

Evaluation of the Implementation of the Paris Declaration

Donor Study

USA

Executive Summary

USG Paris Declaration Evaluation Synthesis Report Summary

The purpose of this report is to review and assess implementation by the U.S. Government (USG) of the principles of the Paris Declaration on Aid Effectiveness. The PD remains a dominant statement on aid relationships; its initial “Statement of Resolve” of 12 points is followed by 56 commitments, organised around five key PD principles.

The methodology included an examination of relevant documents from each of seven USG agencies that manage official development assistance, key informant interviews at the headquarters levels of each of the agencies, a questionnaire survey of overseas staff of four agencies, and selected interviews of staff in cross-cutting “apex” entities in executive and legislative branches that play important roles regarding development assistance policy and resource allocation.¹ This synthesis report brings together the main findings from these sources, grouped by the factors or conditions identified by the framework for the Paris Declaration evaluation as enabling donor implementation of the commitments and principles of the Paris Declaration. These enabling factors are: Leadership,

¹ Apex agency interviews were conducted with selected staff in the National Security Council and the Office of Management and Budget in the executive branch and the Government Accountability Office, the Committee on Foreign Affairs and the Committee on Appropriations of the U.S. House of Representatives, and the Committee on Foreign Relations of the U.S. Senate, in the legislative branch. The case study agencies were selected by the U.S. Government and provided to Social Impact in their Terms of Reference. They are: Department of State, USAID, Health and Human Services, Millennium Challenge Corporation, United States Dept. of Agriculture, Department of Labor and the Department of Treasury.

Awareness and Commitment; Capacity; Incentives and Disincentives; and Coherence. Report findings and conclusions include policy changes influenced by the Paris Declaration and enabling factors related to the implementation of foreign assistance by those responsible for program management. The report then draws relevant conclusions and sets out matters for consideration by the USG.

The report uses the term “USG” to refer collectively to those policies and actions which influence or affect U.S. foreign assistance programs, processes and procedures in general. It is important to note that there is no single USG agency with authority over all seven agencies included in this assessment, although the President with the advice of the National Security Council does set overall policy. However, the U.S. Congress plays a major role through the appropriations process, frequently mandating agency programs as well as setting specific limitations and conditions on how and for what purposes foreign assistance is to be provided.

Key Conclusions

The conclusions presented below are based on research conducted mainly in the period of March to September 2010 and described in the findings sections of the report. By late September the administration’s ongoing efforts to develop a new global development policy, to address the issue of policy and operational coherence, and especially to reform and rebuild the United States Agency for International Development (USAID) began to bear fruit. This has included issuing specific guidance for strategic planning, undertaking a serious examination of how to improve aid effectiveness, and identifying

constraints that can be relaxed without congressional action as well as those that will require new statutory authorities. The new U.S. Global Development Policy (also referred to as the Presidential Policy Directive on Global Development) focuses on policy and structural reforms necessary to increasing the effectiveness of USG assistance. This, and the just released Quadrennial Diplomacy and Development Review prepared by the Department of State and USAID represent the results of nearly two years of intensive study and discussion by senior staff and policy makers in the National Security Council, the Department of State and USAID. Both documents are informed by Paris Declaration principles, and the Quadrennial Diplomacy and Development Review specifically cites the Paris Declaration and the Accra Action Agenda as the source for its development assistance principles. This acceleration of aid effectiveness policy along with the implementation of the Feed the Future and Global Health initiatives, is allowing for these new protocols and practices to be tested. While much of this effort has been driven by a more general recognition that, to serve U.S. interests, U.S. foreign assistance has to become more effective and focused, there is little doubt that the Paris Declaration, the Accra Agenda for Action, and the Rome Principles (with regard to food security) have had a major impact on the direction of U.S. aid effectiveness reforms. However, as any student of organisational behavior well knows, the transformation of reform policies into reformed implementation procedures and practices is not automatic. For this reason, many of our conclusions focus on the operational constraints that must be overcome if the new policies are to produce the desired results.

- 1) U.S. foreign assistance has lacked an overall conceptual and organisational architecture, in spite of efforts to give it conceptual unity under the “Three D” mantra: Defense, Diplomacy and Development. It involves many federal agencies and is heavily earmarked and influenced by the U.S. Congress and a variety of interest groups. It is therefore difficult to develop generalizations about the degree of Paris Declaration/Accra compliance. Several agencies, such as the Millennium Challenge Corporation, Department of Treasury, and Health and Human Services, claim a high degree of consistency with Paris Declaration/Accra principles and accords, but the reasons for whatever consistency that does exist are different for each agency. Among the larger programs – USAID, Department of State, Health and Human Services and the Millennium Challenge Corporation – the Millennium Challenge Corporation enjoys a degree of greater freedom with regard to source of procurement, multi-year funding (up to five years) and more flexibility in personnel decisions afforded by its status as a government corporation.
- 2) Respondents in USG agencies that did follow assistance management practices consistent with the Paris Declaration tended to stress principles and practices, including country alignment, engagement with host

country institutions, capacity building through extended technical assistance, and efforts to gradually shift program implementation responsibility to host country institutions. The Health and Human Services case study perhaps shows the greatest responsiveness in this regard. One of the reasons for this degree of alignment is an already-extant global network of public health professionals, as well as a close affiliation between public health development experts and the larger health research and scientific community. Health programs, insofar as their technology is concerned, usually are well grounded in existing evidence and practice, and therefore represent known solutions, the efficacy of which, if properly administered, is not in doubt. Another factor is that health programs do not challenge political arrangements in a host country, unlike economic and, in particular, democratic development programs. Efforts to improve the rule of law generally are not appreciated by kleptocratic or authoritarian regimes.

- 3) Within the Department of State, the Office of the U.S. Global AIDS Coordinator is responsible for coordinating the major USG commitment to fighting HIV/AIDS, and other major global health threats. The oldest and largest commitment has been the President’s Emergency Plan for AIDS Relief (PEPFAR) program, which since 2009 has made significant progress in developing operational and strategic guidance for moving PEPFAR towards explicit adherence to Paris Declaration principles, including country ownership and harmonisation with other donors, although it is too early to tell whether this new approach will produce desired improvements in aid effectiveness.
- 4) The findings on coherence lead to the conclusion that inherent tensions exist between the three major strategic purposes of USG foreign policy – diplomacy, defense and development – that affect the ability of aid effectiveness policies to be internally consistent and coherent. Some of this tension arises from the pressure to produce results in a relatively short time period. Most observers would agree, for example, that capacity building is a long-term process, especially with regard to the establishment of effective, transparent, and accountable institutions of democratic governance. Political and statutory pressure to report positive outcomes on a yearly basis works against the kinds of time frames and long-term efforts most likely to be effective, making “the long run” simply too long. Good development practice may end up subsumed under short-term diplomatic and defense objectives.

Another source of incoherence lies in the potential tension between helping to develop a country’s comparative advantage through development investments and free-trade regimes, and the objectives of American producers and exporters, especially the farm sector, which

may face stiff competition from abroad, now or in the future. In addition, a tension exists between the moral basis for development – including advancing democracy and human rights, protecting women and children from trafficking, and protecting endangered species – on the one hand, and on the other, the USG’s need to develop alliances and cooperative security relationships with regimes that show little interest in U.S. values-based objectives.

- 5) There are conditions under which certain Paris Declaration principles, or aspects of them, may not fully apply. For example, aspects of country ownership and alignment may not apply in situations of fragility, lack of accountable governance, or immediate post-conflict situations. In particular, alignment with country systems is not likely to be feasible under these conditions. Even aspects of harmonisation, managing for results, and mutual accountability may be difficult. For example, some joint donor efforts and a division of labour among donors may be difficult to achieve. Nevertheless, close coordination among donors at the information-sharing level and some kinds of joint efforts, such as fact-finding missions, will be essential in post-conflict situations. Managing for Results and Mutual Accountability in these circumstances may need to be joint among donors, rather than joint with the country.
- 6) A key conceptual issue for many respondents and case study analysts is whether “host country” means host government (especially those without credible representative claims), or whether it applies more broadly to all sectors, including civil society, the private for-profit sector, universities, and more.² Moreover, are assistance programs that work directly with civil society or the private business sectors, without host government involvement, permissible under the Paris Declaration principle of host country ownership, or is some direct involvement of the host government a necessary requirement of country ownership? The recent “U.S. Global Development Policy” clearly anticipates working with host governments by stating: “Investing in systemic solutions for service delivery, public administration, and other government functions where sufficient capacity exists; a focus on sustainability and public sector capacity will be central to how the United States approaches humanitarian assistance and our pursuit of Millennium Development Goals.”
- 7) It is unlikely that the USG will ever achieve full compliance with the Paris Declaration and Accra Agenda for

² One agency stated that this is a settled issue in the PD/AAA; that country means more than just government. However, discussions with the U.S. international NGO member organisation, InterAction, raised this issue as a major concern. Country government participants at the Third Meeting of the International Reference Group of the Evaluation of the Paris Declaration, December 7-10, 2010, expressed the view that civil society organisations needed to conform to the government’s strategic plan – a view that worries many local and international NGOs who perform advocacy roles with respect to social, rule of law, and other human rights issues.

Action. To do so would require a sea change in the way U.S. interests influence both domestic and foreign assistance policy and practices. Full compliance would also require a profound change in the behavior and capacity of the regimes now in place in some partner countries in the developing world. However, the present US administration clearly is motivated by the normative challenge presented by the USG’s commitment to the Paris Declaration, and appears determined to continue to take specific steps to move toward Paris Declaration-like aid effectiveness.

Matters for Consideration

The findings and conclusions presented generate ideas and suggestions for improvement and raise additional questions and issues that require further review.

Overarching considerations for U.S. Government executive and political leaders

The operational and procurement reforms already under way in the USAID should be monitored for success and their applicability to other agencies.

Leadership, Awareness and Commitment

Awareness is not the same as commitment. USG agencies involved in foreign assistance need to strengthen the level of commitment by program managers with the responsibility for day to day implementation of U.S. foreign assistance programs. Issuing directives and guidance documents is a necessary step, but more needs to be done to address the constraints and lack of positive incentives that are more powerful influences on the behavior of implementing managers. (see below)

Capacity

As part of the “USAID Forward” reform process, USAID is analysing and developing guidance to address a variety of operational constraints to improving aid effectiveness. This effort should be broadened to require all agencies to prepare an inventory of their substantive capacities and skills in order to assess training, recruitment, placement, orientation, mentoring and other approaches required to adequately implement the Paris Declaration principles.

Incentives and Disincentives

- 1) All USG agencies managing foreign assistance accounts need very specific guidance on acceptable conditions and arrangements for promoting host country ownership, alignment and greater donor harmonisation. Agency officials should be provided with the appropriate means and incentives to ensure appropriate risk taking in developing host-country capacity, while being protected from legal or bureaucratic repercussions if problems of accountability or mismanagement do arise.

- 2) The administration, on behalf of USG agencies managing foreign assistance accounts, should ask Congress to eliminate or ameliorate those requirements that inhibit implementation of Paris Declaration principles.
- 3) Detailed Paris Declaration guidance should include an analysis of favourable and unfavourable conditions for implementation of the different components of Paris Declaration principles. USAID currently is preparing guidance for the use of country systems under the Alignment principle of the Paris Declaration. Guidance should also address the role of capacity strengthening in helping to improve conditions for Paris Declaration implementation. It should be made clear, however, that these detailed considerations are part of a serious USG-wide effort to move toward compliance with the Paris Declaration principles.

Coherence

- 1) Building on the Paris Declaration and the recent U.S. Global Development policy, agencies should establish a

continuing mechanism to ensure the greatest degree of coherence possible among policies and programs affecting the developing countries.

- 2) The USG executive should dialogue with the U.S. Congress on the potential incoherence among legislative restrictions, trade protection amendments, mandates, and earmarks and the need for greater policy coherence as a critical part of the overall aid effectiveness reform effort. As noted in the Quadrennial Diplomacy and Development Review, some of the degrees of freedom afforded the Millennium Challenge Corporation legislatively should be provided to the USAID and other implementing agencies. The USG should also resolve the definitional confusion about what kind of foreign assistance is included in the effort to strengthen its aid effectiveness, consistent with Paris Declaration principles.