant questions to consider as part of this study.

Paris Declaration Principle: Main Issue from Piloting the Principles	Typical sub-questions	Indicators	Methods / Information
<p>Ownership: Many of the pilots demonstrated that where there is very weak institutional capacity and no clear articulation of a national development strategy donors need to agree something else to align behind.</p>	<p>What have donors done to promote “ownership” and the development of national strategies in countries with weak institutional capacity?</p> <p>What other processes and mechanisms have been used as a proxy for a national development strategy?</p> <p>Has donor support for national development strategies contributed to “state-building” or just “state-capacity building”?</p> <p>How have donors promoted inclusive processes for defining national development priorities?</p>	-	-
<p>ALIGNMENT</p>	<p>What are the obstacles to</p>	-	-

<p><i>Alignment (predictability):</i></p> <p>The pilots found that multi-annual commitments were essential for building stability and a long-term commitment.</p> <p><i>Alignment (choice of instruments):</i></p> <p>Contrary to the Paris Declaration assumption about preferred aid modalities, the DAC FS Principles emphasise the need for a mix of instruments in fragile states, and the use of “shadow alignment”, where full alignment is not possible.</p>	<p>providing predictable funding in volatile environments and what experience has there been of overcoming these obstacles?</p> <p>How have donors made choices about the mix of instruments used?</p> <p>Was the choice of the combination of instruments appropriate for the context?</p> <p>What has been the experience of “shadow alignment” in different contexts?</p>		
<p><i>Harmonisation (Division of labour):</i></p>		-	-

<p>With the agreement to the EU Code of conduct, it is important to work out how this will apply in fragile states, particularly given political sensitivities.</p> <p>Harmonisation (analysis): The pilots all underlined the need for good analysis of the context, particularly political and conflict analysis. This underlines the importance of joint analysis in a fragile state, and the Paris indicator on joint analysis.</p>	<p>How have donors decided on the division of labour for different sectors in different contexts. What impact has that had?</p> <p>What role has joint donor analysis of the political context and the drivers of conflict and fragility played in improving donor effectiveness? What progress has been made at the policy level in harmonising analytical frameworks?</p>		
<p>4. Managing for Development Results:</p> <p>The pilots demonstrated the need to identify results</p>	<p>How have donors defined results or built the capacity to identify results in contexts with very weak institutions? What results have been defined in the areas of peace-building and state-</p>	-	-

<p>in the key areas of state-building and peace-building.</p>	<p>building? What timeframes have been used to set goals and how have these been measured?</p>	-	-
<p>Mutual accountability Without a meaningful national development strategy, it is difficult to enforce mutual accountability and none of the classic “Paris” mutual accountability mechanisms that rely on a mature aid partnership have been implemented in fragile states.</p>	<p>What experience is there is establishing mechanisms for mutual accountability in the absence of a mature donor/partner relationship?</p>	-	-

THE PRINCIPLES FOR GOOD INTERNATIONAL ENGAGEMENT IN FRAGILE STATES AND SITUATIONS

AS A TOOL TO BENCHMARK AID AND DEVELOPMENT EFFECTIVENESS IN FRAGILE STATES

Version 25 October 2007

OECD DAC Development Ministers and Heads of Agencies endorsed a Policy Commitment and set of Principles for Good International Engagement in Fragile States and Situations [DCD/DAC(2007)29] at the 2007 OECD DAC High Level Meeting. The Principles aim at improving the effectiveness of donor engagement in fragile states. They were [field-tested](#) in nine countries over 2005-2006 and subsequently refined.

The questions and indicators below are derived from the Principles, were initially developed to help DAC Peer Reviews, and are now further developed to serve as a diagnostic tool. They can be used to gauge one donor's engagement either (i) in all fragile states where it has programmes, or (ii) in a single fragile state.

For every question, there can also be space for the respondent to add a qualitative comment (how, why).

This version reflects comments received by the focus group on the Principles and will be submitted to the Fragile State Group for discussion and approval at the 20-21 November meetings.

Comments can be sent to Juana de Catheu; Tel. +33 1 45 24 15 23; Juana.deCatheu@oecd.org

PRINCIPLE

QUESTIONS AND INDICATORS

1. Take context as a starting point.

- A. Is the donor's strategy based on an analysis of the political economy, including drivers of change, potential spoilers, and the regional and diaspora dimensions [governance assessment: Yes/No; conflict analysis: Yes/No]? Were the analyses used in programming? *[Number and proportion]*
- B. Is the donor doing anything to ensure that perspectives from different parts of society across horizontal and vertical social divides are taken into account and able to influence the donor's strategy? *[Yes/Yes, although not consistently/No]*³
- C. Is the donor's strategy based on a multi-donor assessment of needs across sectors and with appropriate sequencing *[Is there a Post-conflict needs assessment or Transitional Results Matrix: Yes/Yes, although not consistently/No]*

2. Do no harm.

- A. Have there been efforts to identify and address areas of potential policy incoherence within the donor's approach (e.g. immigration policies that cause brain drain; banking regulations that favor capital flight and money laundering; policies that can benefit one population group over another and contribute to societal divisions and causes of conflict)? *[Yes/Yes, although not consistently/No]*
- B. Does the donor have instruments and processes to measure **results** against its strategy and/or programmes? *[Yes/Yes, although not consistently/No]*
- C. Has the donor considered the relationship between its programme and conflict dynamics in country *[Yes/Yes, although not consistently/No]*, and does the donor have instruments and processes to measure **impact**, including on social and conflict dynamics and domestic reform? *[Yes/Yes, although not consistently/No]*

3. Focus on state building as the central objective.

- A. Does the donor have programs that strengthen **the accountability and legitimacy** of the state (e.g. by supporting the organization of elections; by supporting parliament; by supporting state-society dialogue; by

³ "Yes" means a process is in place to help ensure this is true throughout the organization.

"Yes, although not consistently" means the stated fact is true in a significant number of cases, but not consistently across the organization.

"No" means not at all or almost not at all.

developing/strengthening the mechanisms of accountability and transparency; by addressing other issues of democratic governance)? *[Percent of aid given focused on these areas]*

- B. Does the donor have programs that strengthen **the capability** of the state (e.g. support to priority state functions such as security and justice, revenue mobilization, the provision of an enabling environment for basic service delivery, economic performance or employment generation)? *Percentage of aid given focused on these areas]*
- C. Is the donor supportive of the partner country in their developing a national development strategy that has clear strategic priorities linked to a medium-term expenditure framework and reflected in annual budgets? *[Yes/Yes, although not consistently/No]* Absent that, does the donor support the partner country in developing sector-wide strategies? *[Yes/Yes, although not consistently/No]*
- D. Is the donor providing funds in a ways that strengthens rather than undermines the state? *[Percent of donor capacity-development support provided through coordinated programs, consistent with partners' national development strategies (or, absent one, with a joint overall framework used by donors)]; [Percent of donor flows that use public financial management systems in partner countries which either adhere to broadly accepted good practices or have a reform programme in place to achieve these; if zero, is the donor supporting such reform (Yes/Yes, although not consistently/No)]; [Percent of donor flows that use country procurement systems in partner countries which either adhere to broadly accepted good practices or have a reform programme in place to achieve these; if zero, is the donor supporting such reform (Yes/Yes, although not consistently/No)?]*

4. Prioritize prevention.

- A. Does the donor have programs or projects that were developed using governance assessments and/or conflict and risk analysis tools or and that identify likely crises and explicitly invest in stabilization and crisis prevention? *[Number of projects and percent of aid that have an explicit prevention objective]*
- B. If the donor does not have such programmes or projects, can the donor provide technical assistance to design or implement other stabilization and crisis prevention programmes? *[Yes/Yes, although not consistently/No]*

5. Recognize the

- A. Does the donor have a country strategy that integrates political, security and

links among political, security and development objectives.

- development dimensions in one document? *[Yes/No or Percent of fragile states where the donor is engaged and where there is an integrated strategy]*
- B. Does the donor have mechanisms (formal and informal) that promote a whole-of-government approach to fragile states both at headquarters and on the ground (e.g. multiple-department missions, analyses, and planning, pooled funding, pooled staff or secondment schemes, joint information management systems)? *[Percent of missions that are inter-departmental] [Pooled funding or human resources [Yes/Yes, although not consistently/No]*
- C. If not addressing security system issues directly, does the donor coordinate its aid with others engaged in the security system? *[Yes/Yes, although not consistently/No]*

6. Promote non-discrimination as a basis for inclusive and stable societies.

- A. Does the donor country strategy and programmes explicitly promote human rights and inclusion of women, youth, the poor, minority or marginalized groups, through dialogue, programmes and/or technical assistance? *[Yes/Yes, although not consistently/No]*
- B. Does the donor's monitoring and evaluation system disaggregate aid going to the capital vs. the provinces, across ethnic groups, across regions, etc. *[Yes/Yes, although not consistently/No]*; and results and impact on these different groups? *[Yes/Yes, although not consistently/No]*
- C. Does the donor promote inter-group cohesion where social divides or regional imbalances exist? *[Percent of "bridging" (inter-group) projects]*

7. Align with local priorities in different ways according to context.

- A. Does the donor align its programmes with government-led national strategies and policies where they exist? *[Yes/Yes, although not consistently/No]*; Where they don't exist, does the donor align with sector or local strategies and policies? *[Yes/Yes, although not consistently/No]*
- B. Does the donor use parallel implementation units? *[Number of projects implemented through parallel implementation units per country, as a % of their total number of projects]; Are they of limited duration [how many years in average] and are they joint among several donors [number of joint PIUS and percent of total PIUs]? If numerous has a plan to consolidate PIUs or integrate them into line ministries been developed and put in place? [Yes/Yes, although not consistently/No]*

8. Agree on practical

- A. Does the donor use or promote coordination mechanisms (e.g. joint

coordination mechanisms among international actors.

assessment missions, shared upstream analysis, multi-donor trust funds, joint donor offices, and common reporting and financial requirements)? [Percent of missions that are joint]; [Percent of country analytical work that is joint]; [Percentage of ODA channeled through multi-donor trust funds]; [Percent of aid that is provide as program-based approach (national, sector or regional)]

- C. Where there is partial alignment, does the donor harmonize its interventions with other donors active in the particular sector or region? [Yes/Yes, although not consistently/No]

9. Act fast... but stay engaged long enough to give success a chance.

- A. Does the donor have rapid response mechanisms (rapid project approval and disbursement)? [Yes/Yes, although not consistently/No] [Average length of time between a programme or project being approved and the start of implementation]
- B. Can the donor adjust aid modalities and levels of aid according to changing circumstances? What mix of instruments is being used? [Threshold under which the head of mission can approve projects]
- C. Has the donor committed to stay engaged? Is there a partnership agreement in place that sets this out? [Yes/Yes, although not consistently/No] [Percent of aid disbursements released according to agreed schedules in annual or multi-year frameworks] [Amount of aid committed at a given time beyond a three-year timeframe]
- D. Has the donor suspended or reduced aid in country and was a gradual approach taken, based on dialogue with the partner government and consideration of different aid modalities? [Yes/Yes, although not consistently/No] Does the donor have a policy to stay engaged when government-to-government relations become difficult, for example through collaboration with NGOs or local authorities? [Yes/Yes, although not consistently/No]

10. Avoid pockets of exclusion.

- A. Does the donor take into account other donors' engagement in the country (e.g. consideration of whether the partner country is under- or over-aided in relation to need and policy and institutional performance; if there is a risk of aid tailing off; if there are neglected geographical regions within the country and/or neglected sectors or social groups)? [Yes/Yes, although not consistently/No]