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# Needs Assessment Survey

Survey on Partners' Priorities and  
Perspectives on Harmonising Donor Practices

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## Terms of Reference

- “To consult .. Partner countries on their perceptions of donor practice with a view to identifying and analysing:

Those practices that place the highest burden on partner governments in terms of ownership, aid transactions costs and aid effectiveness

Opportunities to cost-effectively improve aid delivery”





## Lack of fit with national systems

- Most frequently mentioned across all countries
- Poor fit with both priorities (policies) but also with systems e.g. fiscal cycle
- More noteworthy in countries with an agreed framework for donor assistance (e.g. Uganda)
- Issue of agreement but questions of implementation and compliance – “the devil is the detail”
- In some countries the difficulty of dealing with incompatible systems was shouldered by consultants



## Donor procedures in partner countries

- Second most frequently reported but not relevant in all countries
- Composite cluster
  - Lack of freedom of procurement (50%)
  - Inappropriate technical assistance (40%)
  - Frequent donor changes to policies, systems and staff (10%)
- Widespread general complaint... “rigidities and/or lack of donor flexibility”



## Inconsistency with other donors

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- Less than expected but remains the core problem underlining donor harmonization
- Drain on resources from understanding and fulfilling multiple requirements
  - Related to problem of excessive demands on time of government officials
  - Unclear whether there are “economies of scale” in learning a skill for one donor which could be applied to another’s procedures
- How many of these inconsistencies are the result of internal donor needs for accountability (Audit,law,parliament)?
- What is the room for manoeuvre?



## Excessive demands on time

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- Outcome of other burdens rather than input
  - Whether these burdens are “necessary” or “unnecessary” is a difficult judgement. It is also an area of possible disagreement between donor and partner perceptions.
- Particular problems with the mission approach
  - Who sets the timetable?
  - “institutional impatience” of the mission
  - Overlap, duplication and clustering issues
  - What are the good practice implications? Multiple donor missions as solution or problem



## Disbursement problems

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- Consistent but moderate in all countries but not as strong as anticipated
- Bureaucratic reasons
  - Often related to questions of decentralization with donor organizations
- Conditionalities and wider political considerations
  - Becoming more problematic with new forms of aid delivery mechanisms
  - Issues of joint disbursement conditionalities



## Other Burdens

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| <ul style="list-style-type: none"><li>■ Lack of information<ul style="list-style-type: none"><li>➢ Specific information e.g. budget allocations</li><li>➢ General analytic work not being shared</li><li>➢ Importance of use of internet</li><li>➢ Potentially useful field for innovative new good practices</li></ul></li></ul> | <ul style="list-style-type: none"><li>■ Demand beyond national capacity<ul style="list-style-type: none"><li>➢ Linked to other burdens</li><li>➢ Attempts to reform systems to quickly</li><li>➢ Particularly Public Sector Reform issues</li></ul></li></ul> |
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## Interpretation and reflections

- The burdens are all related to each other
  - Some are outputs and some are inputs
  - Is the core problem the “lack of mesh” between donor and partner systems and procedures resulting in a lack of confidence?
- Trade-offs in reducing costs
  - As ownership problems are reduced partners face increased aid management costs
- Moving burdens around rather than reducing them
  - From partner to donor? Ministry of Finance to line ministries? Impact of decentralization



## Suggestions for improvements: method

- Respondents suggested changed to donor practices they viewed as highest priority to reduce burdens
- Open responses - clustered under headings, then ranked by 3-point system to show importance across each country
- Analysis represents diversity of opinions rather than being a formal statistical approach



## Suggestions – total, in order of priority

### ■ Most important:

- Use common procedures
- Use host nation's systems
- Communicate more
- Simplify procedures (individual donor system)
- Untie aid
- Respect national priorities
- Strengthen local capacity

### ■ For discussion, suggested initiatives are ranked by category

- Donor-country
- Donor-donor
- Individual donor system



## Donor-Country Initiatives - 1

### ■ Use host nation's system

- Individual donors and collectively
- Vietnam – priority more harmonisation between country and donor systems, not necessarily around country system
- Proposals from Senegal

### ■ Respect national priorities/ PRSP

- Government must first specify own investment priorities – for donors to then converge around
- Donors should ensure activities fit within partners' framework of priorities (e.g. PRSPs)
- Advise government of funds to NGOs: to ensure complementary with national priorities and give overall picture of development activities



## Donor-Country Initiatives - 2

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### ■ Strengthen local capacity

- Monitoring and evaluation; management skills, especially financial management
- Sector ministries, local government
- Long term consultants? Special funds? Exit strategy
- Enable increased leadership by government
- Underlying principle of all donor actions; build capacity not substitute for it



## Donor-Country Initiatives - 3

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### ■ Budget support and SWAPs

- Big issue in Mozambique, Tanzania, Uganda
- Government – Increased ownership? Institutional development? Reduced transaction costs?
- Donors - all use one system; better coordination

### ■ Understand local context

- Capacity; institutional development and inertia

### ■ Simplify the review process

- Notably annual bilateral consultations (Tanzania); biannual donor reviews (Uganda)



## Donor-Donor Initiatives

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- **Common procedures**
  - Options for convergence
  - Learn from past efforts to develop common procedures
- **Coordination structure**
  - Donor coordination unit – who leads?
  - Collective donor meetings
  - Sector-based? Precise role?
  - Donors and government not bypass planning and coordination units
- **Simplify procedures amongst donors**
  - Multi-donor initiatives; all donors committing to simplify their individual procedures



## Individual donor system

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- **Untie aid; more freedom over procurement**
  - Choice; involvement in decision-making
- **More locally-sourced technical assistance**
  - Use of long term in-house external consultants
- **Decentralise to local office**
- **Communicate more**
  - Two-way process
  - Agreements, activities, procedures, reports
- **Make procedures more simple and flexible**
  - More joint missions; donors consolidate missions
  - Increase flexibility, to enable e.g. joint missions

