

## Policy Brief No. 2:

### Aid reforms and better development results

#### Results and processes

The Paris Declaration makes clear the ultimate purpose of the campaign to reform aid – to “increase the impact aid has in reducing poverty and inequality, increasing growth, building capacity and accelerating achievement of the Millennium Development Goals.”

From its inception as a high-level political commitment to change behaviour and enhance development results, the Evaluation finds that the Declaration soon became interpreted and used as mainly a ‘technical’ and ‘process-oriented’ government-to-government agreement to be managed by officials. As a result, it did not initially enlist the political and societal engagement needed to push through some of the most important changes.

Part of the “process-heavy” approach to aid reform was unavoidable. Stating the political commitment to work toward better development results is relatively easy, and it had already been done in the acceptance of the Millennium Development Goals. But it must be remembered that there is no simple formula to achieve most results – opportunities for “quick wins” - like mass immunization - are rare. The Paris Declaration was more serious in setting out 56 specific commitments to remove identified obstacles and make aid more effective in actually moving ahead the desired results.

In other words, better processes are essential to make a difference in getting better results. But all parties need to assess their own responsibilities – many of which emerge in the Evaluation’s findings - for streamlining and speeding up the needed process changes from the slow overall pace of the past five years.

**Findings** on the objective of “stronger partner countries’ capacities to plan, manage and implement results-driven national strategies”: With a few exceptions, the pace of progress is slow and the limited distance covered is a source of frustration in several cases. There is also evidence that the destination for this reform is not always understood by many countries and agencies.

One of the five guiding principles of the Declaration is “managing for results,” which should have helped to maintain this focus on the end-objective, but it has not had that effect. Pressures to interpret and apply ‘managing for results’ through competing sets of techniques have weakened its relevance and slowed the take-up in some countries, obscuring the basic intention to use information to improve decisions and strengthen perform-

ance in reaching clearly defined development goals.

The Evaluation has also highlighted tensions between the longer-term Declaration commitment to strengthening *partner country* systems (to promote ownership and alignment) and the pressures from donors for short term reporting in line with *their own* results systems, driven by demands for accountability at home. Adding to this tension is the frequent pressure to “attribute” development results directly to a donor’s aid in ways that ignore the more important factors at work. Lagging performance in donor harmonization has made these donor demands even heavier. Finally, pressure from donor agencies on managing for results has often not been as humble as it should – given that the actual use of this approach is still rudimentary in most donor countries themselves.

Even so, the Evaluation finds a wide range of experience, initiatives and progress (together with examples of useful donor support) in managing for results. These can be built upon.

The Evaluation does *not* conclude, as some have argued, that the Declaration campaign has focused so much on aid processes that it has had the unintended effect of *diminishing* the attention and action on development results for poor people, stronger respect for human rights and democracy, or more equitable international relations. There is no evidence of such an effect. To the extent that the Declaration’s reforms can help generate better aid, it should serve to advance these sets of priorities. The Evaluation findings below are revealing on both some clear contributions and some real limits and further hurdles.

#### Contributions so far to better development results

**Findings:** The Evaluation recognized that the contributions of aid – and in turn of reforms – are dependent on the overall development progress in a country. Aid is only one factor. The Evaluation did not find – and could not be expected to find - a direct connection between the Declaration campaign and results achieved, but there is evidence in a majority of the reports that it has made at least some contributions to better results through the aid effectiveness reforms traced.

The analysis was made in the four key areas below, following a three-question sequence:

- Were development results achieved?
- Did aid contribute?
- Did aid reforms plausibly strengthen the aid contribution?



## **1. Results in the health sector (the common case-study)**

Declaration type measures have contributed to more focused, efficient and collaborative aid efforts in health, and to better development results since 2000-05, and these should be sustainable. The pathways of improvement are indirect but clear. These effects are mainly related to the Declaration's role in promoting, strengthening and legitimizing platforms and frameworks for action and coordination. These in turn have facilitated greater investment, participation and efficiency and the evaluations find that there are already contributions to improved health services or outcomes. Evidence of contributions in other sectors is more mixed or inconclusive.

## **2. Higher priority to the needs of the poorest (especially women and girls)**

In most countries, little progress is found on these commitments. A powerful national commitment to change is a pre-requisite if aid is to help overcome entrenched inequalities. There is evidence of some contributions by aid and some value-added by Declaration reforms.

## **3. Strengthening institutional capacities and social capital**

Insufficient capacity is still a central obstacle to development, and aid could help more than it does. The Evaluation found modest contributions by aid and reforms to the long-term strengthening of institutional capacities, and clearer evidence of contributions to improvements in social capital.

## **4. Improving the mix of aid modalities**

There is evidence that employing a wider range of (especially joint) modalities has improved contributions to development results in half the countries – especially at the sector level. A mix of aid modalities has continued to make sense for all actors.

## **The future: strengthening the focus on results**

The solution to the desire to strengthen the contributions of aid to development results is not to abandon or downplay the Declaration's commitments to change the ways that aid is managed. These were built on decades of experience. The Evaluation has found that almost all of them have been proved valid and useful, and also that at least in the health sector, that they have improved services and outcomes.

Instead, all parties should first examine the assessments of their own performance to date and take the necessary steps to expedite their own implementation.

Second, the potential contributions of aid – and especially any single donor's aid - to development results should not be overstated or oversold. The realistic perspective of the Declaration needs to be restored – seeing aid as just one of the resources that countries and people can mobilise for development, taking account of other actors, forces and events that shape its course.

Third, where countries have or are building adequate systems to set and measure development results, donors need to work with those systems and avoid imposing their own.

The Evaluation's recommendations to "centre and reinforce the aid effectiveness effort in countries" and for senior policymakers in partner countries to "take full leadership and responsibility at home for further aid reforms" are intended to increase the focus, and the pressure, for more countries to highlight the priority results they seek, and for their development partners to support them effectively. The recommendation to partner country policy-makers to "intensify the political priority and concrete actions to combat poverty, exclusion and corruption" is matched by the recommendation to donors to "face up to and manage risks honestly and admit failures." Implemented together, these recommendations would do much to lighten the burdens of process changes and also further strengthen the real contributions of aid to development results.

Finally the Evaluation recommends that "managing for development results" should be further targeted and treated as a set of supporting techniques rather than a separate principle. This will encourage a return to the building up of appropriate and realistic systems for using information to improve decisions and strengthening performance on the delivery of results towards clearly defined development goals.

