

Evaluation of the Implementation of the Paris Declaration

Country Evaluation

SENEGAL

Executive Summary

Phase 2 of the Paris Declaration Evaluation is an integral part of the original Declaration signed by the international community during the 2nd High Level Forum held in Paris, in 2005. Reflecting a broad international consensus developed in the 1990s, the Paris Declaration aims to improve partnerships and operating modes between donor countries, international organisations and partner countries with a view to increasing aid effectiveness and achieving development results. The Declaration, which sets forth specific target objectives for 2010, includes a dozen indicators for honouring 56 commitments revolving around five key principles: 1) appropriation of development by partner countries, ii) alignment of donor support on the national development strategies of partner countries, iii) harmonisation of donor actions, iv) results-based management, v) and mutual accountability.

Phase 2 of the evaluation undertaken on the occasion of the 3rd High Level Forum held in Accra, Ghana, in 2008, will continue until the 4th High Level Forum to be held in Korea, in 2011. This meeting will be an opportunity to present a synthesis of the evaluations simultaneously conducted in 21 partner countries, including Senegal, and seven donor country development agencies. Phase 1 of the evaluation sought to determine whether the parties involved, i.e. the technical and financial partners (TFPs), the Senegalese government and other national players (civil society, universities, parliamentarians, NGOs etc.) honoured the commitments made within the framework of the Declaration. This time, the objective consists in presenting the achievements and results accomplished. To this end, three key questions were posed with respect to: i) the relevance of the implementation of the Paris Declaration; ii)

improvement in aid effectiveness; and iii) the achievement of sustainable development results.

The implementation of the Paris Declaration is still relevant in Senegal. Indeed, after seeing relatively stable growth until 2005, Senegal experienced major energy, food and financial crises, which led to a considerable loss of production, a diminished pace toward reducing poverty, and deteriorating governance, corruption and human development indicators. The risks continue, especially in light of the upcoming 2012 presidential elections, as economic policy changes may fall prey to political opportunism, which could further tarnish the country's development prospects. Since 2006, the context in Senegal has been such that leaders have been focusing on priorities other than those stipulated by the Paris Declaration agenda. However, the effectiveness of aid and the achievement of sustainable development results are fundamental targets, especially since Public Development Aid still accounts for close to half of the country's investment budget and about 10 % of the State budget.

The parties involved still agree on the soundness of the Paris Declaration. However, the slow pace of reforms and changes, at both government and TFP levels, presents certain risks, including a loss of momentum or interest on the players' part to continue implementing the Paris Declaration. This is especially the case with the competition at play between classic partners and "non-traditional" partners, i.e. donor countries which are not signatories of the Declaration, such as China or Iran. This competition may also be at play in the various aid delivery modes which may be considered more effective, be

it programs funded by General Funds or the introduction of new programs such as the “cash transfers” encouraged by the World Bank and UNICEF. It is therefore important to reaffirm the principles of the Paris Declaration and its underlying aid effectiveness notion.

Indeed, implementing the principles of the Paris Declaration should encourage the partner countries to: i) exert greater control over their development processes (appropriation and alignment), ii) enter into better partnerships with donors (harmonisation); and iii) improve public accountability. These are three process results that would provide cost savings and increase developing countries’ capacities to implement development policies targeting sustainable results.

To date, the strengthening of reforms and implementation actions have led to a number of significant advances in appropriation and partnership terms, and many efforts have also been undertaken to improve public accountability. Certain elements show that the principles advanced by the Paris Declaration foster the achievement of development results. For example:

- A basis of consensus to rally over 60 development agencies in Senegal; indeed, these donors agree on the relevance of the Paris Declaration to improve aid effectiveness and agree on its importance when it comes to delivering results.
- Greater appropriation and better alignment of national development policies in Senegal.
- The notion shared by all development partners that donor support should be consistent with Senegal’s national development strategies.
- More openness on the part of TFPs to reconcile, share tasks and specialise in areas which they know best. To wit: examples of delegated cooperation, though there are still too few.
- Results-based management practices which are increasingly recognised and practiced by parties involved in development.
- Coordinated sectoral support over an extended period of time (initiated before 2005 but encouraged by the Paris Declaration), which has made possible significant strides toward sectoral results by helping to offset the negative effects of institutional instability in the responsible ministry/ies and by contributing to stabilise sectoral program coordination efforts.

The work carried out to honour the commitments of the Paris Declaration have thus clearly produced added cooperation value by: supporting reforms undertaken by the government before 2005; offering a general guide of good conduct in

cooperation development; structuring the dialogue between the parties involved; fostering Senegal’s development vision; reducing inadequate development practices or promoting transparent transactional modes which must produce results for Parliament and the public.

Nonetheless, much remains to be done given that the aid implementation system is part of a national framework of policies, still too diverse and inadequately structured and penalised by a political will that is often railroaded by ministerial reorganisations and the introduction of a double-entry aid management system: one for classic donors and one for non-traditional donors. Much remains to be done to solidify the development policies and organise the aid management system.

The financial and public finance management crises have also eroded the confidence of TFPs in Senegal’s government systems. They are currently questioning their alignment strategy, and the risk of backtracking from this commitment remains, as the one observed in the 2007 Investigation of the use of public finance management systems. Donors make little use of program support and budgetary support compared to other countries. In fact, their governments, out of concern for public opinion, are increasingly questioning this form of support and are raising their public accountability requirements. As they must still contend with their head office’s disparate directives, policies and agendas, the TFPs will have to agree on a code of good harmonisation conduct and consider a Joint Aid Strategy in order to go forward and forestall the current disengagement and backtracking.

It should be underscored that since 2005, development players have undertaken to improve public accountability in a context of regressive public finance management transparency and corruption control. This, despite the pursuit of many governance reforms and the creation of new institutions aimed at promoting good governance. The fight against corruption must be a priority for the partners, who indirectly supported good governance reforms and programs without more specificity.

One of the findings at the end of Phase 1 of the Paris Declaration Evaluation was still relevant in 2010: the particularly slow pace of changes. In 2007, the delays in process changes provided no benefits in terms of a management system that was less costly in time and resources or in terms of more effective aid. In 2010, the cost savings were considered far less than expected due to the program support or budgetary support management system, which remained weak on all aid flows, but which required as much monitoring, resource and consulting time for the TFPs and the government.

The evaluation of investments in the Health sector and the Water and Sanitation sector, the two sectors provided as a case study, showed: 1) that coordinated TFP support over an extended period of time with close monitoring modes and

a joint sectoral performance analysis framework are decisive in obtaining or maintaining development results; and 2) the importance of strengthening capacities as part of the development programs. This is especially the case since donors transformed their aid delivery modes for program and budgetary support by aligning their aid on national systems (for budget execution, financial monitoring and reporting, or audits). The new aid delivery modes require that both TFPs and the government increase their capacity to manage the program support given the greater monitoring responsibility incumbent on the Senegalese Government or aid agency employees.

The major challenge remaining is to increase Senegal's capacity to implement development policies and to ensure that the parties involved remain committed to implementing the Paris Declaration. There is no question that political will is necessary to successfully pursue the Declaration's agenda. The government will have to bring its National Foreign Aid Policy to fruition and develop the various dimensions of the Paris Declaration with the technical support of the national branches and the centralised national information system on aid flows (the Aid Flow Management Platform).

The TFPs will have to make their cooperation modes more effective so they can better agree with each other on the development actions they will pursue within the framework of a Joint Aid Strategy, as well as with the government on priorities they wish to pursue. They will have to focus more on the need for capacity strengthening and to better exert their influence with a view to encouraging major reforms. There is some evidence of the positive influence TFPs can exert when taking a common position, as a group behind a strong leader, as shown by the successful adoption of the new public markets code.

Most international donors and agencies have decentralised the organisation of their work without necessarily putting into effect the delegation of power (which should go hand-in-hand with this), thereby increasing constraints related to field personnel work. Sectoral specialisation has also had the unexpected effect of limiting the flexibility and power of some TFPs to intervene, according to the implementation needs of the Paris Declaration, in key governance sectors or to support the programs of NGOs involved in implementing or monitoring the Poverty Reduction Strategy Paper. (The TFPs would benefit from drawing from a code of good conduct, as the European Union has already done.)

Some TFPs underscore the importance of re-establishing the fundamentals of the Paris Declaration in order to keep the partners from disengaging and to move forward on harmonisation and aid effectiveness efforts. Already, some elements are showing reluctance to adopt new aid approaches in the form of budgetary support. Other donors have noted delays in executing budgets within the framework of program approaches, as compared to results obtained through project approaches.

As for the imperative of improving aid effectiveness, other ideas may be necessary if the parties involved fail to quickly realise their intentions: returning to the project approach, for example, or adopting the "cash transfer" approach recently advanced with a view to more quickly achieving the Millennium Development Goals, to the detriment of the alignment and new aid architecture principles, constructed with such effort over the past few years. Moreover, media coverage regarding budgetary support could eclipse other aspects of the Paris Declaration. Indeed, the population and even seasoned observers can easily reduce the Declaration to a budgetary support tool and its controversial use. It is important to rectify public misunderstandings about the Paris Declaration and to further promote its positive aspects, such as appropriation, public accountability and mutual responsibility.

Indeed, the apparent effectiveness of "cash transfer" programs, programs financed by Vertical Funds, and programs financed by TFPs without too many conditions, requires that we refer to the notion of aid effectiveness as defined by the Paris Declaration. Indeed, it encapsulates a far broader definition than that of results effectiveness or disbursement effectiveness if one considers Senegal's need to control its development and to implement its own sustainable development programs in a responsible manner that is respectful of its citizens and in keeping with democratic values.

The evaluation led to the following general and specific recommendations:

General recommendations

- R1. Reaffirm the support of the parties involved in developing the implementation of the Paris Declaration and international commitments.
- R2. Better disseminate information on the Paris Declaration, its dimensions and its implications in developing countries and donor countries.

Specific recommendations for partner countries

- R3. Simplify the political coordination of the Paris Declaration, and clarify and strengthen the roles of structures directly involved in implementing it, especially technical ministries and national branches.
- R4. Clarify and strengthen the roles of civil society, parliamentarians, women's groups, labour and management unions, and local groups by giving them a specific role and specific missions in implementing the Paris Declaration, as well as financial support.
- R5. Strengthen the national information system on foreign aid flows by deploying the Aid Flow Management Platform and

opening it to those involved (TFPs, NGOs and government players).

Specific recommendations for TFPs

R6. Favour flexibility within the framework of the process to transform aid delivery modes into program-based approaches, especially budgetary support approaches.

R7. Deepen the collaboration between TFPs to work on delegation and common pool funding practices.

R8. Increase the harmonisation of efforts aimed at strengthening technical capacities and proposing sectoral capacity strengthening programs.

R9. Increase joint action and coordination efforts in order to better establish priorities for honouring commitments under the Accra Agenda for Action to Fight Corruption.