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Where next for development effectiveness?

Implementing development effectiveness: a reality check

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1. Introduction

The Global Partnership for Effective Development Co-operation (GPEDC) was established in 2011 as a more inclusive successor organisation to the OECD-led aid effectiveness process that began in Paris, in 2003. In this way the GPEDC sought to better reflect the views of the intended beneficiaries of development cooperation – governments and civil society organisations – rather than the views imposed on them by donors. But in another sense, it remains a rather top-down process, looking across the activities of donors and at country attributes, and scoring them on various indicators. The monitoring process asks questions like ‘Does a national development cooperation policy exist?’ and tries to assess things such as the extent to which civil society has been involved in development dialogues.

Although the first batch of ten GPEDC Country Monitoring Profiles reports good scores on some indicators, elsewhere there is little evidence that donors are following the principles that they have signed up to.¹ There is a perception that the formal development effectiveness process lacks political leadership and is of peripheral interest to donors.² Some major donors have moved away from, rather than towards, the Busan Principles: for example, the UK’s Department for International Development (DFID) has largely withdrawn from providing budget support (DFID, 2015).

If the official development effectiveness process has waned, another movement aimed at making development more effective has risen. This goes by various names, including ‘doing development differently’ (DDD), ‘adaptive programming’ and ‘problem-driven iterative adaptation’.³ There are some similarities with GPEDC principles, particularly an emphasis on local ownership, but DDD is about how development cooperation should work down at the project level; it is not about the existence of high-level dialogue between donors and governments and, as yet, no indicators have been proposed. In fact, a motivation behind DDD is that development interventions often deliver the form of an outcome rather than the substance. From this perspective it would be easy for donors and governments to produce a document articulating shared results priorities, and perhaps score favourably in a Busan monitoring exercise, but that does not mean donors really are following country priorities. DDD emphasises that a disconnect between appearance and reality is more likely when the politics of a situation have been ignored.

What explains the disappointing progress on meeting GPEDC commitments? Should the GPEDC principles be updated to be more ‘politically smart’ and reflect the ideas behind DDD? This note provides a short overview of this

debate, and is part of a series of papers to inform debate in the run-up to the Second High-Level Meeting of the GPEDC in November.

2. Doing development conventionally

The convention on what effective development looks like has evolved over the years since the first High-Level Forum on Aid Effectiveness in Rome, in 2003. The current consensus about development effectiveness principles are elaborated at length in the Busan Partnership Agreement (2011). It describes how, for example, the principles imply the use of country-led results frameworks and (implicitly) that aid should ideally be in the form of budget support.⁴ The Busan Partnership Agreement is operationalised by a set of indicators to be reviewed in periodic monitoring exercises. The monitoring exercise is intended to apply to all official development assistance (ODA), and countries are also encouraged to monitor non-ODA flows.

Some of the Busan indicators target aspects of development that are not addressed by DDD – for example, DDD does not have anything to say about keeping track of spending to empower women. In other cases, the differences between Busan and DDD are subtle. Both advocate addressing country priorities; but, while following Busan principles, development partners may agree to set targets, e.g. for improvements in neonatal mortality, DDD might first seek to discover where in the health system there are problems for which both the political will and means to solve them exist. It might also adjust course if, during implementation, it becomes apparent that doing something else would be more useful. DDD practitioners would only use country public finance management (PFM) systems if they are useful in context. The difference should not be exaggerated – DDD interventions can still be guided by high-level targets set out in results frameworks, but the essence of DDD is not being constrained by pre-designed plans.

Busan commitments are less likely to be met, or are likely to be only mimicked, when they conflict with the underlying politics or incentives inherent in a situation. For example, if donors face an incentive to ‘get money out the door’ and all governments really want is to ‘get money in’ then neither party may really want to be held to account for delivering results (Bain et al., 2016). A government whose true priorities are not well aligned with the results priorities it has agreed with donors might not want to invest in national statistical systems that will show how poorly it is performing, or they might merely have

The Busan Partnership Agreement and Doing Development Differently Principles

Busan	DDD
<p>Principles:</p> <ol style="list-style-type: none"> 1. Ownership of development priorities by developing countries 2. Focus on results 3. Inclusive development partnerships 4. Transparency and accountability to each other <p>Indicators (paraphrased):</p> <ol style="list-style-type: none"> 1. Focus on countries' priorities. Alignment with and use of government-owned results frameworks and data. 2. Engagement with civil society. Subjective assessment of environment for and involvement of. 3. Engagement with private sector. Subjective assessment of dialogue. 4. Transparency. Use of OECD Creditor Reporting System and International Aid Transparency Initiative (IATI). 5. Predictability (annual and medium term). Commitments/disbursements; 3-5 year forward planning. 6. On budgets that are subject to parliamentary scrutiny. Percentage. 7. Mutual accountability. Joint assessments of progress towards these indicators. 8. Gender. Systems for tracking allocations. 9. Country PFM and procurement systems. Quality index score and percentage of aid that uses. 10. Aid is untied. Percentage. 	<p>Although just one manifestation of a broader movement that emphasises learning and adaptation, the Doing Development Differently manifesto is a useful reference for comparison with the Busan Principles.⁵ It is (paraphrased):</p> <ol style="list-style-type: none"> 1. Solving local problems that are debated, defined and refined by local people. 2. Seek legitimacy at all levels by building ownership throughout the process. 3. Work through local conveners to mobilise all stakeholders to tackle common problems. 4. Blend design and implementation through rapid cycles of planning, action, reflection and revision. 5. Manage risks by making 'small bets': pursuing activities with promise and dropping others. 6. Foster real results – real solutions to real problems that have real impact.

other priorities for scarce resources. Of course, there are incentive problems on the donor side, and a reluctance to use country systems, and results frameworks may be traced to the desire to be accountable to domestic constituencies (de Renzio, 2016). The UK withdrawal from general budget support was explained by the desire to ‘eliminate poor value spend and re-focus it where it can cost effectively deliver UK objectives’ (DFID, 2015).

It is hard to argue with the Busan Principles in principle, but in practice it is possible to see how the indicators compiled in the monitoring process might not indicate genuine adherence to the principles, and how political incentives could explain why both donors and recipients may sometimes be ambivalent about fulfilling Busan commitments. If the process becomes perceived as being of little use in practice, that may become a self-fulfilling prophecy as donors and governments both become reluctant to invest resources and political capital. DDD starts from the premise that, outside of more straightforward interventions, the track record of development interventions is bad (Andrews, 2013; Wild et al., 2015) so either development effectiveness principles have not been truly followed, or following those principles does not make development truly effective.

3. Doing development differently

This section considers the four Busan Principles and asks how they might be reformed to reflect the principles of DDD. But it should not be taken for granted that trying to incorporate DDD into the Busan process is the right way forward: one challenge is that the spirit of DDD is about making something real happen at the micro level, and scepticism about the value of ‘conforming to appearances’, and so may be inherently inconsistent with tracking by indicators as part of a bureaucratic monitoring process.

Ownership of development priorities by developing countries

Busan and DDD both put ownership at centre stage. The only difference is one of emphasis. DDD places less emphasis on ownership by the central government and more on ownership by local stakeholders (while recognising the importance of high-level political leadership). The DDD approach to ownership could be seen as an amalgam of two (or three) Busan Principles: ownership and inclusive development partnerships (and mutual accountability). What really counts, from a DDD perspective, is working to solve locally defined problems

in collaboration with those directly involved. Any attempt to transform that into an indicator (such tracking the presence of local stakeholders in project management) would probably be too easily defeated by having a token presence, whereas DDD is all about genuine local leadership.

As ever, there is ambiguity about what ownership means. The GPEDC calls for democratic ownership, but there may be cases where the desires of an elected government clash with sections of the community, marginalised groups or others affected or neglected by development interventions. Some depictions of DDD, such as Booth and Unsworth (2014), talk about donors encouraging and supporting a team of local ‘development entrepreneurs’ to find technically sound, politically feasible approaches to achieve desired results. In some cases, the decision of whether to scale up an intervention might be delegated to these teams. One might question whether this is really ownership in the sense that the drafters of the Busan Partnership had in mind.

Recommendations

Both the Busan Principles and DDD emphasise the importance of ownership, with DDD focusing more on the micro level. But any attempt to develop new indicators of genuine local ownership would probably devolve into meaningless box-ticking. The GPEDC needs to have an honest debate about why true local ownership appears to be so hard to achieve. If the respective political realities in donor and recipient countries mean that commitments to local ownership are always unlikely to be met, then the GPEDC should consider ways of making development cooperation more effective given those realities, rather than acting in denial of them, perhaps taking inspiration from DDD.

Focus on results

DDD is also results-orientated, but again there is a difference of emphasis. DDD is not about donors signing up to pre-designed country results frameworks and then being evaluated on the basis of how well they stuck to them. Instead, results are important because the essence of DDD is to learn and adapt, where learning means learning about the results of your actions, and adapting means adapting your actions to yield better results. That said, under DDD it is possible to agree broad areas to target, and to agree results that could be used to measure progress (perhaps in the form of a menu), so, with slight adjustments to process and measurement, the DDD approach to results is compatible with the Busan Principles.

The Busan recommendation of using country-owned results frameworks seems very much in line with DDD thinking, in so far as it reflects an orientation around the problems that countries really want to solve and entrusts responsibility for measurement to those stakeholders, but the risk is that formally agreeing a results framework is not the same thing as genuinely building locally owned results measurement into how development is done.

DDD practitioners would argue that development interventions too often descend into a box-ticking exercise, or what is sometimes called ‘isomorphic mimicry’, when things take on the appearance of the desired outcome, but not the substance (Krause, 2013; Andrews et al., 2013). To take one example, a study of aid effectiveness in Cambodia quotes an official saying that donors would need to be ‘planning to build hotels on the moon’ not to align with the national development strategy, because it included everything and was poorly prioritised (ActionAid, 2007). If almost anything counts as alignment behind country results frameworks, the value of monitoring processes is questionable. Similar questions have been asked of other processes designed to achieve country ownership, such as the World Bank’s Poverty Reduction Strategy Papers (Wilhelm and Krause, 2008).

These arguments suggest that there are limits to what can be achieved by procedural measures, where it is possible to comply with the letter but not the spirit.

Recommendations

The GPEDC should work with the DDD community to consider the merits of attempting to create indicators that track whether development interventions are results-orientated in a meaningful sense. One possibility could be to record the frequency with which project design incorporates from the outset a feedback loop so that activities are adapted in response to learning about results.

Inclusive development partnerships

As suggested above, DDD folds the idea of inclusive partnership into its interpretation of ownership. One aspect of working effectively as a partnership, which is emphasised by the Busan process, is predictability. Here it is not clear whether there is a conflict with DDD. It is possible to conceive of DDD working with a stable and predictable programme, and using experimentation and learning to adapt what that programme does without disrupting the flow of resources. However, DDD practitioners also often talk about starting small and then scaling up what works (see also Bain et al., 2016), which might introduce some uncertainty from the recipient government perspective.

Recommendations

The DDD community should consider how their approach would work in settings where predictability is valued by development partners, and articulate when DDD is likely to be compatible with predictable financial flows and when it is not. Similarly, the GPEDC should revisit the question of whether predictability is always desirable, if shutting down failures and scaling up successes sometimes implies unpredictability.

Transparency and accountability to each other

The Busan approach to transparency, at the level of indicators, is about the reporting of aggregates. It is hard to see how that would be unhelpful, under DDD principles, but it would not be seen as particularly helpful either. A DDD approach to transparency would be more local, and about keeping stakeholders informed about what development interventions are trying to achieve and what results they are having. The idea of mutual accountability seems very much part and parcel of the DDD conception of a locally led problem solving process.

Recommendations

There is healthy scepticism in the DDD community about the idea that greater transparency, as advocated by Devarajan and Khemani (2016), would be sufficient to solve the collective action problems that sometimes hold back development. But insufficient is not the same as unhelpful. The GPEDC should consider asking for new commitments by both recipients and donors, to release more detailed information about how resources are being spent, to what purpose and with what results.

4. Conclusion

While it is possible to identify areas of progress, most assessments of the development effectiveness process tend to be negative. The official position is that ‘the glass is half full’ (GPEDC, 2014). Other assessments of how effective development interventions have been, in the more complex areas of governance reform and the social sectors, are implicitly negative about development effectiveness. There are various possible explanations for slow progress, with a likely candidate being the political incentives faced by both donor and recipient governments.

DDD represents a challenge to the Busan process. It has emerged almost entirely separately from the official OECD and later GPEDC process, and has no official process behind it. Rather, it is driven by development practitioners

who have become frustrated by the rigid bureaucratic nature of traditional development interventions. Some of the thinking around why we need to do development differently, about the importance of politics and the need to free practitioners from ‘cookie-cutter’ procedures might also help explain why the official development effective

process has had limited traction. It is not clear whether the Busan process can absorb the thinking behind DDD and reform its principles and monitoring processes to reflect a more locally led and adaptive way of doing development effectiveness, or whether DDD is fundamentally incompatible with the idea of targets and indicators.

Notes

- 1 The ten monitoring reports are available at effectivecooperation.org. Research revealing low levels of compliance with aid effectiveness principles includes Molenaers and Nijs (2011), Nunnenkamp et al. (2013), Canavire-Bacarreza (2015), Keijzer (2013), and Chandy (2011) called results ‘dismal’.
- 2 This claim is hard to substantiate but it meets with wide agreement on the fringes of conferences and similar development industry gatherings. This opinion was expressed at an event in 2012 for the launch of an Aidwatch report on the quality of EU aid (a write-up is available on the Concord website), and Carbone (2014) analyses the politics that have undermined commitments to untying aid.
- 3 The term ‘problem-drive iterative adaptation’ was introduced in Andrews et al. (2013). A good introduction to the principles of adaptive programming can be found at doingdevelopmentdifferently.com. For analysis of adaptive approaches used by DFID, see Derbyshire and Donovan (2016).
- 4 Hart et al. (2015) explore how the Busan indicators relate to other ways of assessing public finance systems, and Table 5 in that paper shows that the Busan indicator for use of country systems would be very hard to meet using any other modality than budget support.
- 5 Available from <http://doingdevelopmentdifferently.com>

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