

Evaluation of the Implementation of the Paris Declaration

Country Evaluation

COOK ISLANDS

Executive Summary

The Paris High Level Forum in 2005 was attended by officials from 91 countries. On March 2, 2005, they endorsed the *Paris Declaration on Aid Effectiveness* (the 'Paris Declaration'). The Cook Islands is a partner to the Paris Declaration (PD). The PD included a requirement for independent evaluation and this was confirmed in the *Accra Agenda for Action* in 2008. In accordance with the principles of the declaration, partner countries and donors made commitments around the five key principles of effective aid delivery practices: *ownership, alignment, donor harmonisation, managing for results, and mutual accountability for development results*.

The first phase of the evaluation focused on inputs and early outputs. This second phase of the evaluation focuses on outcomes and results. This report details the findings of the evaluation as they relate to the Cook Islands, a small island developing state in the South Pacific, and one of only two countries in this region.

The Cook Islands has had a long commitment to similar principles to the Paris Declaration. The Government of the Cook Islands (CIGovt) recognises that effective and efficient utilisation of Official Development Assistance (ODA) is critical to achieving the priorities of the National Sustainable Development Plan (NSDP). To this end, the CIGovt has developed, over a number of years, a transparent operational structure within government (in the Aid Management Division of MFEM), to determine aid priorities and manage and monitor the implementation of aid.

In 2007, Pacific leaders developed the *Pacific Principles of Aid Effectiveness* in Palau which translated the Paris Declaration

into a Pacific context. In 2009, Pacific leaders signed the *Cairns Compact on strengthening development and coordination in the Pacific*. The Cook Islands were a signatory to both these initiatives. This adds to the Pacific regional context of the Declaration and indicates the model of regional cooperation that exists between Pacific member countries.

From the *Accra Agenda for Action*¹ in 2008 there were three main questions designed to support the Paris Declaration Principles:

1. "What are the important factors that have affected the relevance and implementation of the PD and its potential effects on aid effectiveness and development results?"
2. "To what extent and how has the implementation of the PD led to an improvement in the efficiency of aid delivery, the management and use of aid and better partnerships?"
3. "Has the implementation of the PD strengthened the contribution of aid to sustainable development results?"

Conclusions

The Paris Declaration in Context

In relation to the Cook Islands the status and relevance of the aid effectiveness of the Paris Declaration is strong. The Paris Declaration confirmed the approach that the Cook Islands Government was developing and, along with the *Pacific Principles of Aid Effectiveness* and the *Cairns Compact*, has provided

¹ www.oecd.org/dataoecd/11/41/34428351.pdf

an international and regional context for Aid effectiveness reform over the past four years. Key factors relevant to the implementation of the Paris Declaration have been the on-going focus of the Cook Islands Government in the establishment of the Aid Management Division, a National Sustainable Development Plan, and some legislative reforms with particular emphasis on financial accountability.

Since the 1990's the Cook Islands has made strong progress in strengthening economic sustainability. External assistance from international development partners has played an important role in the progress of the economy and development. As a Small Island Developing State the Cook Islands are committed to ensuring that all aid contributed by a sizable pool of development partners is efficiently and effectively delivered.

The Cook Islands Government as a key actor, shows its ownership and leadership of ODA policy development, planning and monitoring processes, which have been continuously strengthened prior to the Paris Declaration and after it. The Paris Declaration is a positive influence which has provided an international framework; the Pacific Aid Effectiveness Principles provides a Pacific regional context and the Cairns Compact a more focused Pacific regional approach to improved monitoring and outcomes.

The Cook Islands Government continues to make significant progress in strengthening its ownership of the aid management process and in leading the determination of priorities to ensure alignment with development activities. In order to achieve total country ownership, more involvement of civil society and the private sector would be beneficial in ensuring a consistent and aligned approach to aid management. Decision making at a level closer to the country is seen by stakeholders as being desirable.

While there have been changes in depth of engagement of government partners for the Paris Declaration, *Pacific Principles of Aid Effectiveness and Cairns Compact*, these tools have provided an international and regional framework to support the existing Cook Islands approach. The whole of government approach ensures that the effectiveness debate is well understood. There have also been changes in depth of engagement with **development partners** in particular with the significant introduction of the harmonisation programme with New Zealand and Australia providing leadership for other development partners. There have been fewer and slower changes in the depth of engagement with civil society, however evaluation respondents recognise that this is the next step in deepening engagement.

Important events affecting the implementation of the Paris Declaration include changing political priorities, by both development partners and the Cook Islands. Governance reforms: strengthening the accountability mechanisms and capacity of government to manage aid and changing economic conditions, such as the global recession, making ODA more critical and, changing relationships with donors.

Paris Declaration principles are well entrenched in the Cook Islands national strategy and policy frameworks and were already being developed prior to 2005. In depth understanding of the Paris Declaration is limited to those who work actively in the aid development sector such as the Aid Management Division and implementers. Development partners show increased strategic, but limited operational engagement, with the Paris Declaration since 2005. At a broad community level civil society and NGO's support the principles, but may not recognise them as being connected to the Declaration. In the Outer Islands people are not aware of the Declaration. Overall, the context and ownership for the Paris Declaration principles are strong in the Cook Islands with opportunities to build stronger ownership at a community level.

Process and Intermediate Outcomes

Since 2005, the progress made towards improving the efficiency of aid has been small, but is increasing. There has been good progress in improving the management and use of aid through the National Sustainable Development Plan framework² process for government and key donors. While it provides a good starting point for donor partners at a country level, it has not been costed out at a high strategic level, which limits the government's ability to determine and predict expenditure. Government leadership alone, as an element of country ownership, is not enough to improve aid delivery efficiency.

Relationships between development partners and the Cook Islands show some increase in collaboration, with more work needed to better support the systems development needs of the Cook Islands. Some development partners remain reluctant to use country systems and processes. Some development partners are moving strongly towards using Cook Islands processes and systems. It is also clear that there can be more done to improve harmonisation arrangements.

There is little evidence that the *Accra Agenda for Action (AAA)* has triggered acceleration towards transparency and accountability. It is more likely the focus by government will be on its Aid Policy and coupled with the launch of the next NSDP, there are indications that may see increased gains in relation to the AAA which was designed to enhance and support the PD Principles.

The Cook Islands Government has difficulty in meeting international measures and standards of performance accountability, largely due to the lack of financial resource allocated to the Aid Management function.

Overall implementing the Paris Declaration principles has contributed to strengthening improvements in the efficiency of aid, but there is still further progress to be made. Alignment between government and donor partners is also improving given the initial NSDP. Some resources are needed to support stronger alignment of development initiatives between government and development partners.

² www.stats.gov.ck

Development Outcomes

The implementation of the Paris Declaration has assisted in strengthening the contribution of aid to sustainable development results. In the two tracer studies in the Health and Infrastructure sectors, development initiatives show an increasing degree of commitment to the Paris Declaration principles, with some progress and attention in managing results. The reviewed projects reflect evidence of ownership, in terms of participation in decision making and use of government systems, by the private sector, civil society and government stakeholders.

This evaluation also indicates that there has been some sustainable increase in institutional capacity and social capital at national, sector and, to some extent, community levels. The PD contribution is small, but positive. Efforts to establish sector-based management approaches have been undertaken in the Health, Infrastructure, Marine resources and Education sectors, with positive collaboration from development partners. Progress towards more programme-based approaches, involving multiple development partners, has been slow. While fewer, longer, more comprehensive programming is a key to the PD style of aid, in a Small Island State like the Cook Islands, where human resources are an issue, it is ineffective to manage lower order modalities, especially if they are unrelated and labour intensive. Focus and specialisation is necessary so that staff engaged in aid effectiveness can build greater understanding and skills as prerequisites for managing effective development assistance. In terms of development outcomes for the most vulnerable in the Cook Islands, these are generally catered for; and while the PD principles are not conclusively attributable, it does provide the potential to support further advocacy and awareness for those most vulnerable.

The Paris Declaration contribution to Millennium Development Goals (MDGs) is limited; however, the PD provides an opportunity for government agencies, development partners, and Civil Society to fulfil monitoring and reporting requirements of the MDGs.

Key Lessons

Contextualising the Paris Declaration

The Cook Islands context and application of modalities, processes and systems, need to be understood to ensure the most effective implementation of aid. The government is best placed to understand if development partners' priorities are able to be matched to local Cook Islands priorities. Similarly the Aid Management Division is best placed to advise donors on what modality, which implementing agency, and time-frames, are most appropriate for any activity. The lesson learnt is that the CIGovt has the most experience in the country with what works and donors need to listen and then act accordingly. A successful approach is one where the CIGovt and development partners are able to identify common priority areas and work together to have an impact in these areas. The regional awareness and commitment from Pacific leaders

should provide confidence in the commitment that the region and the Cook Islands have towards improving Aid Effectiveness.

Ownership and leadership needs to be at all levels

Ownership and Leadership is clearly demonstrated at a CIGovt level. In order to strengthen widespread commitment and ownership, the fostering of the civil society sector and community would strengthen all of country commitment to the development agenda. A more explicit approach, that includes all stakeholders in the debate regarding aid effectiveness and prioritisation decisions, would strengthen the country approach, as would an explicit strategy to increase the engagement of the outer islands.

Capacity and capability development

In the Cook Islands the aid allocation has significantly increased over the past 10 years. The recognition by both the government and donors regarding the need to improve capacity and capability, both in systems and technology and in human resources, has been limited. Aid effectiveness is totally reliant on the individuals involved in processes from donors, recipients and implementing agencies. This is why the development of capacity is so critical. Organisational capacity and development needs to be addressed until it reaches a sustainable level. Currently, the capacity and capability to manage the aid portfolio is reliant on a few individuals with heavy workloads and increasing responsibilities. A systematic assessment of future capacity and capability would provide the guidance for a strengthening of this function.

The development of capacity is required at all levels of the system and across all agencies managing aid. It is important for all actors involved to understand clearly the principles and impact of aid and the various modalities; and for this knowledge and skill acquisition not to be solely focused on the Aid Management Division.

System Strengthening

In the same way that sector strengthening is an acknowledged priority; the strengthening of the aid management function should also be prioritised. The ability to improve the confidence of donors will require significant investment in aid management infrastructure, including financial, information and evaluation systems and processes.

Recommendations

Aid effectiveness functions

The Cook Islands remains committed to ensuring that all aid delivered is effective and efficient. Since the Public Sector reforms in the 1990's the Cook Islands Government have made significant progress in strengthening the economic sustainability of the country. As part of this work, the recognition that external assistance has and continues to play an important role in this progress, has been a major factor in the establishment and strengthening of the Aid Management function.

As aid flows have increased and sectors have mobilized, the operational mechanism and systems have not kept pace with the associated demands of effective aid management. Attention is needed to improve the human and institutional capacities for implementing aid information management systems; monitoring, evaluation and reporting; and financial management and procurement systems.

Recommendations:

The Cook Islands government continues exercising its leadership in the aid effectiveness agenda, adopt its revised draft Aid Policy, and resource and implement its objectives.

Development partners continue to improve aid relationships with increased harmonised efforts in the process of delivering aid, using local systems, managing and accounting for aid, reducing fragmentation and using high level aid modalities.

Civil Society

In depth understanding of Paris Declaration principles is limited to those who work actively in the aid development sector such as Aid Management Division and implementers. Civil Society has a role to play to support the sustainability of the aid effort in the Cook Islands. Improved communication strategies should be resourced. This will allow better accountability and understanding of aid performance to Civil Society partners such as the private sector, outer islands, NGOs and marginalised groups.

Recommendations:

The Cook Islands government and development partners engage with Civil Society through improved communication strategies on aid flow and performance.

Government and development partners give more consideration to long-term budget planning. Clear goals are established and forward budget commitments are identified to measure development progress.

More investment into an aid management information system; strengthening of financial management systems; clarity from donors with regard to multi-year commitments; alignment of funding to NSDP with clearer accountability systems of reporting; improved aid disbursements; and a monitoring and evaluation framework, will improve and strengthen Aid Effectiveness over the medium to long term.

Development partners

An issue identified from interviews in this evaluation, is the role development partners play in devolving more decision-making to local in-country offices of the development partners, rather than solely from offshore offices. Development partners should assist and build better local In-country capacity, support the strengths of the in-country aid management systems to provide more confidence between the Cook Islands and development partners.

Recommendations:

Development partners are encouraged to devolve more decision-making to in-country offices and invest in building capacity and capability of local aid management systems.

Development partners and donors are encouraged to use modalities that reduce transaction costs.