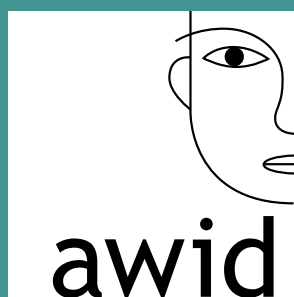


Aid Effectiveness and Women's Rights Series



Monitoring and Evaluation of the Paris Declaration Implementation

Primer No.4

Association for Women's Rights in Development

Introduction: Understanding the Aid Effectiveness Agenda from a Civil Society and Women's Rights Perspective

In 2005 civil society organizations bore witness to the signing of the **Paris Declaration on Aid Effectiveness (PD)**—history's most recent agreement by donor and recipient countries to reform the delivery and management of aid monies in order to strengthen its impact and effectiveness. In 2005, more than 106.8 billion USD flowed in the form of Official Development Assistance (ODA) from bilateral and multilateral funding agencies to developing country governments.¹ In fifty years of aid allocation, the beneficiaries of these public monies have rarely been women who are receiving a very tiny proportion of overall ODA.² Aid as a structuring device, process and resource has had debatable effectiveness in reducing poverty, promoting development and supporting women's rights.

The Paris Declaration was adopted in March 2005 at a High-Level Forum (HLF2) organized by the Development Assistance Committee (DAC) of the Organization for Economic Co-operation and Development (OECD).³ The PD is now being adhered to by approximately 25 donor countries, 80 recipient countries and around 25 multilateral institutions.

In September 2008 donor countries and recipient countries will meet for a **High Level Forum (HLF3) in Accra, Ghana** to assess progress in the implementation of the PD, and to agree a new 'agenda for action'. This will be the first opportunity for donor and recipient countries, and civil society organizations, to review the progress on the implementation of the PD.

In spite of the fact that the PD commits donor countries to a common set of principles and targets to achieve aid effectiveness, CSOs are calling for a number of reforms and deepening of the aid effectiveness based on a number of general concerns including:

- **The new aid architecture needs to be more comprehensive** of all development stakeholders—particularly CSOs, including women's organizations and movements.
- **Too much focus on aid modalities:** The emphasis is too centered on the "plumbing" or mechanisms of the aid delivery system, not enough on reducing poverty and inequality as expressed in the Millennium Development Goals. Evaluating aid's effectiveness needs to be integrally linked to support for human rights, democratic governance, environmental sustainability and gender equality.
- **More clarity on the implementation of the PD principles:** An in-depth discussion of the meaning and impacts of the PD principles needs to take place, including the inputs of the CSOs particularly about the principles of ownership, alignment and accountability.
- **Limits in monitoring commitments:** Monitoring of the PD commitments in the lead up to Ghana must be fully transparent and inclusive of civil society and women's rights organisations.

1 Kerr, Joanna (AWID). Second Fundher Report, "Financial Sustainability for Women's "movements Worldwide," p. 48, 2007.

2 Although ODA was most frequently mentioned by a total of 35% of AWID's "Where is the Money for Women's Rights" Survey respondents, it is clear that funds for gender equality represent a very tiny proportion of overall ODA. See page 48 of AWID's 2007 Second Fundher Report, *Financial Sustainability for Women's Movement's Worldwide available for download at* http://www.awid.org/go.php?pg=fundher_2

3 The OECD is an organization that groups 30 countries or key donors committed to help its member countries "to achieve sustainable economic growth and employment and to raise the standard of living in member countries while maintaining financial stability...in order to contribute to the development of the world economy." http://www.oecd.org/pages/0,3417,en_36734052_36761863_1_1_1_1_1,00.html

The monitoring and evaluation process of implementation of the Paris Declaration has been broadly debated among civil society organizations involved in the aid effectiveness process. This primer presents a general overview of this

process, the key results of the first official round of monitoring, and the main concerns and recommendations put forward by CSOs participating in the parallel process towards the HLF3.

1. BACKGROUND: MONITORING AND EVALUATION PROCESS

The Paris Declaration outlines some specific plans for monitoring and evaluating the mutual progress of donors and recipient countries with respect to implementing the PD in accordance with the guiding principles. Both donor and recipient countries who have signed the PD have

agreed to a common set of indicators, targets, timetables, and processes. Specifically, the PD sets out 12 indicators of progress that are “to be measured nationally, and monitored internationally”⁴. Each indicator is tied to one of the 5 principles of the PD as described in the chart below.

What are the principles of the Paris Declaration on Aid Effectiveness?

The *Paris Declaration* on Aid Effectiveness outlines five principles that should shape aid delivery:

OWNERSHIP: Recipient countries will exercise effective leadership over their development policies and strategies, and will coordinate development actions;

ALIGNMENT: Donor countries will base their overall support on recipient countries' national development strategies, institutions, and procedures;

HARMONISATION: Donor countries will work so that their actions are more harmonised, transparent, and collectively effective;

MANAGING FOR RESULTS: All countries will manage resources and improve decision-making for results; and,

MUTUAL ACCOUNTABILITY: Donor and developing countries pledge that they will be mutually accountable for development results.

⁴ “Paris Declaration on Aid Effectiveness, Indicators of Progress,” <http://www.oecd.org/dataoecd/57/60/36080258.pdf>

Paris Declaration Indicators and Principles for Monitoring And Evaluation

The monitoring system consists of surveys focused on the performance of recipient countries regarding the more technical aspects of the implementation of the PD. These surveys are set out to measure "whether partners are actually fulfilling their commitments measured across the 12 indicators and how the implementation is progressing – and only to a limited extent raise more fundamental questions related to why some of the changes are occurring."⁵ What these mechanisms do not look at is whether the process of implementing the PD principles is leading to an increased effectiveness of aid – or what this means in practice – and if there are unexpected effects of these processes.

The evaluation system by contrast, is intended to provide information about overall impacts of the

changes in practices to improve the aid effectiveness. The evaluation system will be carried out in 2 phases: the first one focusing on how "political support, peer pressure and coordinated action"⁶ is influencing the behaviour of signatories towards their commitments and the second one assessing the theoretical assumptions articulated by the principles and the whole model of the PD. The first stage will be completed in the term 2007-2008 and the second will include the term 2008-2010. Both evaluation stages will comprise a series of country level evaluations with a common methodology so that findings can be comparable, and donor evaluations based mainly on desk research and interviews to analyze their policies and guidelines.

INDICATOR	PRINCIPLE
1. Recipient countries have operational development strategies (number of countries with national development strategies with priorities for middle-term expenditure reflected in annual budgets)	OWNERSHIP
2. Reliable country systems (number of countries with procurement and financial management systems that aim for good practices)	ALIGNMENT
3. Aid flows are aligned on national priorities (percent of aid flows to public sectors reported on recipients' national budgets)	ALIGNMENT
4. Strengthen capacity by coordinated support (percent of donor capacity-development support)	ALIGNMENT
5a. Use of country public financial management systems (percent of donors and aid flows that use systems in partner countries which adhere to good practices or have reforms to achieve these)	ALIGNMENT

⁵ "Framework Terms of Reference for the First Phase Evaluation of the Implementation of the Paris Declaration", p. 8

⁶ Ibid, p. 5

INDICATOR	PRINCIPLE
5b. Use of country procurement systems (percent of donor countries and aid flows that use systems in recipient countries which adhere to good practices or have reforms to achieve these)	ALIGNMENT
6. Strengthen capacity by avoiding parallel implementation structures (number of parallel project implementation units (PIUs) per country)	ALIGNMENT
7. Aid is more predictable (percent of aid disbursements released in the agreed schedules)	ALIGNMENT
8. Aid is untied (percent of bilateral aid that is untied)	ALIGNMENT
9. Use of common arrangements or procedures (percent of aid provided as programme-based approaches)	HARMONIZATION
10. Encourage shared analysis (percent of field missions and/or country analytic work)	HARMONIZATION
11. Results-oriented frameworks (number of countries with transparent and monitorable frameworks to assess progress against national development strategies and sector programmes)	MANAGING FOR RESULTS
12. Mutual accountability (mutual assessments) (number of partner countries that undertake mutual assessments of progress in implementing agreed commitments, including those in the PD)	MUTUAL ACCOUNTABILITY

2. THE FIRST OFFICIAL ROUND OF MONITORING (BY THE OECD)

Background

The first monitoring process of the implementation of the PD was conducted in 2006 on the basis of activities undertaken in 2005. The report that emerged from this first round of monitoring was developed by the OECD, and is based on survey returns completed by 34 *self-selected countries*⁷

in September 2006 and a comprehensive list of donor organisations covering 37% of aid programmed across the world in 2005.

The report further includes results from the World Bank's 2005 Comprehensive Development Framework Progress Report, the country profiles

⁷ To see a list of the countries participating in the surveys, please refer to http://www.oecd.org/document/20/0,3343,en_2649_33721_38521876_1_1_1_1,00.html

prepared for the World Bank's Aid Effectiveness Review, and data from the World Bank's annual Country Policy and Institutional Assessment. The usage and reliance on these World Bank mechanisms reveals that World Bank is fully involved in the monitoring process, and in being so, the Bank is influencing the way the results are understood. In the framework used for this round of monitoring, no gender equality indicators are included, and this dimension is absent from the whole process.

Key Results⁸

The Executive Summary of the first round of monitoring, "Overview of the Results" highlights a couple of crucial views that should be considered when evaluating how successful the implementation of the PD has been for all those involved. Regional workshops on the aid effectiveness agenda in the evaluation process have also been informative. Some key learnings are:

1) One size does not fit all. Each country should determine its own priorities, pace and sequencing of reforms and

2) There is concern that a disconnect exists between commitments made, and how aid actually gets allocated from government to government (consider: the tying of aid, high transaction costs, continued donor-driven technical co-operation).

The First survey reveals that in the face of the above priorities "in half of the developing countries signing on to the Paris Declaration, partners and donors have a long road ahead to meet the commitments they have undertaken"⁹ The OECD's

report states that in front of these results it is necessary to ensure that changes *in practice* will sustain momentum until the HLF3 and the achievements of the 2010 targets.

Some very specific findings from the survey shed light on these general findings, indicating the changed needed:

1. Substantial strengthening of national development strategies:

- According to the survey results, national development strategies need substantial strengthening, since in 2005 only 5 countries (17% of the sample) met the six criteria for good operational development strategies defined by the World Bank.

- In addition, the credibility of development budgets is weak for almost all countries participating in the survey, due to inaccuracies in the budget estimates of aid flows.

2. Improve and coordinate financial management systems:

- On average 39-40% of aid flows for the government sector used country public financial management and procurement systems. To reach the goals for 2010, more countries need to reform and improve their systems, and donor countries should direct their assistance to implementing coordinated strategies.

3. Reduce transaction costs

- Donor countries must work to reduce the transaction costs of delivering and managing aid. Donor and recipient countries must both acknowledge that there are new costs associated with doing things differently. These costs are an investment

8 Presented in the OECD DAC's "Aid Effectiveness: Overview of the Results 2006 Survey on Monitoring the Paris Declaration," available for download at www.oecd.org/dac/effectiveness/monitoring

9 Ibid

for being more effective and as such they should be factored into operational budgets.

4. New assessment frameworks and cost-effective reporting:

- The survey demonstrated that Managing for Results remains a big challenge; therefore, donor and recipient countries should use new frameworks for assessment as well as more cost-effective results-oriented reporting.

- The establishment of mechanisms for joint monitoring of the aid effectiveness commitments at country level appears to be just beginning, and will need more explicit discussion while developing credible monitoring mechanisms.

5. Improve the upcoming interim progress survey

- Some changes are needed if the interim progress survey planned for 2008 is to be improved.

This means: "Improving the guidance; clarifying and understanding the definitions; complementing the scope of the survey with localized and qualitative data; expanding country coverage; including more fragile states; strengthening the role of National Co-ordinations; reducing the burden to partners and donors in filling out the survey; and ensuring that the 2007 aid disbursement data is collected at country level before the end of the first quarter of 2008"¹⁰.

The report is centered in the technical aspects of the PD implementation, and doesn't present results related to some key elements that should be included in all the aid discussion due to their relevance when talking about development, such as gender equality, environmental sustainability and human rights.

3. CONCERNS PUT FORWARD BY SOME CSOS

The Policy Paper developed by the International Steering Group of CSOs has put forward some key concerns¹¹.

Firstly, the current monitoring process for the implementation of the *Paris Declaration* is **asymmetric**. Specifically, within the OECD framework for monitoring and evaluation, donor countries monitor themselves, while recipient countries are monitored by multilateral institutions like the World Bank. If the PD commits recipient countries as well as donor countries to shift their relationships and their practices regarding international cooperation, it is not acceptable that **the moni-**

toring and evaluation of the *Paris Declaration* implementation is controlled by donor countries both directly in individual countries and through the World Bank and the OECD/DAC. This is in contradiction with the principle of mutual accountability and country ownership. If the Paris process is to be credible, independent monitoring and evaluation is essential.

Furthermore, some CSOs have little confidence in the **definition and measurement of many of the PD indicators** and in the monitoring system more broadly. Indicators do not reflect some chief concerns related to gender equality and women's

¹⁰ 2006 Survey on Monitoring the Paris Declaration: Overview of the Results, OECD, 2007, p. 12

¹¹ The Policy Paper can be downloaded at: http://www.betteraid.org/downloads/draft_cso_policy_paper.pdf

rights, and there are no mechanisms in place for measuring the practices of recipient countries with regards to both issues. In addition, the current official monitoring process has allowed some donor countries to re-define commitments in order to over-state their performance¹². By contrast, monitoring of recipient governments has been in large part a review of compliance with norms and standards which were only discussed in a very limited way in Paris and which are, in many cases, defined by donors (e.g. use of World Bank assessments of ownership, mutual accountability and public financial management).

CSOs have also observed that the monitoring process has allowed **conditionality** to slip through the back door. For example, donor countries have

pushed for the openness of government procurement to foreign bidders as a pre-condition for using countries' own procurement systems. So, to be "effective" in terms of aid, recipient countries face pressures to adhere to policy recommendations that have not been agreed in international fora such as the World Trade Organisation (WTO).¹³

Finally, the highly technical progress indicators focus on delivery mechanisms and are therefore not amenable to include social and development indicators, particularly those related to gender equality, human rights and environmental sustainability. The set of indicators used to evaluate the PD is focused on financial and management issues and does not look at impacts on beneficiaries from a development effectiveness perspective.

4. RECOMMENDATIONS FOR IMPROVED MONITORING AND EVALUATION FROM A CIVIL SOCIETY PERSPECTIVE

In the lead up to the HLF3 in September 2008, some CSOs are recommending that an effective and relevant independent monitoring and evaluation system for the implementation of the PD (and its impact on development outcomes) be created at international, national and local levels. Women's rights organizations in particular, are pushing for the definition of new indicators within the Accra Agenda for Action (AAA) to monitor gender equality and the situation of women within the recipient countries.

Specifically, these civil society recommendations are:

- At the international level, **new independent institutions** will be needed to play this

monitoring and evaluation role in order to hold donor countries to account for their overall performance. At the national and local levels, monitoring and evaluation should involve a range of stakeholders to define the goals and the procedures to be put in place. CSOs ought to play a key role in this process.

- Monitoring and evaluation should also take much more account of the **links between reforms in aid modalities and development outcomes** and progress towards the full exercise of human rights. The AAA should initiate work to further explore these links, and should also set out a working plan to develop a more comprehensive and participatory process, led by recipient countries, including Southern CSOs and particularly

¹² For more information about this issue, please refer to "From Paris 2005 to Accra 2008: will aid become more accountable and effective?", in http://www.betteraid.org/downloads/draft_cso_policy_paper.pdf

¹³ Ibid

women's rights organizations, for determining more appropriate indicators and measurements of aid effectiveness. The 2010 review of the Paris Declaration commitments should be expanded to include the outcomes of this comprehensive assessment.

- It will also be important to establish **independently monitored targets** for translating some key commitments into practice: the accountability mechanisms for donor and recipient countries; the commitment to untying aid; the pledge to have high standards of transparency; the building of fair aid terms.

- CSOs, including women's rights organizations, should play a **watchdog role** on monitoring PD implementation and should follow the debates and discussion while preparing for the HLF3 in Accra, because the challenge is not confined to a technical agenda but requires engagement by civil society, and importantly, women's advocates, in a political process about the future of aid modalities.

Recommendations specifically regarding gender equality and women's rights:

- **Women's rights advocates and gender analysts need to be actively engaged** in the monitoring processes, to ensure that the indicators of progress include critical dimensions of gender equality and that statistics disaggregated by sex are developed. Inclusion of representatives from women's right organizations in the process should be considered for the existing monitoring mechanisms as well as for any potential independent monitoring and evaluation system.

- The **implementation of gender-based instruments** for monitoring would bolster the goal to achieve gender responsive budgeting and aid modalities. This would result in a tracking of resource allocation and public expenditures for monitoring the ways they address gender inequalities and the situation of women.

- **Gender experts within donor agencies could play a critical role** in influencing national and international decisions to benefit women. Significantly, participants in a joint meeting of the United Nations Inter-Agency Network on Women and Gender Equality, and the Gender Equality Network of the OECD/DAC (Gendernet) noted that it is important for their members to "strengthen their efforts to support gender equality in the aid effectiveness agenda through the identification of key entry points in the evolving monitoring framework for the Paris Declaration"¹⁴

- **National machinery** on gender equality and women's rights organizations should be implicated in implementing, monitoring and evaluating the national development plans and the international assistance for development.

- As the HLF3 in Accra approaches, experts and activists for gender equality and women's rights have an opportunity to engage in the development of the progress report to be presented there. Since work on this report is starting, it is time to **build alliances with the key actors** involved in the process to ensure that there is a specific section on gender equality and that the women's rights perspective is incorporated. Additionally, it is an opportunity to advocate for an understanding, implementation and monitor-

¹⁴ Summary report of the joint meeting of the United Nations Inter-Agency Network on Women and Gender Equality, and the Gender Equality Network of the OECD/DAC, January 30-31, 2006, p. 15

ing of the PD that is gender responsive in the agencies and at the country level.

- **Women's rights perspectives** need to be infused in the whole aid effectiveness process – in the lead up and beyond the HLF3 – and women's rights advocates have a vital role to play in pushing for a more transparent, democratic and accountable process around the Paris Declaration implementation and the donor countries' practices on the ground.

To sum up, the current set of indicators as defined is not an effective tool to assess progress and change. There is a risk that in the name of

being more effective, the OECD and the main key donor countries have developed a new set of aid tools that are not necessarily adapted to the real development needs of the recipient countries and not connected with the real needs of the most vulnerable groups. Much work has already been done with regard to developing indicators and it is important to build on previous experiences such as the targeted indicators in the Millennium Development Goals.

Why Should Women's Rights Activists Care about the AE Agenda? What is at Stake for Women?

- **The Paris Declaration is genderblind!** Within this historic document, no measures to promote women's rights, gender equality or human rights standards are proposed or acknowledged through impact assessments or any other measures.

- **Women's rights and gender equality are often not reflected in national development plans!** The new aid architecture is designed to align aid to nationally-determined development priorities, and therefore, it is very important to integrate the women's rights and gender equality perspective in participatory processes for defining and monitoring national development plans. Democratic ownership will only be possible if all the actors are integrated in the national strategic definitions.

- **Government actions alone will not reduce poverty – adversely affecting women!** The PD's aid effectiveness agenda focuses on institutional reforms in government for a more effective and efficient aid system, instead of on conditions for effective and sustainable development and for democratizing the international cooperation processes.

- **Preserve the strategic roles that CSOs play for women!** Civil society and women's rights organizations have little space to influence the PD implementation process. Their contributions and roles as key development actors is essential for creating a climate of social, political, and economic change and reducing poverty and gender inequality.

- **The PD is another effort to agree on international targets and indicators (as the MDGs) for aid effectiveness.** The PD agenda was defined by donors (at the OECD) and the AE process is being monitored by indicators developed by the World Bank. Where are the voices and contributions of women's organizations and other CSOs in this context? Why should international development priorities be agreed at the OECD instead of at a multilateral/multistakeholders' forum as the UN?

- **There is a High Level Forum (HLF3) to evaluate the PD implementation taking place in Accra, Ghana, in September 2008.** Women's organizations and CSOs in general should push to influence the agenda of this official Forum, so that key issues concerning civil society, women's rights, and gender equality are taken into account in the discussions and the final statement.

- **There is a CSOs parallel process to the HLF3.** A CSOs forum is set take place right before the HLF3 and women's organizations have need to be present in this critical space to contribute to an alternative vision of development from a civil society perspective.

If women's rights advocates don't push for gender equality and women's rights to be understood as development priorities, nobody will. It is necessary to ensure women's voices, proposals and participation are infused throughout the whole process.

ACRONYMS	
AE	Aid Effectiveness
AG	Advisory Group on Civil Society Organizations and Aid Effectiveness
CS	Civil Society
CSO	Civil Society Organization
DAC	Development Assistance Committee
IFIs	International Financial Institutions
MDGs	Millennium Development Goals
ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and Development
PBA	Program-Based Approach
PRSP	Poverty Reduction Strategy Paper
SWAp	Sector-Wide Approach

About this Series "Aid effectiveness and women's rights"

The purpose for creating this set of Primers, *Understanding the Aid Effectiveness Agenda* is to share critical information and analysis with women's rights advocates about the new aid architecture that has emerged as a result of the *Paris Declaration (PD)*—the most recent donor-recipient countries agreement designed to increase the impact of aid. The Aid effectiveness agenda born out of the PD currently determines how and to whom aid is being delivered as well as how donor and recipient countries relate to one another. Aid distribution is clearly not simply a mechanistic process, but rather a political one. We hope that the facts and issues discussed within these primers will encourage women's rights advocates and CSOs to join in the process of calling for a more comprehensive, balanced, and inclusive approach to reforming aid so that it reaches the people who need it most, including women!

Primer 1: *An Overview of the Paris Declaration on Aid Effectiveness & the New Aid Modalities*

Primer 2: *Official Mechanisms related to the Implementation of the Paris Declaration*

Primer 3: *CSOs Engagement in the Aid Effectiveness Agenda: The Parallel Process, CSOs concerns and recommendations*

Primer 4: *Monitoring and Evaluation of the Paris Declaration Implementation*

Primer 5: *The Aid Effectiveness Agenda from a Women's Rights Perspective*