The Dutch Road Towards Paris

A Case Study on the Implementation of The Paris Declaration on Aid Effectiveness in Dutch Aid Policies for Health in Sub Saharan Africa.

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PREFACE

This study is my graduation thesis and is conducted in order to graduate from the master program International Public Management and Policy of the Faculty of Social Sciences of the Erasmus University Rotterdam.

During my study I have learnt that my particular interest goes out to development cooperation, so deciding the topic of my thesis was very easy. When thinking about the distribution of wealth, I have always found it hard to believe that more than 6 billion people live on the same planet, but some living in other epochs then others. Standards and the quality of life vary from The Middle Ages to 2007, or even what we already can call the future. Access to clean drinking water, food and education seems so self- evident and is unimaginable for us in developed countries to live without nowadays. Still millions of people encounter the unthinkable scenario: hunger, starvation, bad health facilities and no access to education are all examples which are a day-to-day situation to those people living in the developing countries. In spite of years of development aid efforts from the western countries to help develop the underprivileged nations in the world, it seems that relatively only small progress has been made. Writing a master thesis on development cooperation offered me a good opportunity to learn more on development aid and gain more knowledge, skills and practices on this topic. I feel that with this thesis I have build a good foundation for myself for further research and experience in the field of development cooperation.

When I started working on this study I knew it would be hard and looking back I was right. But several people have supported me and kept me eager to realise this thesis. First of all, I would like to thank the staff of IOB at the Ministry Of Foreign Affairs for giving me the opportunity to work as an intern at their department. In particular I would like to thank my internship supervisors Marijke Stegeman, Ted Kliest and Rafaela Feddes. Thank you for your guidance, support, professionalism and for a great learning experience. And of course I am also very thankful to my supervisor at the university, Geske Dijkstra. Thank you for your guidance and critical glance which kept me on the right track. Further, I would like to thank my family and friends. Thank you for your confidence and support! And last but not least, Rob, for stimulating me to keep going on and help me see the light when times were dark. Thank you!

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LIST OF ACRONYMS

AIDS	Acquired Immuno Deficiency Syndrome
CDI	Commitment to Development Index
DAC	Development Assistance Committee
DAF	Directie Sub Sahara Afrika
DEK	Directie Effectiviteit en Kwaliteit
DSI	Directie Sociale en Institutionele Ontwikkeling
EU	European Union
FEZ	Directie Financiële en Economische Zaken
GFATM	Global Funds to fight Aids, Tuberculosis and Malaria
HIV	Human Immunodeficiency Virus
ICPD	International Conference on Population and Development
IMF	International Monetary Fund
IOB	Inspectie Ontwikkelingssamenwerking en Beleidsevaluatie
JAS	Joint Assistance Strategy
JFA	Joint Financing Arrangement
MASP	Multi Annual Strategic Plan
MDG	Millennium Development Goals
NGO	Non Governmental Organisation
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
PFM-POP	Public Finance Management Support Programme
PRSP	Poverty Reduction Strategy Paper
SPICAD	Support Programme for Institutional and Capacity Development
SRHR	Sexual and Reproductive Health and Rights
SWAp	Sector Wide Approaches
UN	United Nations
UNAIDS	Joint United Nations Programme on hiv/aids
UNFPA	United Nations Population Fund
US	United States of America
USAID	United States Agency for International Development

ABSTRACT

In March 2005 donor and developing countries signed up for The Paris Declaration on Aid Effectiveness at the High Level Forum of the OECD/DAC in Paris, also known as the Paris Agenda. Over 100 representatives of governments and international institutions, including those from more than 50 developing countries, put their signature to a set of action commitments which represented an unprecedented comprehensive and broad-based consensus amongst donor and partner countries. In doing so, they agreed for the first time in history to measure their success at making their aid more effective through a set of indicators and targets, which are grouped into the following areas: ownership, alignment and harmonisation. The central hypothesis of the Paris Declaration is that by implementing these principles in donor countries' development policies, aid effectiveness will increase.

The extent to which these concepts are implemented in Dutch aid policies for health in Sub Saharan Africa has been examined in this study. The commitment of the Netherlands to these concepts is researched and the outcomes turn out to be positive. In several policy papers, documents and reports of The Ministry of Foreign Affairs commitment is pronounced in implementing these concepts. The actual implementation is studied at two levels: at the level of the Ministry of Foreign Affairs in the Hague and at the level of the embassies in the countries where the Netherlands is active in the health sector.

At the ministry a lot of efforts are taken to puts health issues at the international development agenda. According to the OECD/DAC the Netherlands is a frontrunner within the international donor community when it comes to addressing health issues. However, when looking at the implementation of the Paris Agenda it seems that the implementation of the concept of ownership is the most problematic. Addressing sensitive health issues as hiv/aids, gender and sexual and reproductive health and right seems difficult in traditional African countries. Still these countries need to be made aware of the importance of these aspect in increasing aid effectiveness in the health sector. This lead to a donor driven policy instead of recipient government demanded policy. This study also indicates several other problematic aspects arise in the implementation of the Paris agenda and makes the overall implementation weak. Although aid effectiveness will probably increase, it is not as optimal as it could have been.

1. INTRODUCTION

1.1 Problem analysis

1.1.1 The slow progress towards improving health in developing countries

Through decades of development assistance western countries have tried to improve health in developing countries, but the progress towards improvement has been slow and lagging behind other areas such as education and poverty reduction (World Bank; 2004). According to the United Nation's Millennium Development Report 2007 in particularly the situation in Sub Saharan Africa is alarming[1].

A major concern is the spread of hiv/aids. Looking at the development of the hiv/aids epidemic throughout the last two decades, a constant increase in the prevalence of the disease in Sub Saharan Africa is seen. Prevalence rates go from 300,000 in 1990 to 2.1 million in 2006 (UNAIDS: 2006) and the disease is continuing to spread. In 2006 almost 25 million people died from hiv/aids in Sub Saharan Africa.

Maternal mortality levels remain unacceptably high across the developing world, particularly in Sub Saharan Africa. Each year, more than 500,000 women die from treatable or preventable complications of pregnancy and childbirth. In Sub Saharan Africa, a woman's risk of dying from such complications over the course of her lifetime is 1 in 16, compared to 1 in 3,800 in the developed world. The World Bank (2004) predicts that maternal mortality in Sub Saharan Africa will probably decline less quickly in the new millennium than in the 1990s.

The same applies to child and infant mortality rates. Although child and infant mortality rates have declined globally, the pace of progress has been uneven across regions and countries. Accelerated improvements are needed most urgently in Sub Saharan Africa where in 2005 nearly 165 out of 1,000 children died before their fifth birthday and infant mortality rate indicated 96 deaths per 1,000 live births, mostly from preventable causes (World Development Indicators). For a large part this has to do with the lack of basic health care supplies and the hiv/aids prevalence under children.

Besides that, famine still occurs on large scale and access to sanitation in large parts of Sub Saharan Africa is still a luxury. The World Health Organization and the Organization for Economic Cooperation and Development estimated in 2003 that lack of safe drinking water killed almost 4,500 children per day, mostly under the age of five. Nearly 1.1 billion people lacked access to clean

[1] For statistical data on hiv/aids, maternal mortality and child- and infant mortality see annex II: Health development in Sub Saharan Africa

drinking water, most of them living in Sub Saharan Africa, and these numbers are likely to have increased.

It seems that years and years of development assistance from the western developed world has done little to improve health in Sub Saharan Africa. Many efforts have been undertaken to the fight against the hiv/aids epidemic and reduction of maternal and child mortality rates, but many would argue that the situation now is even worse than ever. With more than 25 million Africans being infected with hiv/aids in 2007, the UN's predictions of more than 45 million people being infected in 2010, child and maternal mortality only very slowly decreasing, and the overall health situation detoriating in Sub Saharan Africa, is it finally time for aid agencies and donor countries to rethink their aid strategy in order to become more effective?

1.1.2 Setting the health agenda

During the last decades different international initiatives have been undertaken to address the poor health situation in developing countries. One of the most prominent has been the Millennium Declaration which was signed by 147 heads of state who committed their nations to a new global partnership to reduce extreme poverty and setting out a series of time-bound targets, with a deadline to make in 2015. These commitments are called the Millennium Development Goals (see fig. 1.1) and have since become widely accepted as key guiding lines for development cooperation.

Figure 1.1 The Millennium Development Goals

The Millennium Development Goals

1. Eradicate extreme poverty and hunger
2. Achieve universal primary education
3. Promote gender equality and empower woman
4. Reduce child mortality
5. Improve maternal health
6. Combat HIV/AIDS, malaria and other diseases
7. Ensure environmental sustainability
8. Develop a global partnership for development

Source: http://www.un.org/millenniumgoals/

The MDGs [2] cover the most basic forms of injustice and inequality in the world: poverty, illiteracy and ill-health. The attention for health in developing countries is well represented in the MDGs. Half of the MDGs concern different aspects of health directly (MDG 4 to 6) or indirectly (MDG 1, 3 and

[2] For the list of targets of the MDGs see annex V: The Millennium Development Goals

7). Many donor countries are now committed to arranging their development aid in such manner that the world is on the right track towards making the MDG deadline in 2015. The MDGs are not merely point of interest of the donor community. The developing countries also have the responsibility of adopting sound strategies for reaching the MDGs. Efforts that have to be undertaken to meet MDG targets in 2015 are therefore both the responsibility of the donor community as well as the developing countries.

Three other events since the 1990s have had a significant influence on health development aid throughout the donor community and have set the international (health) development agenda. In 1994 the role of women in developing countries was addressed by the UN. The International Conference on Population and Development (ICPD), also called the Cairo agenda, led to consensus on many fields of development cooperation, but for the first time in history the underexposed role of women and its effect on the health condition of women were addressed. The issue of sexual and reproductive health and rights was publicly addressed and divided the donor community and developing countries into a conservative and liberal camp. Issues like maternal mortality and infant and child mortality had also become important points of interest (UN; 1994). In addition to ICPD, the Fourth World Conference on Women in Beijing, also stressed the importance of women's rights for improving health in developing countries.

The Declaration of Commitment on HIV/AIDS (UNAIDS; 2001) was a major milestone in the aids response. With sufficient will and resources, communities and countries could change the epidemic's deadly course. Donor countries committed to strengthen efforts to the fight against aids. The Declaration is a powerful tool that helps guide and secure action, commitment, support and resources for the aids response throughout the donor community.

Figure 1.5: International agreements undertaken to improve health sector development aid

Year	Agreement
1994	**International Conference on Population and Development (ICPD), Cairo** International consensus on a new vision on the relationships between population, development and well-being. Goals and targets: universal education, reduction of infant and child mortality, reduction of maternal mortality, access to reproductive and sexual health services including family planning.
1995	**Fourth World Conference on Women, Beijing** Reinforcement the importance of women's rights and empowerment, as established a year earlier in Cairo. One of the twelve women's thematic issues concentrates on the importance of women's health.
1999	**ICPD+ 5** The session identified Key Actions for the Further Implementation of the ICPD Programme of Action, including new benchmark indicators of progress in four key areas: food and illiteracy, reproductive health care, maternal mortality reduction and hiv/aids.
2000	**Millennium Summit and the Millennium Development Goals** Agreement to help the world's poorest countries significantly progress towards a better life for their people by the year 2015. The framework for progress consists of eight Millennium Development Goals (MDGs) including commitments on children, population and development, human rights, women, social development, HIV/AIDS and financing for development.
2000	**Beijing + 5**

	The first follow-up meeting to review progress of the Fourth World Conference on Women Platform for Action.
2001	**Declaration of Commitment on HIV/AIDS**
	International agreement of the donor community to further strengthen efforts to the fight against HIV/AIDS.
2004	**ICPD + 10**
	The 10th Anniversary of the ICPD, in 2004, marked the mid-point of its 20-year Programme of Action. This offered an opportunity to reflect on progress to date and take stock of challenges ahead.
2005	**Beijing + 10**
	The follow-up meeting to review progress of the Fourth World Conference on Women Platform for Action.

Source: www.unfpa.org/icpd , www.unaids.org , www.un.org/millenniumgoals

These agreements together with the MDGs have been of great influence to health development aid of donors throughout the world. But it seems that little has changed since these events and the introduction of the MDGs. Donor countries worldwide have adopted these agreements, but the results on the health MDGs are still lagging behind and international organisations even predict that the MDG targets in 2015 will not be met.

1.1.3 Rethinking aid strategy: towards more aid effectiveness

By these agreements (see fig. 1.5) the international development agenda had been set. But that was not enough to make the deadlines the agreements kept on. The next step was thinking about improving aid effectiveness. International aid agencies and the donor community recognised that there were problems associated with the existence of a multiplicity of donors. This international multiplicity of donors, many with projects, programmes, interests, concepts, structures and procedures of their own, diminished the possible impact of development cooperation (Bigsten; 2005). It was time to rethink strategy in order to improve aid effectiveness and it is actually only relatively recently that aid quality has come more to the fore of public policy debate.

In 2005 the international donor community agreed to increase the quality of their aid by signing the Paris Declaration on Aid Effectiveness. Although throughout the last two decades there had been attention for the principles the Paris Declaration presented, this was the first time in history that the donor community formally committed to systematic support for recipient countries owned plans for attainment of development results, increased use of national administration systems and more coordinated and predictable actions amongst multiple aid actors (OECD; 2005). Donor countries committed to the implementation of the five principles of the Paris Declaration: ownership, harmonisation, alignment, mutual accountability and managing for results, in their development policies. The central hypothesis of the Paris Declaration is that by implementing these principles in donor countries' development policies, aid effectiveness will increase. Whether or not this is the case is yet not proven because of the relatively short time that has expired after the signing of the declaration. But as will be shown in chapter 2 there are good reasons to assume that this is true. If so, implementation of the principles in aid policies will subsequently have a positive effect on aid

effectiveness. In this study the implementation of the Paris Declaration principles and its hypothesis, together with the Dutch aid policy for health in Sub Saharan Africa form the central focus point.

1.2 Research questions and research objective

The goal of this project is to examine to what extent the principles ownership, harmonisation and alignment of the Paris Declaration on Aid Effectiveness are implemented in the Dutch aid policy for health in Sub Saharan Africa. After that careful conclusions will be drawn on aid effectiveness. In this study the principles "mutual accountability" and "managing for results" will be left out of consideration and the focus will be on the implementation of ownership, harmonisation and alignment. This choice is made because of the relatively difficult way of operationalising these concepts and including these would take far more time then the relatively short time span of this study. But since ownership, harmonisation and alignment are the core principles of the Paris Declaration, research on the implementation of these core principles can still lead to reliable conclusions and recommendations on aid effectiveness. In order to meet the objective of this study the following central research question is formed:

To what extent is The Paris Declaration on Aid Effectiveness implemented in Dutch aid policy for health in Sub Saharan Africa and what are the likely consequences for aid effectiveness?

In order to help the answering of the main research question the following sub questions are derived:

1. How is the Paris Declaration on Aid Effectiveness assumed to improve aid effectiveness?
2. Is there commitment to the Paris Declaration principles ownership, harmonisation and alignment in Dutch policy documents?
3. In what way are the Paris Declaration principles ownership, harmonisation and alignment implemented at the Dutch Ministry of Foreign Affairs?
4. In what way are the Paris Declaration principles ownership, harmonisation and alignment implemented at the Royal Dutch Embassies ?
5. What conclusions can be drawn concerning the effectiveness of the Dutch aid policy for health in Sub Saharan Africa?
6. Which recommendations can be done for further improvement?

This study will take a look at the implementation of the principles ownership, harmonisation and alignment at three levels. First, the study will research the commitment of the Netherlands on the principles in policy documents. Then it continues by looking at how this commitment to the Paris Declaration translates itself in the actual implementation at ministry and embassy level.

The first sub question addresses the theory and set of assumptions behind the Paris Declaration. This question will be addressed thoroughly in the theoretical chapter 2. Sub question 2, 3 and 4 are analytical of nature. The analysis of the commitment and implementation of the Paris Declaration in Dutch aid policy for health will be done through these sub questions. Sub question 5 will summarize the Dutch efforts in implementing the Paris Declaration and draw conclusions on the implementation. Recommendations for further improvement will be done according to sub question 6.

1.3 Relevance

1.3.1 Policy relevance

Although the Rome Declaration (2003) has been an well known agreement in the development aid world for a while now, the Paris Declaration (2005) is still a relatively new concept. The Paris Declaration is a follow-up on the Rome Declaration and of both of these declarations needs to be said that not much research has been done yet on the implementation and outcomes in both the donor countries as well as in the developing countries. In the run to the OECD/DAC High Level Forum in September 2008 in Accra many donor countries have started an evaluation at their headquarters. Still, literature or evaluation studies on the implementation of the Paris Declaration outside the governments is scarce. Hopefully this study contributes to the small amount of information available on the implementation of the Paris agenda in the donor countries and contribute to the learning ability of organisations engaged in development aid and the body of knowledge of development cooperation. I hope that actors actively engaged in development cooperation see the use of this study and will appreciate it.

1.3.2 Academic relevance

Whether or not the principles of the Paris Declaration will lead to increased aid effectiveness is not yet proven. This because of the short time that has expired since the adoption of the Paris agenda in 2005. The Paris Declaration itself is based on earlier studies on aid effectiveness, but although there are critical academic articles available, not much research has been done on the actual implementation. Scientific literature on this topic is very scarce. The basic assumption of the Paris Declaration is that aid effectiveness will improve if the Paris-principles are implemented, but the problem might be in the implementation's possibilities, effects and feasibility. Since in this study the hypothesis of the Paris Declaration will be tested and lead to conclusions on the aid effectiveness of the Dutch aid policy for health, hopefully this study will lead to an enrichment of the academic literature on the implementation of the Paris agenda and its consequences on aid effectiveness.

1.3.3 Personal aim

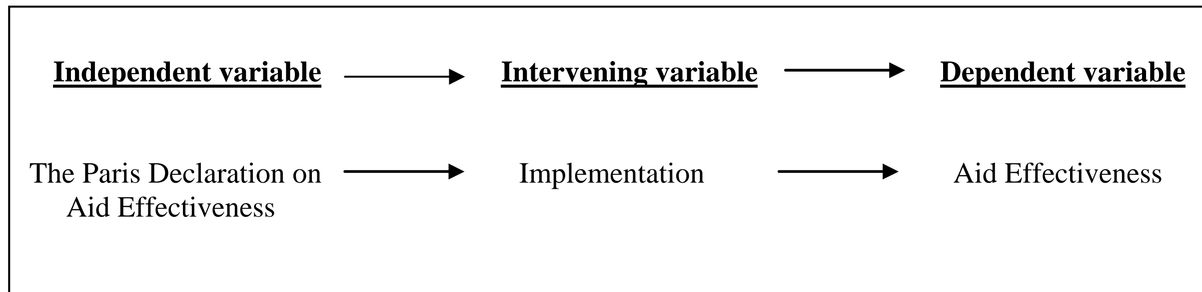
For quite some time I have had an interest in development cooperation, so choosing a topic for my master thesis was not a very long quest. Although the master program *International Public Management and Policy* at the Erasmus University Rotterdam offered my a good opportunity to learn more on international public administration, international organisations and policy, I wanted to undertake efforts to obtain knowledge on development cooperation. Writing a master thesis on development cooperation offered me a good opportunity to learn more on development aid and gain more knowledge, skills and practices on this topic. By actively doing research, taking interviews, and working as an intern at the Ministry of Foreign Affairs, I think I have build a good foundation for myself for further research and experience in the field of development cooperation.

1.4 Design of the study

This study is a case study on the Dutch Ministry of Foreign Affairs' aid policy for health which aims at improving health in developing countries in Africa. Robert Yin (1994), a pioneer on the field of case studies, sees a case study as a serious option when doing social research. He defines a case study as "a strategy for doing research which involves an empirical investigation of a particular contemporary phenomenon within its real life context using multiple sources of evidence". The central defining characteristic is concentration on a particular case (or a smallest of cases) studied in its own right. When applying this definition to this study, Dutch health development policy (case) will be linked to the concept of the Paris Declaration on Aid Effectiveness (theory, set of assumptions).

This study can also be characterized as a theory-based evaluation. Theory in this context refers not to the kind of formalised body of knowledge that one encounters in natural or human sciences, but sets of stakeholder beliefs about how programme objectives are likely to be achieved (Weiss; 1998; 61-62). Chapter two will show that theoretically the implementation of the Paris Declaration principles will lead to increased aid effectiveness, but in the real world that perhaps is not always possible. The study will also show that the actual implementation is a crucial factor in reaching increased aid effectiveness (see fig. 1.2). This means that the conclusions in this study can go two ways: a positive finding of the implementation of these three key principles will lead to the conclusion that aid effectiveness will increase and a negative finding will lead to the conclusion that aid effectiveness will not increase. A point which has to be made clearly it that this study does not measure aid effectiveness, but strictly looks at the implementation of the principles ownership, harmonisation and alignment. Pronunciations on aid effectiveness will only carefully be done.

Figure 1.2: Flowchart



To further narrow down this research the region of Sub Saharan Africa is highlighted. In this region the health situation is the worst compared to other regions (see paragraph 1.1). The Netherlands is working with 36 partner countries in their development cooperation policy. In 14 of these partner countries they are active with health programmes. Nine of these countries are in the region of Sub Saharan Africa [3]. The examined time span of this research is the period 2004 to 2007. The choice for this time span was made because the amount of available information will other wise be too much to oversee in the relatively short time in which this study is conducted.

1.5 Methods of inquiry

1.5.1 Internship

Before discussing any method of inquiry the following has to be stated first. During a part of this study I had been active as an intern at the Ministry of Foreign Affairs' Policy and Evaluation Department (IOB) for six months. There I have participated in the ministry's first ever short policy evaluation *HIV/AIDS and Sexual and Reproductive Health and Rights 2004-2006* (4 months) and an OECD/DAC initiated evaluation on the implementation of the Paris Declaration (2 months). Both evaluations have contributed to the information which was needed to conduct this study. During the hiv/aids and srhr evaluation I have participated in interviews where I had the opportunity to ask questions of my own. My internship also gave me the possibility to access internal documents which had otherwise been inaccessible. After four months the evaluation on hiv/aids and sexual and reproductive health and rights was successfully finished and published and then I started working in a team with a policy inspector, junior inspector and a consultant on an evaluation of the Paris Declaration. This evaluation was in its premature fase. The terms of reference for the evaluation were set up and the study found itself in a information gathering fase when I left my position of an intern to write this study. The actual writing of the IOB study had not been started yet (the deadline of the study is set on September 2008) but questionnaires and interviews which were already conducted in my presence have been a major

[3] The Netherlands has 36 partner countries, in 12 of these countries they support health systems. Nine of these countries are in Sub Sahara Africa. These countries are: Burkina Faso, Ethiopia, Ghana, Mali, Mozambique, South Africa, Tanzania, Uganda and Zambia.

source of information for this study. The following paragraphs presents which specific methods of inquiry have been used in order to conduct this study.

1.5.2 Desktop research

An important method used for attaining information for this study has been done through desktop research, also called literature study. This is the analysis of secondary literature meaning already existing literature. A large part of this study was conducted through literature study.

Chapter 2, the theoretical chapter in this study, focuses on the Paris Declaration on Aid Effectiveness In order to gather information for this part of the study the Paris Declaration itself of course has been a major source of information. Furthermore, this chapter was built through the analysis of academic publications, such as articles in scientific magazines (e.g. Development Policy Review), academic books of social and development aid scientists and publications of the OECD. Critical notes on the Paris Declaration were also sought in these documents.

In chapter 3 commitment to the Paris Declaration principles ownership, harmonisation and alignment in Dutch policy documentation is the focus of attention. In order to get the information which was needed to carry out this section of the study different kinds of documents have been analysed. A major source of information have been the ministry's overall policy papers *Mutual responsibilities, mutual interests* and *Our Common Concern.* More specifically policy notes as the *Aids note 2003* and the *Africa note 2004* also contained very useful information. The ministry's annual report, reports on results and parliamentary notes were also analysed. For precise and accurate information on the titles of these documentation see figure 1.3.

In order to gather information for chapter 4 on the implementation of the Paris Declaration at the ministry a main source of information have been the annual plans/ report of results of the following relevant departments: DSI (Social and Institutional Development Department), DEK (Effectiveness and Quality Department), DAF (Sub Saharan Africa Department) and FEZ (Financial and Economical Department). Also information on the Ministry of Foreign Affairs' Intranet have been a source of information.

As for the implementation at the embassies, the annual reports of the embassies in the 9 African countries in which the Netherlands is active the health sector have been analyzed. The annual reports which are examined and analyzed are 2004/2005, 2005/2006 and 2006/2007. Information will also be gathered through the analysis of Multi- Annual Strategic Plan (MASP). The MASPs cover the time span of 2005- 2008. Track Records 2004 to 2007 of the nine African health partner countries will also

be analyzed. Track Records are annual score reports of the embassies in which several categories are graded, one of them being “harmonisation and alignment”.

When statistics were needed, they have been gathered through documents of the Dutch Ministry of Foreign Affairs, the UN or the OECD. This because these organisations offer statistics which probably can not be found anywhere else. However, the problem with statistics in general is, that it is difficult to asses which methodology is used in their compilation. Therefore numbers are used only to support an argumentation.

When it comes to the analysis of the literature which will be of worth for this study, content analysis, will be used. Content analysis stresses the relationship between content and context. There are two general categories of content analysis: conceptual analysis and relational analysis. Conceptual analysis can be thought of as establishing the existence and frequency of concepts – most often represented by words of phrases – in a text. Relational analysis goes one step further by examining the relationships among concepts in a text. It is important to consider both conceptual and relational analysis since the Paris Declaration principles are also used in other ways than explicitly. For example, the concept ownership is also often synonym for government leadership or country leadership. Harmonisation is also frequently addressed as donor coordination or donor cooperation. All documents have been screened on the concepts ownership, alignment and harmonisation explicitly, but also in its relational context.

1.5.3 Interviews

The research questions could not have been answered solely through literature study. Gathering information through interviews has also been a technique which was used during this study. Interviewing can be used as a research method which typically involves the researcher asking questions, and, hopefully thereby receiving the answers from the people who are being interview (Robson; 2002; 267-269). Therefore, key-informants, such as policy advisors at the Ministry of Foreign Affairs or health experts at the Dutch embassies abroad, have been interviewed to provide additional information and insights on the implementation of the Paris Declaration principles in the health sector. The advantage of interviewing as a technique to gather information is that is useful when information needs to be found which is hard to find in official documents, reports etc.

At the end of this study a list of interviews which have been conducted during this study is presented. During this study there have been face-to-face interviews. These were held with people within the Dutch Ministry of Foreign Affairs at the departments DSI, DEK and FEZ. The interviews with staff at DEK and FEZ have been conducted by IOB inspector Ted Kliest and junior inspector Bas Limonaard.

After interviews the respondents were presented a transcript with interpretations of the interview (member checking). These transcripts were used for this study. The interviews with staff at DSI were conducted by myself. These were semi-structured interviews with an open character. To each respondent five general questions were asked on the implementation of the Paris Declaration (see annex III: Questions interviews)).

There have also been telephone interviews health experts working at the embassies of Ethiopia, Ghana, Mozambique and Zambia. They have been questioned on how they feel the Paris Declaration is being implemented. Because of the relatively short time span of this research and the limited ability to travel abroad, the technique of using telephone interviews helped gather the information from the experts abroad. The kind of interview which is used in this study are semi-structured interviews. (see annex III).

1.5.4 Questionnaire

In order to gather information on the implementation of the Paris Declaration at the embassies, a questionnaire[4] had been sent out to the nine embassies in the partner countries in which the Netherlands is active in the health sector. These are the following: Burkina Faso, Ethiopia, Ghana, Mali, Mozambique, Tanzania, Uganda, Zambia and South Africa. This questionnaire was set up by myself and junior inspector Bas Limonaard and was revised by inspector Ted Kliest. This questionnaire of the IOB evaluation was sent to several embassies, some of which overlapped the embassies in this study. On behalf of the IOB the questionnaire was sent out to Burkina Faso, Mali and Uganda. Unfortunately the embassy in Burkina Faso did not respond. The questionnaire for Mali and Uganda was filled in by the head of the development division. On behalf of this stud the questionnaire was sent out to the health experts of the embassies in Ethiopia, Ghana, Mozambique, South Africa, Tanzania and Zambia. Unfortunately Ethiopia, Ghana and Mozambique did not respond.

Figure 1.3: Partner country questionnaire and interviews

Partner Country	**Sector**	**Responded to questionnaire**	**Respondent**	**Telephone interview with health expert**
Burkina Faso	Health			
Ethiopia	Health			X
Ghana	Health			X
Mali	Health	X	Head of Development	
Mozambique	Health			X
South Africa*	Hiv/aids	X	Health expert	
Tanzania	Health	X	Health expert	
Uganda*	SRHR	X	Head of Development	
Zambia	Health	X	Health expert	X

[4] See annex IV: Questionnaire for the embassies

* In these two partner countries the Netherlands is only active in a part of the health sector. In South Africa the Netherlands focuses on hiv/aids and in Uganda the focus is on srhr.

The questionnaire included questions on ownership, harmonisation and alignment. It also contained questions on the embassies' views on the extent to which the various donors (the Netherlands, other donors and the partner country) are in concordance in their approach to the implementation of the Paris agenda. Information was also requested on the interaction between the ministry of Foreign Affairs in The Hague and the embassy, including the ways in which the embassies have received advice and support in relation to the implementation of the Paris Declaration.

Figure 1.4: Overview methods of inquiry

SUB QUESTIONS	Desktop research	Interviews	Questionnaire
1. How is the Paris Declaration on Aid Effectiveness assumed to improve aid effectiveness?	• OECD/DAC documentation • Scientific articles		
2. Is there commitment to the Paris Declaration in the Dutch aid policy for health?	• Policy documents - *Mutual interest, mutual responsibilities (2003)* - *Our Common Concern (2007)* - *The Aids note (2004)* - *The Africa note (2003)* • Annual reports - explanatory note to the annual budget 2007 - explanatory note to the annual budget 2008 - annual report 2006 • Reporting about results - *Results in Development 2005* - *Results in Development 2007* • MDG report - The MDG-8 Report - *Dutch development cooperation and the Millennium Development Goals (2007)* • Parliamentary notes - Written questions of members parliament		
3. How are the Paris Declaration principles implemented at the level of the Ministry of Foreign Affairs?	• Annual plans - Effectiveness and Quality Department (DEK) 2005, 2006, 2007 - Financial and Economic Department (FEZ) 2004, 2005, 2006, 2007 - Social and Institutional Development Department (DSI) 2004, 2005, 2006, 2007	• Staff members DEK • Staff members FEZ • Staff members DSI	
4. How are the Paris Declaration principles implemented at the level of the Royal Dutch Embassies ?	• Embassies: Burkina Faso, Ethiopia, Ghana, Mali, Mozambique, Tanzania, Uganda, South Africa - Annual plans/ reports 2004- 2007 - Multi Annual Strategic Plans 2003- 2006 - Track Records 2004-2007	• Telephone interviews with theme expert health: Zambia, Ghana, Ethiopia, Mozambique	Questionnaire of IOB to the following embassies: Mali, Tanzania, Uganda, Zambia, South Africa. Burkina Faso, Ethiopia, Ghana and Mozambique have not responded.

1.6 Reliability and validity

The reliability of the research is depends on two aspects: the accuracy of measurements and the repeatability. The repeatability deals with the possibility of replication of measurements, this means that the results of a repeated research must be the same as the first. Reliability will improve when the right method, instrument and technique are used, which fits the research question, the goal and the data (Robson; 2002; 176). And when conducting qualitative research, or any other kind of scientific research, maintaining validity is also a required norm. But when pursuing validity of a research what is exactly meant by that? It means being secure, correct and accurate when doing research. Mason (1996) shows how one might demonstrate the validity of research: "the validity of interpretation in any form of qualitative research is contingent upon the 'end product' including a demonstration of how that interpretation was reached, the researcher is continually justifying the steps through which the interpretations are made".

Guaranteeing validity in this research is done through triangulation, which involves the use of multiple sources (Robson; 2002; 174). In this research validity will be enhanced through data triangulation. This means the use of more than one method of data collection. Already mentioned in paragraph 1.5 this research will be conducted through data collection by different sources: observation, desktop research and interviews. Interviews will be done in different forms, face-to-face or by telephone. As for desktop research different kinds of documents will serve as a source of information. This will enhance the validity as well as the reliability of this study,

A way to enhance validity of interviews is through member checking (Robson; 2005; 175). This means that after interviews the respondents have been presented a transcript with interpretations of the interview. They had the opportunity to review the interpretations of the interview and comment them. By doing this, errors and misinterpretations have been eliminated. Unfortunately there are potential problems with this, because the possibility exists that a respondent will suppress some material. During interviews the respondents will also be asked a second verification question, but differently asked in order to check whether the same answer is given. Staff at the ministry as well as embassy staff have been questioned by generally the same questions. By presenting the somewhat same questions to a different respondents which are individually interviewed, the validity of the outcomes will be enhanced.

Enhancing observer validity in this study however will be very difficult. The use of multiple observers is not an option, since this study is a master thesis which has to be written by one student alone.

The validity of content analysis will be achieved by utilizing multiple classifiers to arrive at an agreed upon definition of the concept. For this study it means that the occurrence of the concepts "ownership", "harmonisation" and "alignment" (explicit variable) will be broadened by multiple classifiers as synonyms like "leadership", "donor coordination" and "Paris agenda" (implicit variable). "Paris agenda" also implies the Paris Declaration principles "mutual accountability" and "managing for results", but although these principles are not subject to this study, this term will be used throughout the study. This choice is made since ownership, harmonisation and alignment are the core principles and encompasses the broad Paris agenda.

Staff of IOB have been consulted during data analysis. Consulting IOB has been done to eliminate possible errors in data representation and conclusions or misperceptions by myself. By working in an IOB peer group on the implementation on the Paris Declaration (two researchers, a consultant and myself) a contribution is made to guarding against researcher bias through briefing sessions and consultations. A multiple look at the data analysis will therefore contribute to the validity of the research.

1.7 Outline of the study

This study starts with the theoretical framework in chapter 2. This chapter completely focuses on the Paris Declaration on Aid Effectiveness. It offers insight on the theory behind the declaration and tells more on the history of aid effectiveness. Chapter 3 focuses on the commitment of the Dutch Ministry of Foreign Affairs to the Paris Declaration in policy document which are important for the health aid policies. Then the study continues by looking at the implementation of the Paris Declaration principles at the ministry in chapter 4. It focuses on what staff at the ministry in The Hague is doing in order for a correct implementation of the principles ownership, harmonisation and alignment. The next chapter, chapter 5, takes it a step further by looking at the implementation of the Paris agenda at the nine embassies in which the Netherlands is active in the health sector. Finally, chapter 6 draws conclusions and does recommendations for further improvement.

2. THEORETICAL FRAMEWORK: THE PARIS DECLARATION ON AID EFFECTIVENESS

2.1 Introduction

In March 2005 donor and developing countries signed up for The Paris Declaration on Aid Effectiveness at the High Level Forum of the OECD/DAC in Paris, also known as the Paris Agenda. Over 100 representatives of governments and international institutions, including those from more than 50 developing countries, put their signature to a set of action commitments which represented an unprecedented comprehensive and broad-based consensus amongst donor and partner countries. The Declaration provides donors as well as partner countries a unique and concrete opportunity for enhancing development objectives such as the MDGs. In doing so, they agreed for the first time in history to measure their success at making their aid more effective through a set of indicators and targets[5], which are grouped into the following five areas:

- **Ownership:** Partner countries exercise effective leadership over their development policies and strategies and coordinate development actions.
- **Alignment:** Donors base their overall support on partner countries' national development strategies, institutions and procedures.
- **Harmonisation:** Donor actions are more harmonised, transparent and collectively effective.
- **Managing for results[6]:** Donors and partners manage resources and improve decision making for results.
- **Mutual accountability:** Donors and partners are accountable for development results (OECD; 2005).

The Paris Declaration can be seen as an expression of a theory, or a set of assumptions, on how institutional changes in the aid relationship may expect to lead to improved development results. This will be further explained in paragraph 2.3. However, the Paris Declaration has not yet proven its assumed outcomes since the expired time since the adaptation has been too short. That is why this study will speak of a hypothesis. The core hypothesis of the Paris Declaration is that aid effectiveness is to improve if the principles ownership, alignment, harmonisation, managing for results and mutual accountability are implemented in the national aid policies of both donor countries and their aid partners. The actual implementation is of crucial importance. That is why in order to define the real potential scope, it is important to monitor and evaluate the implementation of the Paris Declaration

[5] See annex V: Paris Declaration; indicators of progress and targets 2010
[6] Mutual accountability and managing for result will not further be discussed in this chapter since these are not implementation principles which will be analysed in this study.

principles. Because, if the Paris Declaration's assumption is correct, in the end it is the implementation which determines the extent to which aid effectiveness is enhanced.

In order to understand the line of reasoning behind the Paris Declaration this chapter completely focuses on its content. The following paragraph will start by reflecting the history on the thinking towards the Paris Declaration and will help to understand how and why the Paris Declaration was created. This paragraph will amongst other things show that the principles presented in the Paris Declaration in 2005 were not new. In any kind of study there is a need to clarify the used concepts and thereby reduce the terminological confusion frequently encountered in research. That is why paragraph 2.3 will take a closer at ownership, harmonisation and alignment and these will be discussed further. Paragraph 2.4 continues by taking a closer look at critical notes. The Paris Declaration has not yet proven its assumed outcomes since the expired time since the adaptation has been too short. This paragraph will discuss some critics on the new aid effectiveness agenda. The chapter closes with conclusions in paragraph 2.6.

2.2 Evolving perspectives on donor coordination and aid effectiveness

2.2.1 Back to the roots...

Contemporary development aid has its historical roots in the Marshall Plan assistance from the U.S. to Western Europe after World War II when Europe faced an acute need for reconstruction and had a critical shortage of capital. The US with its Marshall Plan played a significant role in sparkling Europe's reconstruction and proved to be very effective (Bigsten; 2005 & Acharya et. al; 2004; 2). What is so interesting about this case is not so much the fact that the U.S. was the aid donor, but more important for present purposes is the fact that there was a single donor which took the lead and the fact that the US had the institutional capacity in order to provide the right aid, something which Europe lacked at that time. This shows the importance if institutional capacity.

After the success of The Marshall Plan and the reconstruction of Europe, the attention increasingly shifted to developing countries (Roland-Holst & Tarp; 2002; 3-10). Economic and social development of developing nations was not an objective of the colonial rulers before the war. But with many of the colonies becoming independent around 1960, attention shifted from the rebuilding of Europe to the former colonies located in the poorest regions of the world. Political leaders all over the world have since over and over again stated that poverty and the imbalances in socio- economic conditions in developing countries are unacceptable and have again and again stressed for the need of action. Very broadly taken, for the first time aid was mainly concentrated in the developing countries.

2.2.2 *From bilateral to multilateral aid*

At the end of World War II the Bretton Woods conference created the World Bank and the International Monetary Fund and the United Nations Development Programme (UNDP) was set up and these organisations were given a mandate to coordinate aid (Disch; 1999; 12). The World Bank and IMF are organisations which are financed by their member countries and although these organisations are not seen as donors, it still present a form of donor coordination. Since then a large number of other multilateral aid organisations have emerged, for example some UN specific organisations. Although the international community of donors saw the use of these multilateral organisations, they still had been reluctant to give up control to these multilateral institutions. The 1960s and 1970s saw a very distinct increase in the share of multilateral aid and saw a small focus towards somewhat more independent, multilateral relations, while before there was mainly the traditional bilateralism inherited from the colonial period But up to the mid 1980s the share of multilateral aid in total aid increased only about a quarter (see fig.2.1). Milner (2005) addresses some reasons for this. It is much harder for donors to exercise direct influence when using multilateral aid giving, because this aid is not tied, it is given to the poorest of countries and is often given as loans. This form of aid is of less political utility to donor governments. Bilateral aid however, is more tied to donor's interests and therefore more interesting for donors. And although multilateralism of aid did became more pronounced in the 1980s, it was still bilateralism aid which has always strongly dominated the foreign aid landscape[7]. Although the multilateral aid flows have always known minimal growth, Tarp (2000) still finds that something good has come out of this. Aid shifted towards a broader agenda of socio- economic goals and that went clearly beyond the exclusive focus on promoting economic growth as was a major characteristic of development objectives in the 1950s.

2.2.3 *The 1990's, the reality check*

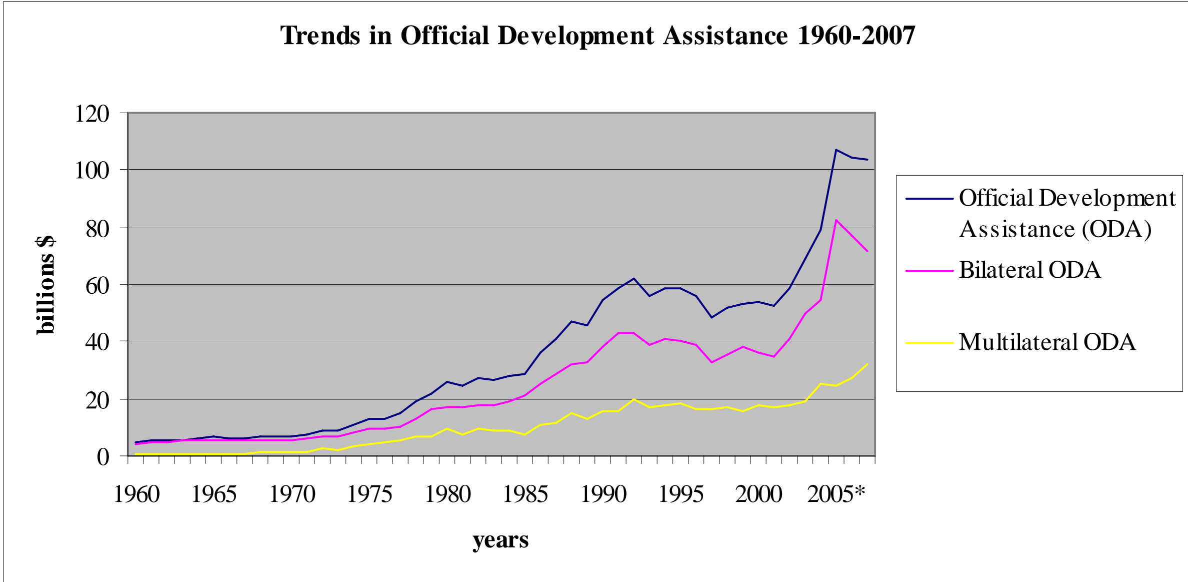
Since the introduction of the World Bank and the IMF, a lot of multilateral aid organisations have emerged. Nowadays besides bilateral relationships, hundreds of international, multilateral and non-governmental organisations are active in different sectors of development cooperation, for example health and education. Poverty and poor socio-economic situations occurred on different continents, but the situation in Africa was lagging far behind and was point of concern of the international community. Since the 1970s international development aid has been concentrated in this region (Bierschenk et. al; 1991). The aim of the aid has been to stop the desperate deterioration of the economic situation and especially the deterioration of the living condition of the majority of the population in developing countries. During three decades (1960's- 1980's) billions of dollars have

[7] For detailed look at the pro's and con's of multilateral aid see annex VIII.

been invested in poverty alleviation and improvement of live standards in the poorest regions, by multilateral aid as well as bilateral aid.

Thinking of aid effectiveness is certainly not a new way of thinking and is not something that has found importance through the last decade. The 1990's were a reality check to the international donor community. After three decades of aid flows to developing countries several annual reports of international organisations (World Bank; 1993, UNDP; 1991, UNECA; 1989) pronounced their concerns on the effectiveness of decades of international aid. The reports stated, on the basis of statistical data, that 30 years of aid had largely failed to see its objective and turned out to be ineffective. The period after that was marked by a strong and lingering case of 'aid fatigue' evidenced by the absolute decline in official development assistance (ODA) after 1995. This fatigue was influenced by the rising fear that aid to developing countries was generating aid dependency relationships in poor countries and therefore could have negative incentive effects. The increasing perception that "conditionality" was in effect failing to promote policy reform started to creep in at the turn of the century and it became clear that the relationship between donors and recipient governments left much to be desired.

Figure 2.1 Trends in Official Development Assistance 1960- 2006: multilateral and bilateral aid (all donors, nominal $)



*The major increase in 2005 needs to nuanced,: Iraq and Nigeria received major debt relief.

Source: OECD International Development Statistics (IDS) Online
www.oecd.org/dac/stats/idsonline

Besides the reality check, the 1990's are also known for the start of a flow of innovations in aid practice which responded to the lessons learned in the long history of development cooperation. The international community acknowledged that aid proved to be ineffective and action needed to be

taken. In 1998 the World Bank presented the findings of a multi-year research program on aid effectiveness. Key insights of the report are that:

- Development cooperation requires a supportive policy environment in order to achieve sustainable benefits;
- Conditions imposed by donors have a poor Track Record in persuading governments to reform their policies;
- Donors themselves can also be a part of the problem, especially when large numbers of donor projects are involved. If donor projects are not set within a coherent plan and budget, the result can add up to a development effort which is expensive to manage, and in which there is wasteful duplication, uneven coverage, inconsistent approaches, and poor sustainability of projects once donors withdraw. Perhaps most serious of all, donor projects have tended to be set up outside core government systems, often employing their own staff. They have drained capacity from government when they should have been building it (World Bank; 1998).

New aid forms had to emerge in response to these findings and needed to focus on two things (Foster; 2000). Firstly on ownership. The effectiveness of aid conditionality (imposing on sound policies on recipient countries in exchange for aid) was much debated in the 1990's. This had proven to be unsuccessful. Recipient governments needed to be convinced of the need for sound policies, rather then reluctantly being forced to. Ownership and commitment of these governments were needed. Donor countries needed to let go of the concept of conditionality. But there is the danger that this will amount conditionality by another route: donors are far from fully committing for the policies which the recipient government 'owns'. Recipient governments still face loss of support if they do not commit to policies which the donors approve. This does not mean that there is a single blueprint which is applicable in every country, but some issues are fundamental; macro-economic and budget management, supportive environment for private sector development and a role for the public sector which is consistent with public sector management and financial capacity. Besides that it is important for recipient governments to demonstrate serious intentions to reducing poverty. The distinction between old style 'conditionality' and new style 'ownership' is a subtle one, a shift of focus from buying promises, towards assessing commitment. Donors needed to have a degree of selectivity in focusing financial flows on countries putting in place a sound policy environment and acts on the principles of good governance. This does not mean that they should abandon the population in developing countries which do not have a committed government, but the emphasis should be more on those countries in which financial aid in order to strengthen policy and institutional environment can be helpful. And last, recipient governments and donors should work more closely together to implement a expenditure program which prioritizes the use of all sources of funding for public expenditure in which budget allocations are linked to the objectives to be achieved.

After the realizing that aid proved to be ineffective it was time for the international donor community to reform aid modalities and react on the findings mentioned above. These finding introduced the concepts of ownership and harmonization which would later be formalized in the Paris Declaration.

2.2.4 New strategies: towards increased aid effectiveness

The international community consisting of donors, recipient governments and international organisations did react by designing new strategies aimed at ownership and harmonisation. This started in 1999 when the Poverty Reduction Strategy Papers were introduced. Originally designed as a condition for debt relief, but it is now also seen as an expression of a recipient countries ownership. PRSPs are prepared by developing countries through a participatory process involving domestic stakeholders as well as external development partners as the World Bank and the IMF. The paper describes the country's macroeconomic, structural, and social policies and programs over a three year horizon in order to promote broad-based growth and reduce poverty, as well as associated external financing needs and major sources of finances (www.imf.org). Donors are to align their assistance with the strategies fixed in the PRSP and are also better able to harmonize their aid under recipient government country ownership. The PRSPs aim to change the relationship between donors and recipient governments fundamentally and promotes that aid goes from a donor driven supply towards partner country driven demand. By the PRSPs the aid modality of general budget support is also stimulated. When a country meets the criteria for a proper PRSP, donor countries are stimulated to provide general budget support which is aid money which goes straight to the receiving government's ministry of Finances and the allocation of that aid money is decided by the receiving government, something which meets ownership and full alignment.

Another new strategy which shows this change and often working in support of the PRSPs are the Sector Wide Approaches (SWAps). The SWAp is an approach by which development partners collaborate to support a government-led program and strategic approaches for a sector or a sub-sector in a coordinated manner. Under a SWAp *"all significant funding for a sector supports a single sector policy and expenditure program, under recipient government leadership, adopting common approaches across the sector, and progressing towards relying on government procedures to disburse and account for all these funds* (Foster; 2000). This involves contributing aid to a common fund basket that the recipient government will use to implement its sectoral plan. SWAps place a premium on local ownership and donor coordination and reflect a strong emphasis on strengthening government capacity in developing countries. This is done through the provision of technical assistance and supporting policy environments which enable social and economical progress. This is very much in keeping with the research evidence which shows that good governance and a sound policy environment are the most critical factors for reaching aid effectiveness (see paragraph 2.2.3).

Another important moment was the adaptation of the Millennium Development Goals. In 2000 over one 147 heads of state signed the Millennium Declaration and committed their nations to an new global partnership to reduce extreme poverty and setting out a series of time- bound targets, with a deadline in 2015. These commitments are called the Millennium Development Goals (see fig. 1.1) and have since become widely accepted as key guiding lines for development cooperation (http://www.un.org/millenniumgoals/). Although the Millennium Declaration is more about setting the aid agenda and its deadlines and is explicit on effectiveness, its importance lies in the deadline which makes donor as well as recipient government think critically on their aid and its effectiveness.

In the 1990's the international community was becoming aware of the importance of harmonising aid, and in 2003 they formally agreed upon it by the Rome Declaration on Harmonisation. Leaders of multilateral development banks, international and bilateral organisations and donor and recipient governments formally committed to take action to improve the management and effectiveness of aid and commit to concrete progress before meeting in again in 2005 (www.aidharmonization.org). The Rome Declaration sets out an ambitious program of activities which centred around the following:

- Ensuring that harmonisation efforts are adapted to the country context and that donor assistance is aligned with the recipient's priorities.
- Expand country-led efforts to streamline donor procedures and practices.
- Review and identify ways to adapt institutions' and countries' policies, procedures and practices to facilitate harmonisation.
- Implement the good practices principles and standards formulated by the development community as the foundation for harmonisation (OECD; 2003).

When meeting again in march 2005, the international community reaffirmed its commitment to the Rome Declaration and broadened its scope on aid effectiveness by signing The Paris Declaration on Aid Effectiveness. Donor countries again agreed that not only should their activities be coordinated effectively to help curb the costs of aid delivery (harmonisation), but also committed to four other concepts. They agreed that developing countries should be willing and encouraged to take the lead and have sovereignty in defining and prioritising their development agenda (ownership). Donors should use and help strengthen the development strategies and systems of countries (alignment). Further, developing countries and donor agencies have a global responsibility to achieve results (management for development results). Equally, development partners must be prepared to share risks and accountability for ensuring aid effectiveness and improved results (mutual accountability) (OECD; 2005). The Paris Declaration is unique in the sense that is it the first time in history that donor and developing countries formally agreed to implement these concepts in their national aid policies and gives measurable targets to be made in 2010.

2.3 The Paris Declaration: Towards conceptual clarity

2.3.1 Aid Effectiveness

What is aid effectiveness? The term "aid effectiveness" can easily be used as synonym for "efficiency", "significance", or "impact" of aid. For a long time there has been a strong tendency to measure and demonstrate the results of aid supported development processes amongst policy makers on the donor side. Still the understanding of aid effectiveness as being a part of a cooperation relationship between donors and recipients is scarcely embedded in practice. To determine how to make aid more effective requires more than a quick impact analysis at country level. Consequently, defining the concept of aid effectiveness needs to take into account at what levels cooperation is needed and needs to be focused on. Core of this line of reasoning is that aid effectiveness is determined by the actions of donor countries as well as recipient countries. Therefore in a definition of aid effectiveness recipient ownership as well as donor accountability should be entailed, since performance expectations cannot exclusively be placed on recipient countries, while donor interests, aid management systems and procedures remain unchanged or vice versa.

According to Brigaldi (1996) an extended and analytical, process orientated theory should take into account the following four aspects:

a) effective aid must relate to the building and/or strengthening of country aid management capacity;

b) in order to maximise the degree of aid effectiveness, local ownership of the aid process is essential: from setting of priorities through policy formulation and implementation on to the evaluation stages of the process;

c) increasing recipient side capabilities to take charge of aid relationship, will need to be combined with arrangements to meet legitimate donor accountability concerns;

d) aid effectiveness is a two faceted objective: its realisation is equally dependent on increased transparency of donor motives and on dropping of non-developmental, political and economic aid objectives of donors.

For the purpose of this study the Organisation for Economic Co-operation and Developments' Development Assistance Committee (OECD/DAC), definition of aid effectiveness will be used. The DAC coordinates the activities of the bilateral donors with the principal aim of improving the effectiveness of development cooperation. The choice to hold on to the definition of the OECD/DAC was made because in the context of this study it seemed appropriate to maintain a definition of an international organization which shares expertise and exchanges views with more then 70 countries, from world powers like China and Russia, to the least developed countries in Africa. It is exactly this

relationship between these two different worlds which is at the core of the development aid as Brigaldi addressed.
The definition of effectiveness of the OECD can be found in the OECD'S DAC Evaluation Glossary and is defined as following: *"effectiveness of aid is the extent to which the development intervention's objectives were achieved or are expected to be achieved, taking into account their relative importance"*. Aid is defined as *"financial or technical assistance received by a developing country to bring about higher standards for its citizens*". The definition of the OECD/DAC also points to the importance of aid that is country-owned, aligned and harmonised, focused on the poorest, predictable and untied, delivered through effective institutions, and that focuses on results not inputs. Donors should also use minimal conditions, strengthen accountability and participation, and ensure their own policies are joined up behind the country's poverty strategy. By linking ownership, alignment and harmonisation to aid effectiveness, the OECD/DAC's definition enhances the first three aspects of Brigaldi. Aspect four is not reflected in the Paris Declaration.

2.3.2 Ownership

The central idea behind the concept of ownership in the Paris Declaration is that developing countries should exercise leadership over their own development policies and plans. This is also known as partner country driven demand. The wishes and ideas concerning development aid of partner countries have to be a central focus point of donor countries, because commitment of the government in the developing countries itself is of crucial importance to determining policy and implementation. It is at country level where can be determined which sectors need help and how aid should be organized. Therefore, partner countries should exercise effective leadership over their development policies, strategies and co-ordinate development efforts. Although in the past the donors their selves mainly determined the content of the development policy, the Paris Declaration sees a central position for the partner countries. The goal is to go from a donor driven supply towards partner country driven demand.

However, ownership is not only a responsibility of the donor community. In order to enhance ownership of partner countries by donors, the partner countries also have a responsibility. They have to base national development strategies on sound macro-economic policy and poverty diagnoses and translate these national strategies into operational, result-oriented frameworks with clear policy commitments, so that donors can rely on them with full confident.

Internationally there is great consensus over the fact that ownership in stead of donorship - the demand of partner countries in stead of the supply of donor countries- should be a central focus point in development aid (OECD; 2005; 3). Donor countries are responsible for supporting and enabling

partner countries ownership by respecting their policies and help strengthen their capacity to implement them. Ownership in practice will mainly be a partnership where a partner is more than an advisor, someone who focuses on cooperation. The Paris Declaration states donor countries commit to "respect partner country leadership and help strengthen their capacity to exercise it".

2.3.3 Alignment

After respecting a partner country's ownership, the next step for donor countries is aligning their aid. Donors should channel their overall support on partner countries' national development strategies, institutions and procedures (OECD; 2005b). This means that donors increasingly have to choose to direct their (financial) support to priorities and strategies that partner countries set out, rather than imposing their own priorities. They should not be guided primarily by their own agendas and should avoid putting their own delivery mechanisms in place. The Paris Declaration makes reference to certain mechanisms, such as national budgets and PRSPs, which will have to take a central role in the new approach to aid delivery. In this the Paris Declaration also utters its preferences for budget support and sectoral budget support.

The Paris Declaration does not only emphasises the need for donors to align their support on country policies and systems, but also on the recipient country to improve these systems. So for their part, partner countries need to set out clear priorities and strategies, and to strengthen and improve their institutions so that donors can confidently rely on them.

2.3.4 Harmonisation

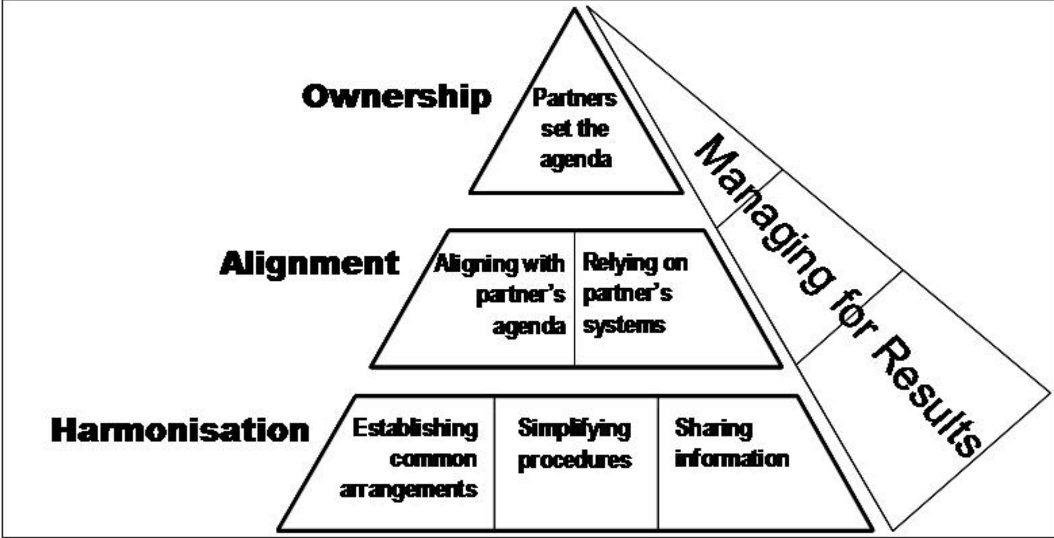
Donor harmonisation means horizontal coordination amongst donors and in literature is also referred to as donor coordination. It refers to the increased coordination and streamlining of activities of different aid agencies and donor countries, with the aim of reducing transaction costs to the governments receiving the aid (Balogun; 2005). According to the Paris Declaration harmonisation relates to increased coordination and streamlining of the activities of aid agencies and the donor community and can be categorised under three headings:

(a) the development of **common arrangements** for planning, managing and delivering aid;
(b) the gradual **simplification of procedures** and specific requirements in order to reduce their burden on partner governments;
(c) the **sharing of information** in order to promote transparency and improve coordination.

For harmonisation to take place across these categories, the Paris Declaration emphasises the need for improvement in incentive structures to induce organisational change within donor agencies. That is

why donor harmonisation is all the more important in fragile states. In fragile states there is a nee for donors to focus on cooperation in ways as joint assessments and strategies and joint offices.

Figure 2.1 Graphical view of the Paris Declaration principles



Source: OECD, 2005.

2.4 Critical notes on the Paris Declaration

2.4.1 Whose ownership?

The previous paragraphs explained how the Paris Declaration emerged and what the future expectations of the international donor community were and how these were translated to the set of assumption behind the declaration. However, there are sceptics who doubt the theory behind the Paris Declaration, for instance when it comes to the strength of the concept of ownership.

History has shown that years of donor driven supply turned out to be ineffective. That is why the Paris Declaration sets out the way for partner country driven demand. Ownership here is of crucial importance. Partner countries should be given the opportunity to exercise leadership over their own development agenda. Ownership and the attention for poverty reduction come together in the PRSPs, an important document through which donors align their aid. The PRSP initiative and its philosophy originally come from the offices of the World Bank in Washington. And although the World Bank states that ownership of developing countries is of crucial importance in the new aid paradigm, this can be debated. It is very ambiguous of the World Bank to come up with an PRSP approach with a lot of attention for detail, and then through a set of conditions impose these on developing countries and hoping that they will act as if they have made their PRSPs completely on their own. Developing countries have to make a strategy paper that meets the expectations on form and points of attention which the World Bank and donors have set. The initiative clearly lies on the side of the World Bank

and it is here were the most important and powerful form of ownership lies. So, if ownership not only relates to concrete content, but also on the approach itself, the World Bank clearly is the owner here (Molenaer & Renard; 2007, Easterly; 2002).

Another related issue that can be questioned is to what extent real ownership is possible. In order for the PRSPs to be put in working, they must be approved by the donors first (Dijkstra; 2006). If the PRSP, or any other strategy document, is not approved by the donor community, then developing countries are not likely to receive aligned support. With the concept of ownership, additional conditions are being set, as the form and content of strategy documents and the approval by the donors. There is no question of actual developing country ownership by imposing conditions set by donors. By imposing additional conditions ownership clearly lies with the donors.

Another point is that Paris Declaration focuses very much on the recipient government when it comes to ownership. But it fails in addressing the importance of other actors, like civil society and the private sector. This form of "broad based ownership" is important in strengthening ownership and capacity in a recipient government and when a government is assumed to be weak.

2.4.2 Too much focus on aid modalities

Rogerson (2005) notices that it is important to recognize that the effectiveness of aid does not only rely on matters discussed in the Paris Declaration. According to him aid effectiveness deals with the following three issues:

- The effectiveness of *aid money*;
- The effectiveness of *policy conditions;*
- The effectiveness of *aid modalities*

The Paris Declaration almost completely focuses on the last of these three, aid modalities. Rogerson finds it remarkable that in the Paris Declaration many donor efforts are directed to aid modalities and much lesser aimed at the other two issues. He observes that the Paris agenda does not pay attention to the concept of policy conditions, while in practice this is an important aspect of aid policies. According to him this is a major shortcoming of the Paris Declaration. The concepts of ownership and alignment, which the Paris Declaration emphasizes strongly, leads to a contradiction with the concept of conditionality whereby the aid industry has become "schizophrenic" (p.550). Is conditionality a good thing or not? And should donors address this or not? Renard (2005) explains the existence of this schizophrenic idea of conditionality in two ways. In the past donors used conditionality in exchange for extending structural adjustment loans. If recipients were to get these loans, the donor country would insist on policy reform. However, perception increased that conditionality was in effect failing to promote policy reform, as paragraph 2.2.3 showed. The failure of aid was strongly linked to the

conditionality of aid the donors maintained. The attention then shifted to domestic ownership. But at the same time the failure of aid could also have been caused by inadequate policies of recipient countries. These government do not have sufficient attention for several aspects of poverty reduction, for instance when it comes to hiv/aids and empowerment of women policies, and donors have sometimes been too lenient in their conditions for structural loans. Renard states that donor should become tougher in their conditionality or at least should the Paris Declaration address this issue.

2.4.3 How to reach capacity building

As has been mentioned earlier, one of the reasons why development in third world countries has been very slow is the lack of capacity in developing countries' institutions. The Paris Declaration seems to mark a new day in progress on capacity development. The agreement put capacity development in a central role. Five of the twelve areas to be monitored as indicators of progress mention capacity development or use of country systems. Most of the other indicators focus on improved donor coordination under country leadership, which also requires increased capacity for many countries. This can be seen as a window of opportunity. An opportunity which the Paris Declaration has not grabbed. Much of what was agreed in the Paris Declaration on capacity development has long been labelled as best practice in managing aid and is consistent with a long line of reports (OECD/DAC; 1999; 2006) stretching back for more than a decade. The call for capacity development reform was not something new. What the Paris Declaration failed to address was not *what to do* but *how to do it.* For too long capacity building and institutional strengthening in developing countries were being done by foreign consultants, teachers, doctors etc. without drawing on existing capacity to find local solutions. Since ownership needs to be respected, developing countries' self identified needs, existing strengths and power structures must be at the frontline of discussions between developing and donor countries on how to support capacity development. The Paris Declaration lacks in paying attention in how to deal with capacity development and unfortunately does not directly addresses the importance of capacity building from within the partner country itself.

2.4.4 Donor objectives and motives

Donor motives and objectives play an important role in aid effectiveness. Like Brigaldi addressed, aid effectiveness is a two faceted objective: its realisation is equally dependent on increased transparency of donor motives and on dropping of non-developmental, political and economic aid objectives of donors. However, the Paris Declaration fails to address this issue. Indeed, increased transparency is something what can be traced back in the Paris Declaration. But what about donor objectives and motives? While the aid rhetoric focuses on poverty reduction as the motive for giving aid, the reality is a little more complicated than that. Stimulating trade or the existence of colonial ties, for example, are still very important incentives for donor countries to give aid. Eurodad.org gives the following

example. Ever since the US government decided that, in fifteen years' time, at least one quarter of its energy needs is to be provided for by West –African oil, this region is being swamped in American aid. And colonial ties are clearly influential in how most ex-colonial powers allocate their aid resources even today. The Paris Declaration does not focus on this aspect. Although this case is about aid allocation and aid effectiveness can still be enhanced, it can still form a threat to aid effectiveness. Another issue what more directly influences aid effectiveness are norms and values in both donor as well as recipient government. Norms and values between donors en between donors and developing countries differ and that can lead to different national aid policies. The Paris Declaration also does not address this issue.

2.5 Conclusions

That is the Paris Declaration on Aid Effectiveness is a unique agreement in the history of development aid is clear. Never ever have political leaders of donor countries and developing countries formally committed themselves to aid effectiveness and to measure their success at making their aid more effective through a set of indicators and targets. Its core concepts are ownership, harmonisation, alignment and these need to be implemented in both donor as partner 's national aid policies. The Paris Declaration present a set of assumptions on how institutional changes in the aid relationship may expect to lead to improved development results. It stresses that improving aid effectiveness is a process which constitutes of both donor and developing countries' efforts.

History has shown that years and billions of dollars of development aid has turned out to be ineffective. Different reports of international organisations indicated that the progress which was made in developing countries was disappointing. It was time for the international donor community to take action and learn from lessons from the past. It was time for a new approach. New aid forms emerged in response to what proved to be unsuccessful earlier and several new initiatives were introduced like the PRSPs, the SWAps, the MDGs, The Rome Declaration on Harmonisation and eventually the Paris Declaration on Aid Effectiveness.

Since it is a relatively short time ago since the Paris Declaration was adopted, it has not proved its assumptions to be true. Time and further research will tell whether or not the Paris Declaration will lead to increased aid effectiveness. Some however, are very sceptical of the Paris agenda and have critical notes on it. Questions have raised about the principle of ownership and to the extent to which it is about partner country ownership instead of donorship. Since donor countries first have to approve of PRSPs and national aid polices first, is there really question about ownership? With ownership several side- conditions are being set by donors, so it seems that there is no question of going from donor-driven policy towards partner country driven policy. Besides that the Paris Declaration focuses too

much on the recipient government when it comes to ownership. It lacks to stress the importance of a more broad based ownership which seeks active involvement of civil society and private sector.

Another aspect the Paris Declaration fails to address lies in capacity building. It stresses on *what to do* instead of *how to do it.* The Paris Declaration's call for capacity development reform is not new, and stretches back for more than a decade. The Paris Declaration lacks in paying attention in how to deal with capacity development and unfortunately does not directly addresses the importance of capacity building from within the partner country itself. Another pint of critique of aimed at the fact that the Paris Declaration is to much concerned with aid modalities and not much an aid money and aid policies. According to critics these aspects are also of crucial importance to aid effectiveness. Then the issue of donor objectives and motives is another point of concern. The Paris Declaration lacks to address this point. While the aid rhetoric focuses on poverty reduction as the motive for giving aid, the reality is a little more complicated than that. Political and economical factors also play an important role.

That is the Paris Declaration's intents are good, is certainly not discussable. Its assumptions are thought through and seem plausible. But whether this set of assumptions is enough to reach increased aid effectiveness is yet to bee seen. Are the principles of the Paris Declaration the answer to aid effectiveness, or will it have to be revised next decade? Only research will tell.

3. DUTCH COMMITMENT TO THE PARIS DECLARATION IN POLICY DOCUMENTS

3.1 Introduction

The Paris Declaration principles ownership, harmonisation and alignment, which form a strong basis of the current aid effectiveness agenda, were part of Dutch policy long before the actual adaptation of the Paris Declaration on Aid Effectiveness in 2005. When tracing back the roots on ownership in Dutch policy, it goes as far as more than a decade before the Paris Declaration, when the concept was introduced in the Dutch policy on research and development cooperation in 1992 and was reiterated in the policy paper *Aid in Progress (Hulp in uitvoering; Ontwikkelingssamenwerking en de herijking van het buitenlands beleid)* in 1995. And since the introduction of the sectoral approach in 1998 by the then minister of development cooperation, mrs. Herfkens, the concept of ownership has been a key principle and indispensable in the Dutch development cooperation policy.

Alongside ownership the concept alignment was also introduced in Dutch aid with the start of the sectoral approach. The attention for harmonisation is from a more later period. After in-depth analysis of Dutch policy documentation in the 2000s it can be stated that it is clear that there is a firm commitment on the Dutch side to work in a close partnerships with developing countries and with other donors in trying to make aid more effective. This chapter presents a image on Dutch views, commitments and intentions to ownership, harmonisation and alignment as expressed in written policy documentation which are related to Dutch aid policies for health.

3.2 Overall policy papers

3.2.1 Mutual interest, mutual responsibilities (2003)

The Netherlands' development policy on international cooperation in the 2000s is contained in two policy documents. These are the 2003 policy paper *Mutual interests, mutual responsibilities; Dutch development cooperation en route to 2015* and the more recent policy letter *Our Common Concern; Investing in a changing world* (2007) in which the overall policy on international cooperation for the following years are embedded.

In *Mutual interests, mutual responsibilities* the Dutch government indicated sustainable poverty reduction as the main objective for its development cooperation and pointed out the Millennium Development Goals as the means of achieving that. Although the Dutch government was already engaged in this objective, in this policy paper she reaffirmed her commitment. A key principle of the

new policy was the concentration of Dutch aid from 51 to 36 partner countries with whom the Netherlands entered a long term development relationship. One of the ideas behind it was to improve aid effectiveness by concentrating on a smaller number of partner countries. The policy paper also introduced a number of new spending targets which emphasized the importance of improving the quality of aid. For each of the partner countries the Netherlands decided to focus on two or three sectors out of a range of five priorities: 1) water, 2) education, 3) environment, 4) hiv/aids and sexual and reproductive health and rights 5) rule of law.

The 2003 policy paper explicitly states the Dutch commitment to issues which would later in 2005 be stated in the Paris Declaration. Chapter 7 of the document completely focuses on the quality and effectiveness of policy and is even titled the same way. It states that *"in order to boost the effectiveness of development cooperation, the quality of our policy needs to be improved"*. It is argued that quality is about concentration, complementarity, coordination and harmonisation and that effectiveness is about measuring results. Paragraph 7.9 focuses deeper on donor coordination and harmonisation and shows that the Dutch commitment to harmonisation and alignment is embedded in this policy document. *"The Netherlands wants to take donor coordination a step further towards harmonisation. Donors and partner countries should therefore do more to convert the arrangements they have made into long-term agreements"* (p.30). This section of the policy document also refers to the Rome Declaration on Harmonisation of 2003 which was only signed months before the publication of this policy paper. It states that the Netherlands sees the need for harmonisation and that it takes the view that its own regulations and procedures should and will not stand in the way of harmonisation. It is pointed out that the Netherlands will continue to carry out alliances with the Nordic Plus countries, since they share its views on harmonisation, but will also aim to seek alliances with other donors in countries where the Nordic Plus donors have a more limited presence. The policy paper furthermore states that the Netherlands will look beyond the traditional circle of like- minded donor countries and it is noted that the Netherlands have a strong believe in partnerships: *"Alliances between donors can be an effective way of improving the quality of bilateral or multilateral relationships in international forums and in dialogue with partner countries* […] *Cooperation between donors boosts efficiency and effectiveness both for them and for recipient countries"* (p. 11).

In 2004 the Netherlands also developed a multi-year harmonisation plan in order to translate its overall policy commitments into results to be achieved by 2008. In this plan the Netherlands identified 18 frontrunners within the group of 36 partner countries where significant progress will have to be achieved on the basis of the following objectives:

1) reach operational harmonisation (e.g. Joint Financing Arrangements) in 80% of the priority sectors (which in 2004 was 53%) and operational alignment (namely budget support) in 50% of the priority sectors (which in 2004 was 24%).

2) reach at least full policy alignment (PRSPs and SWAps) in all priority sectors (which in 2004 was 84%)
3) increase co-operation with EU member states in accordance with EU agreements (including the EU roadmaps at international level).

During this study however, the report of achievements in 2008 had not been finished so is not included.

3.2.2 Our Common Concern (2007)

With the policy letter *Our Common Concern: Investing in a changing world* of 2007 the minister of development cooperation, Koenders, presented the House of Representatives a new direction for Dutch development cooperation. Not only does the letter reaffirm that the major objective of Dutch development cooperation is sustainable poverty reduction with the Millennium Development Goals as a reference point and focussing on five priority sectors. But the letter also puts new accents on other issues. More attention and greater emphasis is given to 1) fragile states, 2) equal rights and opportunities for woman, 3) economic growth and distribution of the results of economic growth and 4) environment and energy including the impact of climate change on the realisation of the MDGs (p.12). These are defined as the four priority areas minister Koenders will address during his four years as minister. And with the focus on fragile states as one of those priority areas Dutch development policy reacts precisely to the call in the Paris Declaration for *"delivering effective aid in fragile states"* (OECD; 2005; 7). The letter states that the main goal of the Dutch contribution to fragile states is to help create the preconditions for peace and development, including the humanitarian aspect, and stresses the importance of ownership. *"Ownership in a partner country is of crucial importance. The enlargement of ownership, effectiveness and legitimacy of the partner country's government in performing their key tasks is a central focus point"* (p.18). But following this statement the letter directly nuances this by saying: *"however, when a government is weak, it is not always simply enough to rely on government ownership. In that case we will actively have to try to seek active involvement from different parts of society"* (p.19). With this the Netherlands agrees on the call for more ownership in the Paris Declaration, but if a government is weak and ownership is hard to respect, it will search for other ways to increase ownership and therefore effectiveness.

The letter refers to the Paris Declaration under the heading *"the necessity for political leadership and less bureaucracy"* (par.1.2). This paragraph embraces the idea of the Paris Declaration but also acknowledges its weaknesses. It states that although the Paris Declaration has been signed by the OECD/DAC members, there is still a difference of understanding between them on the coordination of aid. According to the Netherlands *"better coordination of aid is not a goal itself, but often is being seen in that way. Much attention is being given to the way aid is given, too little is being looked at what is actually being reached with that aid"*. The policy letter is also self-critical on its own policy. It

confesses that with the sectoral approach it tends to focus all attention on policy dialogue with the recipient government and less with the civil society, local government and private sectors in those countries. The Dutch government sees its shortcomings in this and states that in the near future they will use policy dialogue with the recipient government more for discussions in order to determine what it is the society longs of the relationship between donor and recipient (p.10).

The policy letter *Our Common Concern* also stresses that aid needs to become more effective and that the starting point for this is that the recipient countries decide about their own development process. By this the Netherlands again stresses the need for ownership, but then with respect to other actors beside the recipient government. *"Our efforts must be geared more to the active participation of local stakeholders: local authorities, civil society organisations, companies and trade unions. They are the ones who would set priorities, not donors"* (p.14). It also states that the Netherlands wishes to introduce 'development contracts' which binds a group of donors and a recipient government and sets obligations on both sides. The letter states that *"this is not a new precondition, but broadening of the concept of ownership as laid down in the Paris Declaration"* (p.14). Although the Paris Declaration sees dialogue and interaction with the recipient government as the main point in ownership, the Netherlands goes more towards the 'broad-based ownership' (chapter 2) in which they seek active involvement of the civil society, local institutions and private sectors.

3.3 Specific policy notes

3.3.1 Regional note: The Africa note 2003

Mutual interests, mutual responsibilities and *Our Common Concern* are two documents in which the overall policy on international cooperation for the following years are embedded. Now it is time to take a closer look on the concepts of the Paris Declaration in policy documents which are directly related to health in Sub Saharan Africa. The Netherlands aid policy on health in Sub Saharan Africa is embedded in two documents. These are the 2003 *Africa note: Sterke Mensen, Zwakke Staten* and the 2004 *Aids note; the Dutch international aids policy.*

In the 2003 *Africa note* there is attention for the Paris Declaration principles, but in particular for donor coordination and harmonisation. Paragraph 3.6 is entitled *"shortcomings in international cooperation"* (p.13). This section deals with the causes of why forty years of development cooperation seems to have failed. The note indicates that until then aid from different donors over the world has not been coordinated or harmonised properly and because of this aid turned out to be ineffective. Important to note here is that the note also sees consequences for the capacity in developing countries: *"because of the lack of coordination and harmonisation does aid not only become less effective, but it*

also puts more pressure on the already weak capacity of African states through the high management costs of development cooperation" (p.13). The note then continues to state what the Netherlands tends to do in order to prevent this from happening in the future. It states that the Netherlands has learnt from these shortcomings and will put more efforts on better coordination and harmonisation, but also sees the importance of combining this with capacity building and institutional reinforcement on the partner countries. In the same section ownership is also being addressed: *"Dutch contribution will as much as possible take place through partnerships with African countries"* (p.14). Therefore the Netherlands wants to connect to African initiatives and help reinforce African regional cooperation and essential in that is that connection is being found through changing forces within African societies themselves. Because of this *"the Dutch policy is based on partnership which recognises that besides the government a lot of other actors play an important role in the development of Africa and therefore active cooperation with these actors will be strengthened"* (p.14).

In the section where the note addresses the priorities for the Dutch policy on Africa is indicates the fight against hiv/aids as one of its five priorities (p.18). The note sees hiv/aids not only as a health problem but also as a main factor which has damaged the already weak capacity of African countries. The following years the Netherlands reaffirms this commitment to capacity building in the *Aids note.* The Netherlands sees investing in the health sector, in hiv/aids, not only as a reason to improve health in its partner countries, but also as an important aspect in capacity building of African partner countries which will drive further development in different other sectors. This lack in capacity, which finds its way in many sectors of African societies, threatens the potential for development and that is why fighting the epidemic is of importance for the Dutch policy. With the introduction of the *Africa note* the Netherlands has revised its aids policy with the continent of Africa as a focus point. The note further states that the Netherlands sees the international power bundling in the fight against aids essential (p.21) and therefore partnership and public-private cooperation will be a focus point in the aids policy in African partner countries. Besides that it stresses the importance of sexual and reproductive rights (see next section on the *Aids note)* and will put efforts in maintaining their leading role in promoting this internationally.

3.3.2 Thematical note: The Aids note 2004

After revising its aids policy with Africa as a focus point and signing the UN's Declaration of Commitment on hiv/aids in 2001 the next step for the Netherlands was a national document on aids. The 2004 *Aids note* sets the way for the intensification of the Dutch international aids policy aimed at delivering *"a more effective and coherent contribution to the fight against aids and its consequences"* (p. 1). Increasing aid effectiveness is therefore seen as the main goal. The note sets out that to reach this goal the efforts will concentrate on a limited number of crucial pillars being:

- Commitment: strengthening and broaden political and civil support.
- Coordination: improving the coordination of the aids response in developing countries as well as internationally.
- Capacity: enlargement of the capacity in order to execute coherent aids programs.

By focussing on capacity the Netherlands reaffirms her commitment to the importance of capacity building and institutional strengthening of development countries as earlier done in the *Africa note.* The note states that the Netherlands puts efforts in offering direct support to civil society organisations, form partnerships with the private sector but also attempts to enlarge political awareness and involvement of the partner government with respect to hiv/aids in developing countries (p.8). When strictly looking at the principle of ownership in the Paris Declaration one could say that ownership is not being respected in this way. In order to understand this the following has to be explained first. Fighting aids is strongly linked to sexual and reproductive health and rights (srhr), it is a necessary aspect for aids prevention. It is a sensitive subject to address in developing countries since conservative and religious leaders there are arguing for a one-sided focus on sexual abstention and partner fidelity at the cost of a broad approach which encompasses sex education, condoms and a good srhr service, especially for the youth. Some countries are even denying the existence of the aids epidemic. Besides that the position of women, which are large target group in the health sector, are often suppressed. Political leaders in developing countries are often reluctant to address these issues and implement policies to improve the situation. On the one hand, trying to enlarge political awareness and involvement of these countries on hiv/aids and srhr, were the aids epidemic is causing so much harm, is important. But on the other hand, when strictly considering the principle ownership, this is clearly a situation of donor driven supply and not partner country driven demand. It is an issue the Netherlands wants to address, while the partner government is not.

The *Aids note* also gives attention to the importance of harmonisation. Coordination is even indicated as one of the three pillars. According to the note *"cooperation is a necessity for success... the Netherlands will therefore search actively to cooperation with others, as well as in the traditional group of like-minded donors as well as outside of that group"* (p. 9). Besides that the Netherlands plays an important role in African national aids mechanisms which results out of the growing acknowledgement of the urgency of the hiv/aids epidemic and the multiplicity of organisations involved in it. *"Coordination and adjustment is needed now more then ever"* (p. 10). The note also states that the Netherlands will actively engage in trying to involve more donor countries on coordination and harmonisation and in order to decrease transaction costs the Netherlands sees the necessity to improve donor coordination. That is why the Netherlands is actively engaged in the concept of "the three ones" which is adapted by several donors and international organisations (UNAIDS, World Bank, GFATM): one overall national strategic policy framework for aids, one national coordination mechanism and one national strategy for monitoring and evaluation. The note

indicates that the Netherlands is committed to the implementation of this concept in different ways. By supporting UNAIDS it meets the three ones, since UNAIDS gathers donors in the fight against aids, brings them together and harmonises efforts and has its own monitoring and evaluation strategy.

With the *Aids note* another point needs to be made. When it comes to policy documents on health it is striking to find out that there is only one health policy document circulating within the ministry the last years and that that document completely focuses on hiv/aids. Health of course is a very broad and comprehensive concept, but in this sector the Netherlands has a strong focus on the problem of hiv/aids. It is even defined as one of the five priority sectors in *Mutual interests, mutual responsibilities*. SRHR does not get much attention in the *Aids note* while it has become more important over the years. Minister Koenders has even set this item as one of the priority themes in *Our Common Concern* with priority theme 2) equal rights and opportunities of woman. The Netherlands stressed its commitment to the fight against aids by signing the UN's Declaration of Commitment on hiv/aids in 2001 and released its national policy document *The Aids note* in 2004. However, this is not the case for srhr. The Netherlands committed to the Cairo agenda (see fig. 1.5 on p. 9), but has never published a policy document on this topic. People working at the Social and Institutional Development department (DSI)[8] deal with this topic and expressed their dissatisfaction with the fact that there has not been a policy note on srhr since it is necessary for aids prevention and gets relatively less attention in the *Aids note*. Donors see srhr as a sensitive and hard subject to address in developing countries and many of these countries are reluctant to it. Dealing with these circumstances makes it harder for DSI to address srhr. And although the Netherlands as a donor has a leading role in srhr, its future path is still unclear for DSI and therefore the cry for a policy document on srhr is great. With minister Koenders addressing srhr as one of his priority themes however, the prospect of the realisation a policy document on srhr is much nearer.

3.4 Annual reporting

The Dutch commitment to the Paris Declaration is not only embedded in the policy documentation mentioned in the previous paragraph, but also in the annual budget process. Since 2006 the explanatory note to the Ministry of Foreign Affair's annual budget, which constitutes an important policy reference for the ministry, makes a direct reference to the Paris Declaration. The budget has eight policy clusters and one of them (cluster 4) is entitled *"more prosperity and less poverty"* (p. 60, 2007). Within this cluster these is a separate section which is entitled *"enhanced quality and effectiveness"*. Quality is said to be the way in which donors implement their policies, and effectiveness refers to the way partner countries address the poverty issues. This section in the explanatory note also sets some specific aims for 2007 which are:

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[8] Simone Fillipini, Marijke Wijnroks, Reina Buijs, Marion van Schaik and Paul Bekkers.

1) maintain the continued implementation of the agreement concluded in the Paris Declaration,
2) maintain the frontrunner position of the Netherlands in the area of aid effectiveness and policy coherence as mentioned in the 2006 OECD/DAC Peer Review,
3) keeping the Netherlands in a leading position in the Commitment to Development Index (CDI),
4) the Netherlands will play a special role in promoting the agenda for effectiveness within the EU.

The note also identifies indicators to measure progress mirror those from the Paris Declaration and proposes steps on an annual basis towards the achievement of the Paris targets to be met by 2010 (see figure p.61: 2007).

The explanatory note to the budget of 2008 not only deals with the Paris Declaration in cluster 4, as mentioned above, but also in policy cluster 3 *"strengthen European cooperation"*. With addressing the Paris Declaration in this cluster the ministry acts on what they have said to do in the 2007 explanatory note (aim 4) and that is a good development. The European consensus has *"incorporated the Paris Agenda on harmonisation and alignment with the policy and control systems of the partner countries"* (p.73). The Netherlands reiterates its intention to remain a frontrunner in aid effectiveness and policy coherence and in the CDI, as praised by the OECD/DAC. Again like in 2007, the explanatory note presents a full overview of the performance of the Netherlands on the Paris Declaration indicators accompanied by worldwide figures [9]. The note also indicated specific aims which will be targeted in 2008 by which the quality and effectiveness of aid will be enhanced:

1) dialogue with donors who are less like-minded,
2) identification of actions needed for the realisation of the Paris Agenda per partner country,
3) drafting of Multi Annual Strategic Plans (MASP) outlining Dutch support to its partner countries,
4) cooperation with other donors and partner countries, where possible through budget support
5) strengthening local capacity, greater knowledge of political context and local systems.

When comparing these five aims to the aims mentioned in the explanatory note of 2007 one could state that the 2008 aims are more directly linked to the Paris Declaration principles that the 2007 ones which are more indirectly of nature.

The 2008 explanatory note also has a critical note on the Paris agenda. It states that as multilateral organisations and donors countries cooperate coherently, aid will be more effective. In that line the Paris Declaration forms a good basis for the design of Dutch aid. But *"where the Paris Declaration has mainly made managing aid a focus point, it is the intention of the Netherlands to go a step further*

[9] See Annex VII: Progress by the Netherlands on the Paris Declaration indicators

by making local systems and political processes in partner countries a part of the development agenda" (p.91). This critique is also given by Rogerson in chapter 2. The Netherlands finds that the aspect of capacity building is lacking attention in the Paris Declaration but sees an important role in it. It therefore indicated this as one of its five aims (no. 5) strengthening local capacity, greater knowledge of political context and local systems.

The annual reports of the Ministry of Foreign Affairs have a similar structure to the explanatory note to the annual budget. Within policy cluster 4 of the 2006 report the ministry addresses its efforts in order of the implementation of the Paris agenda. The report also presents a scheme of the Dutch performance according to the Paris indicators, based on the indicators and statistics of the OECD/DAC Monitoring survey 2006. According to the 2006 report promotion of aid effectiveness was a priority of the ministry in 2006 and this will continue to be so. In the report the ministry also states that is important to look in EU context and therefore the Netherlands will work towards a better division of labour in the aid programmes of EU member states, considering the European Consensus on Development Policy.

3.5 Reporting about results

In response to a growing demand for information about results, internationally as well as nationally, the ministry of foreign affairs released its report *Results in Development.* The first one was published in 2005 and covers the results for 2004 and the second one was released in 2007 and covered the results in the period of 2005/ 2006. These reports are a supplement to the ministry's annual reports and are *"intended to enhance the Dutch government's accountability on development cooperation to the parliament and the electorate"* (p. 5: 2005). The report focuses on Dutch bilateral aid and presents results on each of the five priority sectors: education, srhr and hiv/aids, environment, water and sanitation and two cross-cutting themes: good governance/ human rights and private sector development.

In the 2005 report attention to the Paris and Rome agenda is being given in the introductory chapter. It states that effectiveness of development is a line which goes through the report. In each sector progress is reported through looking at the plans and processes of donors and those of partner countries (alignment) but also on reaching better cooperation between donors (harmonisation). By doing this the report states that *"international agreements which have been made in this regard during the conferences in Rome (2003) and Paris (2005) are being put into practice"* (p. 9). It further states that the Dutch embassies have put efforts into entering silent partnerships, which are cooperations between donors in which one or more donors have a active leadership and the rest of the donors act as silent donors and only give a passive financial contribution to the program or project. This

harmonisation process is expected to lower transaction costs in the partner countries. The report also says that *"Dutch efforts in increasing extent adapts to national budgetary processes* (aligning). *This reflects in the relative increase in budget support and sectoral support which can be seen within bilateral partnerships"* (p. 9). Figure 3.1 shows statistical data on the expenses for srhr and hiv/aids. It shows that the largest part of the aid modalities are in the form of project support and only a small part is the aid modalities are in the form of sectoral budget support.. This is also the case for sectoral support. Project financing is still the largest financial instrument and has also increased in the period 2002- 2006.

The sections srhr and hiv/aids in *Results in Development* do not directly say anything about the Paris Declaration principles. A lot of statistical data is given on the number of for example hiv/aids infected etc. There are some examples of harmonisation given by donor- joint projects, but for the rest not much is mentioned on ownership and alignment.

Table 3.1: Dutch aid modalities in African partner countries srhr and hiv aids 2002- 2006

SRHR	**2002 (millions)**	**2003 (millions)**	**2004 (millions)**	**2005 (millions)**	**2006 (million)**
Sectoral budget support	10,3 46%	13.0 36%	15,3 38%	15,1 34%	18,4 43%
Project support	12,1 54%	23,4 64%	25,2 62%	29,8 66%	24,3 67%
HIV/AIDS					
Sectoral support	9,3 32%	11,2 34%	13,5 33%	12,9 20%	25,4 32%
Project support	20,1 68%	22,1 66%	27,4 67%	50,1 80%	53,3 68%

Source: *Pyramid*

The 2007 report is not much different than the 2005 report except for the fact that this report delves a little deeper as it analyses the "results chain" between the Dutch contribution as a part of the total donor contribution one the one hand and the results in the partner countries on the other hand.

3.6 MDG progress report

In addition to the bi-annual reports on results in bilateral aid the Netherlands has also published reports on the progress made with regards to the Millennium Development Goals. In 2006 the MDG-8 report called the Paris Declaration *"an international milestone"* and it is said that the implementation of it has been made a priority in the Dutch multi-annual plans. The report further states that *"alignment is the most efficient form of aid , although its application is not always possible due to the weaknesses in the partner country's system or to barriers in the donors' legal system preventing a relaxation of conditionality of aid* (p. 50). It is said that the first form of alignment for the Netherlands is linked to a partner country's Poverty Reduction Strategy and that is has been the case in 35 out of the 36 partner countries. South Africa is not advanced in this regard, it has not prepared a PRSP. In South Africa the Netherlands is active in hiv/aids and makes aligning difficult. *"The Netherlands is aware of the*

consequences the Paris Declaration can have for its own visibility, but is convinced that improved effectiveness will help realise the MDGs " (p. 49).

Another report on the MDGs was issued prior to the consultations to the society at the start of the fourth cabinet Balkenende in 2007. Before developing its policies, including that of development cooperation, the new cabinet first did a series of consultations with the electorate. This report is called *Dutch development cooperation and the Millennium Development Goals.* It states that since 1998, with the launch of the sectoral approach, the Dutch policy on aid has increasingly focused on effectiveness and quality. Quoting the IOB evaluation on the development and implementation of the sectoral approach (2006) it notes that *"the Netherlands has shown a greater commitment then other donors to harmonise its aid efforts and to integrate its support into the policy and control frameworks of the partner country* (p. 26). However it is important to note that the report also recognizes that a sector-wide approach does not guarantee that the aid is effective (p.16/17). In the report the Netherlands reiterates its commitment to the Paris Declaration and to the EU Consensus, but it also expresses concern about blue-print thinking with too much focus on the rationalisation of aid and too little concern for aid and development in a broader sense. Especially regarding the health sector it states that *"social exclusion and gender equality need to be discussed more intensively in the policy dialogue, along with the government's accountability for providing adequate services to its citizens. Given the fact that the policy dialogue has not been adequate in discussing the policy themes, the Netherlands wishes more efforts to be made to promote active participation of the civil society in the partner country"* (p. 141). Although on the one hand ownership is being neglected in the sense that gender quality is not something some partner countries like to address in their home policies, the Netherlands still puts efforts in keeping to the principle of ownership by promoting active participation of the civil society.

3.7 The Paris Declaration in the Dutch Parliament

There have been a number discussions in the Dutch House of Representatives on aid architecture and aid effectiveness primarily on the fringe of other issues and both explicitly as implicitly. In this section however, only explicit references to the Paris Declaration will be discussed.

The first time the Paris agenda was explicitly brought up by members of parliament was in October 2006 through a set of written questions to the minister of development cooperation: *"What exactly are harmonisation, coordination and complementary agreements? Can exact figures be given about the decrease in contracts in the recipient countries?[10]"* . In her response the minister mentioned the Paris Declaration and said that its indicators and the Monitoring Survey of 2006 served as a guideline for

[10] Written question of parliament member Szabo on the Dutch aid to Tanzania, October 2006.

measuring the Dutch progress on the progress. She also mentioned *silent partnerships* and explained how donor cooperation finds its way in sector support. She explicitly named the example of the health sector in Zambia where the Netherlands handed over its leading role over to Sweden and continued in a passive but supportive manner. This in order to increase donor coordination and stimulate silent partnerships. She also provided figures to underline this development: the number of one-to-one contracts between the Netherlands and partner countries decreased from 3,038 activities in 2003 to 2,648 in 2005. At the same time the number of multi-donor contracts increased from 19% in 2003 to 23,2% in 2005.

A second set of explicit questions about the aid effectiveness agenda [11] were raised in October 2007 when questions were asked about the Paris agenda by members of parliament. These questions concerned the implementation of the Paris Declaration, abut which steps towards it were taken and what the results to date were. In his response the minister indicated that Dutch aid instruments were increasingly conform the Paris agreements and that the Netherlands is in favour of the Paris Declaration and has also been very active in promoting it in international forums. He also stated in his answering that the most advanced form of cooperation is being done through Joint Assistance Strategies (JAS) with like-minded donors in Zambia, Uganda and Tanzania, where the Tanzanian one is a leading international example. Preparations for a JAS has also been started in Mozambique, Ghana and Kenya. As for concrete results on the actual implementation of the Paris agenda the minister pointed out to the OECD/DAC initiative for a joint general evaluation on the implementation of the Paris agenda which will be forthcoming at the end of 2008.

3.8 Conclusions

After an in-depth analysis of documents of the ministry the conclusion can be drawn that Dutch development cooperation is committed to the Paris Declaration. The concept of ownership was introduced long before the adaptation of the Paris Declaration and can be traced back in policy documents as far as in the early 1990's. Harmonisation however, is a concept which finds its way in Dutch development cooperation more since the 2000's. Expressions of commitment on ownership, harmonisation and alignment are all found in the policy documents *Mutual interest, mutual responsibilities, Our Common Concern, the Africa note* and *the Aids note.* Although it has to be said that expressions on the commitment to ownership and harmonisation are more presented in these documents than alignment.

In all documents the Netherlands addresses its view on ownership and expresses its commitment towards it. In several documentation is stated that ownership of a partner country government is of crucial importance for aid effectiveness. But the Netherlands also nuances this by stating that that is

[11] Written questions about the waste of development aid funds, October 2007

not always the case. When a governments is weak the Netherlands can not simply rely on a government ownership and therefore it does not provide its aid modalities in the way ownership requires, meaning in the form of budget support or sector support. Where possible the Netherlands gives on-budget support, where necessary it provides project support. The analysed documents show that the Netherlands has also been critical on its own sectoral policy. In the recent years they tended to focus all attention on policy dialogue with the recipient government and less with civil society, local government and private sectors in those countries. The Netherlands sees its shortcomings in this and acknowledges that this is not completely in line with the Paris Declaration. Therefore in 2007 *Our Common Concern* states that when a government is weak, the Netherlands must more actively search for active involvement of different parts of society. Because when ownership can not be respected as a recipient government is weak, ownership should not be neglected completely. The best thing to do then is to seek relations with the civil society in order to hold on to ownership, although not as the Paris Declaration presents it. More efforts have to be put in searching active participation of local stakeholders. According to the Netherlands the local stakeholders in this case should set the priorities, not the donors. This case shows the Netherlands is an example when it comes to being critical on their own policies and efforts. It is a good development to see that the Netherlands acts upon its own critics.

The commitment towards harmonisation is also very clearly pointed out in the analysed documents. In all documents there has been a lot of expression of the commitment to harmonisation. In international context the Netherlands is a promoter of harmonisation and is even one of the leading donor countries when it comes to promoting srhr (OECD/DAC Peer Review). The OECD/DAC praises the Netherlands for it international leading position in donor coordination and harmonisation efforts. Not only does the Netherlands has a leading position on the Nordic Plus group of countries, but also puts efforts in reaching harmonisation in EU context, as was pointed out in the explanatory note, and with other traditional and not like minded donors. In the *Aids note* and *Africa note* there also is a lot of attention for harmonisation and not only does the Netherlands express its commitment to harmonising aid policies, the note also present concrete efforts to enhance this. Examples are the Dutch cooperation in Joint Assistant Strategies (JAS), silent partnerships and the development of a multi-year harmonisation plan.

That the Netherlands has a great commitment to ownership and harmonisation is apparent. But within aid policies for health these two concepts tend to clash. Ownership in this context is being undermined. As has been made clear the Netherlands has a strong focus on hiv/aids and srhr in its aid policies for health. In some African countries political leaders are reluctant to address these issues and implement policies to improve the situation. The Netherlands puts a lot of effort in raising political awareness in these countries on political level as well as on societal level. In this context there is a case in which where possible on-budget support will be provided and where necessary project support

will be provided. Aid modalities are not being aligned. There are two sides in judging this case. On the one hand, trying to enlarge political awareness and involvement of these countries on hiv/aids and srhr, were the aids epidemic is causing so much harm, is important. Developing countries need to acknowledge the fact that the aids epidemic is causing the country much harm and that it stands in the way of further development. When health issues are tearing apart a nation and if the government is not intervening, it can be said that the donor community has a task in it. So practically this means that ignoring an partner countries ownership can have positive effects . But on the other hand, when strictly theoretically considering the principle ownership as is presented in the Paris Declaration, this is clearly a situation of donor-driven supply and not partner-country-driven demand. Something what goes directly against the core idea of ownership of the Paris Declaration.

As for the concept of alignment, this gets more attention in the reports discussing results and the Dutch views and efforts are presented in *Results in Development* and the *MDG-report.* That the Netherlands puts efforts in aligning their aid for health is not proven by its numbers on sector budget support and project support for hiv/aids and srhr. The part of sectoral budget support has not risen and it has remained relatively constant. Still project financing is the main aid modality, this can be explained by the relative high number of weak African governments which are also reluctant on hiv/aids and srhr. It this case where the Netherlands acts on: where possible on-budget support, where necessary project support. The Netherlands view on alignment is that it is the most efficient form of aid, although its application is not always possible due to weaknesses in the partner country, especially when it comes to the health sector. In 2008 aligning on the partner country's PRSP is for general budget support occurring in 7 out of the 9 African health partner countries (see table 5.1).

The Netherlands is also critical on the Paris Declaration. According to the Netherlands the Paris Declaration sees the managing of aid as a focus point, like Rogerson addressed in chapter 2, but the Dutch view is that it wants to take that a step further. The Netherlands sees the importance of capacity building and institutional strengthening and therefore Dutch efforts aim to make local systems and political processes in partner countries a part of the development agenda, this is capacity building. In different policy documents a firm commitment towards capacity building is made and different efforts on capacity building in the partner country are presented. It can be said that the Netherlands react adequately on also addressing capacity building as the Paris Declaration presents, but the Netherlands lacks in addressing how to reach this, something which has also been en point of critique by the Paris agenda sceptics.

4. IMPLEMENTING THE PARIS DECLARATION AT THE MINISTRY

4.1 Introduction

The previous chapter described the commitment of the Netherlands to the principles ownership, harmonisation and alignment of the Paris Declaration in policy documents. This chapter provides an overview of the efforts taken at the headquarters of The Ministry of Foreign Affairs in The Hague in order to implement the Paris Declaration principles. Paragraph 4.2 starts by illustrating which departments engage in the implementation of the Paris Agenda in aid policies for health. Here will be shown that reforms in organisational structure have lead to more autonomy and authority for the embassies. This development is consistent with the international perception of increased country led-approaches. This paragraph will also show that the departments involved in aid policies for health are DSI and DAF, which are specific expertise departments and cooperation with the more general DEK and FEZ is important in implementing the Paris Declaration.

4.2 Internal: Organisational arrangement

4.2.1 Decentralisation

Years of decentralisation efforts at the ministry have helped to address the Paris Declaration better in its organisation structure nowadays. The 1990s have known a number of reforms at the Dutch Ministry of Foreign Affairs in order to improve the ability of the ministry to “speak with one voice”. These reforms were necessary because the ministry has a “two-headed” structure with the Ministers for Foreign Affairs and the Minister for Development Cooperation both being stationed at the one ministry. Up until 1994 the ministry had been divided into departments working specifically for the Minister of Foreign Affairs and specifically for the Minister for Development Cooperation. Reforms resulted in a “de-compartmentalisation”, by the creation of regional and thematic departments working for both ministers (see annex I).

Interviews taken with staff of DEK indicated that these reforms also included efforts that have lead to more delegation of management responsibility to the field. Many centrally implemented policy and management tasks have been handed over to the embassies and ambassadors. For example, embassies are now fully responsible for policy dialogue with the partner country they are stationed in, and for contact with other donors which are present there. They are also responsible for the formulation of the Dutch country and sectoral policy through providing the Multi-Annual Strategic Plans (see paragraph 4.2.2). As a part of this process of decentralisation, funds for budget support, which until 2007 were authorised at central level, have been delegated to the embassies in the countries were this aid modality is applied. This is consistent with the international context of increased emphasis on partner

country led approaches. The role of the embassies in the implementation of the Paris Declaration will be discussed in the next chapter.

4.2.2 Thematic department: Social and Institutional Department (DSI)

The thematic division DSI is concerned with aid policies for health. DSI helps develop policy and strategies for fighting poverty at both bilateral and multilateral level. Its goal is to help improve the health status of poor people in developing countries (Annual plans/reports DSI). It works on giving people access to basic social services, promotes gender equality and helps to develop civil society in developing countries. It strongly puts themes as children, parents, hiv/aids, gender and institutional development on the agenda of other departments and missions. DSI consists of the following units:

- Poverty Policy and Institutional Development Division (DSI/AI)
- Civil Society Organisations Division (DSI/ MY)
- Social Policy Division (DSI/AB)
- Women and Development Division (DSI/ VR)

DSI has become the hub in the determination and execution of the aid policies for health for Africa and is involved in the implementation of the Paris Declaration in their own specific way, but in interviews DSI staff stressed that the department needs to ensure that the realisation of the Paris agenda is in compliance with their thematic objectives. Annual plans and reports indicate how DSI copes with the Paris Declaration principles. In the annual plan of 2004 DSI almost completely concentrates on harmonisation. During the Dutch EU Presidency in the second half of 2004, DSI invested many of its time and efforts in preparing the Dutch initiative for the EU Roadmap for Harmonisation. It also saw the chance to address the issue of the hiv/aids epidemic in EU context and come to a common understanding in the approach to fight the disease. In 2005 the attention for harmonisation was again very present. Two major activities in 2005 were the start of the Joint Health Sector Reviews in the African partner countries and the aim of strengthening policy dialogue between the group of like-minded donors and the World Health Organisation and UNAIDS. In 2006 DSI mentions the Paris Declaration explicitly in the annual plan and for the first time the principle of ownership is addressed. But unfortunately it is not more than an statement of its content. The planned efforts in order to increase harmonisation are also present in this plan. DSI states that is wants to comes to further harmonisation by dialogue with other donors on who takes which task in health, but in particular in hiv/aids. From 2006 on the Netherlands will focus on the treatment of hiv/aids and less focus prevention. In 2007 DSI addresses ownership more directly. Effort were taken to come to more participation of the civil society of the partner country in order to decide upon the efforts to address health issues in 2008. But in 6 African partner countries the Netherlands imposed the embedding of emancipation in African national policies and in several policy sectors as in the PRSP and sectoral

policy. DSI stated that these orders were given to embassy staff to address these in policy dialogue. Its argument was that of African partner countries integrate emancipation in their aid polices, it would make aligning, in the form of general budget support more likely. This clearly is an example of donor imposing and not partner country driven demand.

4.2.3 Regional department: Sub Saharan Africa Department (DAF)

The regional department Sub Saharan Africa (DAF) develops and intends to carry out coherent, effective policy on this region of the world. The departments consists of staff members who specialise in an African country, the country experts. When it comes to aid policies for health, they work closely with DSI and together they address the health issues.

4.2.4 Harmonisation desk (FEZ)

In 2002 a harmonisation-desk was created which was supported by a ministry-wide harmonisation network. It promotes the idea of harmonisation within the ministry (FEZ annual plan 2002,2003). The desk was set up in the Financial and Economic Department (FEZ), which is primarily responsible for financial management and budgeting, but also plays a role in the planning and control cycle. Staff of the harmonisation desk have been active in the preparation for the Rome Declaration on Harmonisation in 2003 and the Paris Declaration in 2005. They also supported the work on the EU harmonisation agenda which led to the *European Consensus on Development* and the *Code of Conduct on Complementarity and Division of Labour.* In interviews for this study staff on FEZ identified the following crucial factors for promoting harmonisation within the ministry and in the international donor community:

- Active support is needed from the ministry's political and managerial leadership.
- There needs to be a focus on concrete implementation, rules and regulations and on the ways how to solve the problems encountered.
- Harmonisation is not possible unless there is a strong cooperation with (like-minded) other donors.

When the harmonisation agenda broadened to include more policy related issues, the need was felt for a different organisational arrangement. In 2005 the Effectiveness and Quality Department (DEK) was created with the task to guide the implementation of the Paris Declaration (see paragraph 4.2.5). This meant that in the 2007 some staff members of the harmonisation desk at FEZ were integrated into DEK to form a harmonisation cluster (FEZ annual plan 2007). Additional internal staff was recruited in order to meet the preparations for the Accra High Level Meeting in September 2008.

4.2.5 Effectiveness and Quality Department (DEK)

DEK has become the hub for the implementation of the Paris Declaration in Dutch development cooperation throughout the ministry. For the implementation of the Paris principles in aid policies for health DSI, FEZ and DEK have a strong cooperation together. Its mandate is *"to oversee the effectiveness and quality of development cooperation in a broad sense, as part of integrated Netherlands' foreign policy"* (DEK annual plan 2005). The decision to establish DEK was formalised in December 2004 and became operational as of January 2005. DEK works on the following objectives:

- To strengthen the learning capacity of the ministry by linking data management and information to policy analysis and implementation.
- To conduct policy analyses on cross-cutting themes (e.g. good governance)
- To support and advice embassies on cross-cutting themes.

The department has a manifold of activities. They range from assessing Track Records and MASPs (see section 4.2) , to writing discussion papers on various aspects of international aid and supporting embassies in the implementation of the Paris agenda. DEK also has a portal on the ministry's intranet and a quarterly newsletter *DEK Highlights* which also includes information on issues concerning the Paris Declaration. It operates a help desk which supports embassies and ministry staff. DEK has developed several instruments for the promotion of the Paris Declaration, some in close cooperation with FEZ. Interviews showed some challenges appear to remain in clarifying the relationship and responsibilities between DEK and FEZ. Because although FEZ is primarily responsible for financial management and budgeting, it also has a role in addressing the Paris Declaration. Staff indicate the need for strict borders on how to address harmonisation in both FEZ and DEK.

Following internal discussions based on the consultation with the DAC Peer Review Team in 2006, the ministry has decided to move further in increasing the resources for which financial authority is decentralised to embassies. DEK's responsibility for budget support was delegated to the embassies in 2007 (DEK annual plan 2007). This means that DEK has become a full advisory department focusing on structural problems at ministry as well as embassy level.

DEK staff indicates that they are also active promoting the Paris Declaration outside of the ministry. For example, it gives presentations abroad on how the Netherlands is addressing the Paris agenda and encourages understanding of the Paris agenda amongst other organisations. Despite all this activity, DEK's intended plan of realising an action plan for the implementation of the Paris Declaration, which was scheduled in 2006, has not yet been developed. Instead, in June 2007 it was decided to come up with a partner country-specific implementation plan for the 36 partner countries with which the Netherlands has an established long-term bilateral aid relationship.

4.3 External: Promoting harmonisation in the international aid community

4.3.1 Nordic Plus Group

In 2000 the Netherlands hosted a workshop for like-minded donors on *Donor Harmonisation and Adjustment of Financial Management and Control procedures under Sector Programmes* This meeting inspired the participants to start a process of collaboration that has become known as the Nordic Plus Initiative. The Nordic Plus Group members are the Netherlands, Denmark, Iceland, Norway, Finland, Sweden, Ireland, UK and Canada joint later. Worldwide these donors are characterised as a group which relatively form the largest ODA-donors in the world. When it comes to hiv/aids and srhr the Netherlands finds itself here amongst very like-minded and liberal donors and there is a good cooperation in the health sector amongst these donors. Following the adaptation of the Rome Declaration in 2003, the Directors- General for International Cooperation of the like-minded donors decided to take harmonisation a step further. They established the *Joint Plan on Harmonisation 2003- 2005,* which includes a range of activities (in different sectors, one of them being health) to promote the harmonisation process at country, ministry and global level. One of those activities was to develop a pilot to bring harmonisation into practice in Zambia, with support from all like-minded donors. In traditional African developing countries were the hiv/aids epidemic is the largest and has influenced capacity, the Netherlands and the Nordic Plus Group intends to act as an coalition through harmonising efforts and acting as a front with one idea on how to fight the disease and often with a leading donor. This lessens the burdens (transaction costs) which multiple donors can bring to weak African developing nations.

4.3.2 European Union

In EU context the Netherlands has participated actively in discussions about the development policy framework of the European Union, notably the *European Consensus on Development* of 2006 and the *Code of Conduct on Complementarity and Division of Labour* which was adopted in May 2007. In 2004 the Netherlands was instrumental in revitalising the discussion within the EU on harmonisation measures, which had been agreed upon earlier at the Monterrey Conference in 2002. Together with Ireland, the Netherlands chaired a Working Party on Harmonisation, a technical commission established by the General Affairs and External Relations Council with the aim of focusing the member states on the harmonisation agenda.

During its EU presidency in the second half of 2004, the Netherlands pushed for a new development policy statement (Intranet). It called for the so-called EU Roadmap for Harmonisation, which eventually led to the adoption of the *European Consensus* in 2006, the first joint policy framework for European Development Cooperation of the European Commission and the member states. As the consensus did not include a division of labour between these two, efforts to establish concrete

measures were continued. The Netherlands is one oft he EU member states who drive the harmonisation agenda. This was very apparent during its presidency when DSI played in important role in gathering attention for the hiv/aids epidemic. During the presidency hiv/aids was one of the priority themes and different activities were organised in order to put the epidemic stronger on the development agenda of the EU:

- A common meeting with Ireland was organised to speak about an aids vaccine and microbicids.
- An informal dinner was organised for European political leaders and the European corporate people, in order to talk about socially justified entrepreneurship and hiv/aids.
- A meeting amongst ministers of development cooperation was held in order to discuss further options for coordination and harmonisation of aids programs.
- Presentation of an analyses of the relation between hiv/aids and safety and stability in Africa.
- Attention for how to address aids as a part of the political dialogue in regions were governments are reluctant.
- An expert meeting was held for 25 EU government officials on the importance of the ICPD/ Cairo agenda for development cooperation and poverty reduction.
- In the informal Council for Minister of Development Cooperation srhr was set on the agenda because of the 10th anniversary of the Cairo agenda and the realisation of the MDGs.

4.3.3 OECD/DAC

Within the OECD/DAC the Netherlands has actively participated in the process leading to the Paris Declaration, as well as in promoting its subsequent implementation. It played a prominent role the *Taskforce on Donor Practices*, which was established to elaborate the agreements of the Rome Declaration (annual plan FEZ 2002/2003). This taskforce also stimulated the development of the Paris Declaration.

In the OECD/DAC the Netherlands does not find itself in a group of like-minded donors as is the case in the Nordic Plus Group, especially when it comes to a common approach to health issues like hiv/aids and srhr. Within the OECD/DAC liberal donor countries face conservative donors like the U.S. And although all committed themselves to the Paris Declaration and aid effectiveness, in practice these countries can have a different interpretation on how to achieve aid effectiveness in the health sector. In interviews DSI indicates that it frequently lobbies with their American colleagues at the *United States Agency for International Development* (USAID). Strengthening of health systems is one of the themes where USAID is aimed at. But they do not have a clear integral srhr policy and each reference to the Cairo agenda is being avoided. Although the fight against the aids epidemic is top priority for the U.S, it lack attention for crucial aspects as family planning, the distribution of condoms, free and save abortion and programs for commercial sex workers. DSI in its annual reports

and plans indicate that lots of efforts are aimed at lobbying for a more liberal approach of the U.S. In its efforts it forms coalition with the Nordic Plus Group and other liberal donors in the OECD/DAC.
The Netherlands has contributed to many harmonisation activities within the OECD/DAC. In 2004 the Netherlands worked in DAC context to harmonisation of health policies, especially the health issues presented in the PRSPs. It also gave the first start to come to further integration of gender in aids policies by all donors. Not only is this argued by the ministry's, but also by the OECD/DAC (Peer Review).

4.2 Planning and assessment instruments

4.2.1 Track Record and Sector Track Record

Since 1994 the Track Record has been applied in order to determine whether or not a partner country is eligible for general budget support and for making decisions about the options for other aid modalities. Over the years, the instrument has been modified. For the first five years, it was used to decide whether a country met the criteria for becoming a partner country of the Netherlands in a long-term relationship. Nowadays, the Track Record provides information used for making decisions about matters as the most appropriate degree of alignment, or mix of aid modalities, that is possible in a partner country. It is drawn up at embassy level and provides an analysis of a partner country's policies, institutions and reforms. By assessing policy and governance performance in macro terms. It is an analytical process which is relevant for decision-making on the aid modality mix.

However, the Track Record does not provide a systematic perspective at sector level, as does the health sector Track Record. It has been introduced to complement the Track Record by providing a detailed assessment of performance in the health sector. The Sector Track Record is also a tool for analysing and monitoring key aspects of the health sector, like the progress in the fight against hiv/aids or the efforts in decreasing maternal mortality rates. It is country and health sector specific and in intended for internal use, but may also be shared with local partners in the health sector. In order to enhance the relevance for other development actors and stimulate joint work, the key questions in the Sector Track Record have integrated the indicators of progress (see annex IV) of the Paris Declaration. One of the heading in both Track Records is "harmonisation and alignment".

However, the Sector Track Records are a new thing which will be come to work in 2008, so no experiences with it can be reported at the time of this study. The first full Sector Track Records have been conducted in November 2007 and have provided inputs for the MASPs 2008-2011. DEK coordinates the assessment and approval of the general Track Records submitted by the embassies.

Then they will verify with DSI that the Track Record analysis and the aid modality mix proposed in the MASP is supported by the findings of the Sector Track Record.

It is important to note the following here. A very recent IOB evaluation of the Dutch Africa Policy notes a divergence between the outcomes of the Track Record and the actual decisions to provide general budget support and raises questions about the objective nature and quality of the scoring method. It is remarkable ministry staff with the same criteria for the same country can lead to a different interpretation and appreciations. It seems that the Track Record is a very subjective instrument . Besides that, staff at DEK suggested that sometimes political staff can decide that a country may receive budget support, although the Track Record does not.

4.2.2 Multi-Annual Strategic Plan (MASP)

The Multi-Annual Strategic Plan (MASP) is made once in every four years by the embassies and is the main tool for the ministry's planning cycle (annual plans DEK). It is a condition that every embassy report to the ministry what its contributions and plans will be concerning the implementation of the Paris Declaration. DEK want the embassies to harmonise their MASP to the Joint Assistance Strategies where different donors work together.

4.3 Support programmes

4.3.1 SPICAD

In order to implement the Paris Declaration, the staff needs to be equipped in the right manner. That is why DEK came with the SPICAD program. The Embassy Support Programmes for Institutional and Capacity Development, SPICAD, became operational at the end of 2007. The purpose of this programme is to enable Dutch embassy staff to work in adequately addressing institutional and capacity challenges within the embassy. It also contribute to the skills and knowledge needed by the embassy staff in order to deal better with the implementation of the Paris agenda. It does not directly support local institutional and capacity building activities. The programme provides support and training activities in areas such as poverty policy, health policy, political and institutional issues, capacity development at the sector level, and cross-cutting themes.

4.3.2 PFM-POP

Another program that helps embassy staff deal better with the implementation of the Paris Declaration is the Public Financial Management Support Programme. This deals with better preparing staff to deal with financial issues. This programme started in 2003 and embassies are given training and coaching from an external expert. Local development partners are also invited in participating in this programme. The PFM course is not only given at the embassy but also at the ministry.

4.4 Challenges in the implementation of the Paris Declaration

4.4.1 The Paris Declaration vs the EU Code of Conduct

Interviews conducted amongst a number of staff at DSI and DEK who are specifically dealing with the aid effectiveness agenda indicated a number of challenges they meet with regard to the implementation of the Paris agenda. The first one was the difference in focus between the Paris Declaration and the EU Code of Conduct. Although it is stated that the leadership and ownership in in-country division of labour should lie with the partner country itself, the Code of Conduct primarily focuses on donor harmonisation and on the division of labour in sectors. In contrast, the Paris agenda is more aimed at ownership and alignment, with general budget support as the preferred aid modality. It is noted that the word sector is almost not mentioned in the Paris Declaration. In turn, the Code of Conduct does not mention general budget support.

In the context of the sector approach, the dialogue with the partner government deals with specific health sector policies. Staff is worried that strictly obeying the Code of Conduct might jeopardise the overall policy dialogue as well as undermine the application of budget support. Which would put restraints on the implementation of the Paris Declaration.

4.4.2 Thematic issue of health gets lost

Another challenge which is mentioned by staff is that the focus on thematic issues as health is put on the background. The changing aid architecture results in a prevalence of macro-economic issues in the interactions with he partner government. Discussions focus on money and capital flows at the cost of policy content and attention to thematic issues as health. The major actors involved are primarily the Ministry of Finance, or the financial department of the Ministry of Health. It was mentioned that issues as hiv/aids, gender and srhr is losing ground in this process.

4.4.3 Track Record and general budget support

Financial staff at FEZ and DEK welcome the Track Record and it enhances the transparency in the decision-making process around the aid modalities to be applied. But they also recognise its limitations, in cases for decisions for providing financial support to a particular partner country have to be taken on political grounds. However, if political decisions to provide budget support are not in compliance with the scores in the Track Record, the reasons for this decision are explicitly pointed out.

Another thing which was noted during the interviews was that in cases when sanctions have to be applied to partner countries receiving budget support, the sanctions can only be effective when all donors involved in providing budget support are willing to impose them. In some cases this has resulted in a most lenient donor setting the standard for the other donors. One example is the case in Uganda, where the Netherlands withdrew its budget support, but proved to be alone in the group of harmonising donors and subsequently reinstated it. In this case the Track Record proved to be an irrelevant instrument.

4.4.4 Silent Partnership/ delegated cooperation

Since 2003 the Netherlands is engaged in Silent Partnerships in countries involving the Nordic Plus Group and there is an interest in extending this way of working to other donors as well. Although staff acknowledged the advantages of these settings (low transaction costs, achieve input targets without remaining active in a sector or country), this harmonisation setting is also considered to be not as optimal as it should be for the division of labour amongst donors. Silent Partnership are said to be too much focused on harmonisation and paying too little attention to alignment. And another problem concerning Silent Partnership is that only a few partners are really willing to be 'silent' when it comes to the implementation. Where silent partner donors wish to continuously discuss implementation matters, no benefits arise that reduce transaction costs.

4.5 Conclusions

The Netherlands is committed to the implementation of the Paris Declaration principles as the institutional structure for development cooperation have been tailored for that purpose. Some initiatives were taken years ago, before the adoption of the Paris agenda, such as the delegation of responsibilities to the embassies. Others are of more recent nature such as the creation of DEK and the harmonisation desk.

In general it can be stated that the Dutch efforts to the implementation of the principle harmonisation are high. This can be shown by the following points. First, by the fact that the Netherlands has actively promoted the aid effectiveness agenda, amongst others specifically in the health sector, in international forums as the Nordic Plus Group, the OECD/DAC, and the European Union. During it presidency of the EU much attention was given to hiv/aids and srhr. Besides that the Netherlands has been instrumental in developing the Paris Declaration and was one of the initiators of the EU Code of Conduct on Complementarity and division of Labour. Specific structures have also been established at the ministry to promote the aid effectiveness agenda., by the creation of the harmonisation desk in 2002 and DEK in 2005. Unfortunately no specific action plan was established for the implementation of the Paris Declaration. Other donors like Denmark and Norway do have one and is open for other

donors to see. If the Netherlands would also have such a document, the Dutch harmonisation efforts would be transparent for other donors. This would be better for harmonisation. DEK also is the initiator for aligning the MASPs of the embassies to Joint Assistance strategies, if a partner country has one. This needs to be done in order to come to further harmonisation.

In order to accommodate to the changes in the work of embassy staff since the introduction of the Paris agenda, the ministry has come up with the PFM-POP and SPICAD training programme in order to facilitate the right equipped staff at the embassies.

When looking at the implementation of the Paris Declaration at the ministry is strict line is visible on who addresses harmonisation and who addresses ownership. A lot of attention is given to harmonisation efforts at the ministry, but the department DSI puts no efforts in addressing ownership. Commitment to ownership is made in the policy documents, but at this level almost nothing of it is found back. A lot of the work, efforts and attention of DSI is directed at harmonising aid policies with other donors. Much of the contacts are with other donors, but there seems to be little attention of ownership in the sense of maintaining policy dialogue with partner governments. Each contact the ministry has with its partner country government goes through the embassy staff.

The only link with the concept of ownership seems to be with decision-making around the eligibility for general budget support. This exactly meets the critique on the Paris Declaration of Rogerson, where he indicates that too much focus is given to aid modality.

5. IMPLEMENTING THE PARIS DECLARATION AT THE EMBASSIES

5.1 Introduction

This chapter describes in which way the Dutch embassies in the nine African partner countries where the Netherlands is active in the health sector cope with the Paris Declaration and have tried to put the principles of ownership, harmonisation and alignment into practice. These partner countries are Burkina Faso, Ethiopia, Ghana, Mali, Mozambique, Uganda[12], Zambia and South Africa[13]. The information is based on an analysis of the embassies' annual plans/ reports 2004-2007, Multi-Annual Strategic Plans 2003-2006 (MASPs) and Track Records 2004 to 2007. In addition, information was gathered through a questionnaire. It should be noted that unfortunately, Burkina Faso, Ethiopia, Mozambique and Ghana have not responded to the questionnaire. Telephone interviews with health experts of the embassies of Mozambique, Ghana and Zambia have also contributed to the information in this chapter.

The next paragraphs discuss the role of the embassies in addressing ownership, harmonisation and alignment. This section can be very technical, but in order to make it understandable for the reader without the exact development cooperation knowledge a more general view is presented. Since the implementation of the Paris Declaration also depends on the embassy's capacity to do so, paragraph 5.5 will discusses how the embassies cope with the Paris Declaration in their organisation. Finally, views on the Paris Declaration of the embassies are presented in paragraph 5.7. This chapter closes with conclusions in paragraph 5.7.

5.2 Ownership

5.2.1 General Budget support

The Netherlands considers general budget support as the most effective form of aid since it ensures that partner country governments assume responsibility for implementing their own development agenda and contributes to a better alignment of aid to partner countries' policies and systems (see chapter 3). But general budget support is not something a partner country gets automatically. The Track Record, developed at the ministry of Foreign Affairs in The Hague, determines whether a partner country meets the criteria for general budget support. This has been discussed in chapter 4. Figure 5.1 shows which African health partner countries have received general budget support.

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[12] In Uganda the Netherlands is not active in the total health sector, but more specifically on sexual and reproductive health and rights.
[13] In South Africa the Netherlands is not active in the total health sector, but efforts in improving health are specifically aimed at the hiv/aids epidemic.

Table 5.1: Annual structural budget support per country
(in million EUR)

	1998	1999	2000	2001	2002	2003	2004	2006	2006	Total
Burkina Faso				7	13	10	13	15		58
Ghana		7	7	7	9	1	10	10	15	72
Mali	12	5	9	9	10	8	10	10	10	83
Mozambique		5	7	10	15	17	18	16	16	104
Uganda		9	9	10	8	10	22	16	16	100
Tanzania				16	15	25	15	10	30	111
Zambia									6	6
Total	12	28	32	59	70	80	88	81	114	564

Source: Ministry of Foreign Affairs, Pyramide

Table 5.2: Incidental budget support per country
(in millions EUR)

	1998	1999	2000	2001	2002	2003	2004	2006	2006	Total
Burkina Faso				11			7			18
Ghana				81			7			88
Mali			18							18
Mozambique			20	26						46
Uganda			20							20
Tanzania			39							39
Zambia										0
Total	0	0	97	118	0	0	19	0	0	324

Source: Ministry of Foreign Affairs, Pyramide

Figure 5.1 and 5.2 shows that Ethiopia has never been granted general budget support. Track Records have indicated Ethiopia as a partner who is not eligible for budget support because of the lack of good governance, political instability and lack of proper development policies. Zambia only received budget support in 2006. South Africa is also not listed, because this partner country itself does not want to receive budget support. Embassy staff indicated that the Track Record is a good instrument for determining whether budget support is the right aid modality for the partner country, but sees problems. For one, Donor countries each have their own mechanism with their own conditions which decide which aid modality to use. This can lead to the situation that a partner country can receive budget support from one donor, while another donor decides not to. Further harmonisation of donors is needed here. Besides that, embassies primarily consider the Track Record as a tool for reporting to the ministry so that decisions can be made at that level. The embassies do not consider it as an analytical instrument for decision-making at embassy level. The Track Record is considered to be a good instrument for deciding upon the aid modality, but they feel that it is not enough. There are other important considerations in deciding alignment and aid modalities, such as recent political circumstances, changes in policy arguments and the position of other donors.

The problem of general budget support is that the aid flow finds it way directly at the partner government's Ministry of Finance. The donor, the Netherlands in this case, does not know how this

aid money is allocated amongst the different policy sectors, and which part is destined for health is unknown. Although this aid modality is the perfect manner to respect a partner country's ownership, it does not offer insight in its contribution to health. What does directly goes to the health sector is the sector support, which finds its way to the partner governments Ministry of Health or Ministry of Finance. The following figure shows an overview of the shifts in sector support before, during and after the adoption of sector support.

Sector	Average 1995- 1999	% of total sector support	Average 2000- 2006	% of total Sector support	Change
Water and sanitation	12,9	7,3	12,4	4,8	↓
Social infrastructure	17,4	9,9	13,4	5,2	↓
Education	19,5	11,1	71,6	27,6	↑
Health	**31,7**	**18,0**	**60,9**	**23,5**	↑
Agriculture	26,2	14,8	14,0	5,4	↓
Rural development	35,7	20,2	17,1	6,6	↓
Forest	6,3	3,6	4,6	1,8	↓
Environment	9,8	5,6	17,4	6,7	↑
Government and civil society	16,8	9,5	47,7	18,4	↑
Total	**176,4**	**100,0**	**259,0**	**100,0**	

Table 5.3: Annual expenses per sector, 1995- 1999 and 2000- 2006
(in million EUR and in % of total sector budget support)
Source: IOB, Pyramide.

Another problem is also indicated by the embassy of Uganda. The need for the ministry to achieve input targets may complicate the embassies' programming process and could potentially undermine partner country ownership and Dutch efforts to align with partner country-led priorities. The Dutch embassy in Uganda indicated that it has ample room to resist the pressure from The Hague to increase spending on hiv/aids and is therefore able to respect the Ugandan government's strict discipline on sector allocation ceilings.

5.2.2 Political dialogue

All nine embassies report a general trend from bilateral policy dialogue and interaction towards dialogue between a group of development partners and the partner country government. However, the relative importance of multilateral and bilateral dialogue depends on the context of the particular partner country.

- The policy dialogue between the Netherlands and South Africa and the interaction with other development partners there did not change with the adoption of the Paris Declaration, because of the already strong existing ownership amongst South African institutions. South Africa

does not want to receive general budget support by donors since it wants complete ownership over its own national budget. Policy dialogue between South Africa and the Netherlands is mainly bilateral. The Netherlands disagrees on the content of South Africa's aids policy and the attitude of the government towards it. In the view of the Netherlands the South African attitude towards addressing the aids epidemic in its country remain to conservative. After a period of denial of the existence of the epidemic, government now acknowledges its threat to development. Still, it is very reluctant in addressing this issue seriously with a scientific view. Although efforts of the Netherlands aim at changing this, the South African government does not attempt to change its attitude. For its part, South Africa uses the Paris Declaration to hold development partners to account with regard to their commitment to national ownership (annual plans/reports embassy Pretoria).

- In Tanzania, Uganda and Zambia, the Netherlands has joined other development partners in a Joint Assistance Strategy in health, which has resulted in prominent multilateral dialogue with these development partners in general.
- Concerning the health sector, in Mali the Netherlands is fully engaged in multilateral dialogue.
- In the other countries multilateral dialogue is increasing, but the Netherlands still largely engages in bilateral dialogue.

The embassies confess that with the sectoral approach it tends to focus all attention on policy dialogue with the recipient government and less with the civil society, local government and private sectors in those countries.

5.2.3 Country leadership

All nine embassies note that the government of the partner country has taken initiatives to practise its leadership role, but the extent to which have varied amongst the partner countries. In South Africa there is already a strong degree of ownership at the level of the central government, initiatives to strengthen ownership are scarcely present. In Ethiopia however, efforts in order to strengthen country leadership have occurred, but the country is not yet very politically stable. Donors refused to talk to the government so progress has been slow. A number of partner countries have passed legislation regarding the use and channelling of external aid and have established *Harmonisation Action Plans* or *Joint Government-Development Partners Committees.* The embassies have indicated that they are more then willing to work in these settings, because it raises awareness of the host government when it comes to critical issues in health, like srhr and aids. It gives the embassy staff an opportunity to address these issues and make sure it gets attention in the national development strategies. In general the embassies have indicated are willing to accept the host governments' leading role, especially where active government involvement and involvement of other stakeholders has resulted in adequate PRSPs. All partner countries have PRSPs, except for South Africa. The embassies also indicate their

willingness to engage in supporting institutional and organisational capacity-building processes to foster and facilitate host country leadership, but in practice this is not shown much since the Netherlands is not engaged in many of these projects. They report that the extent to which country leadership is taken up by the partner country government is related to the quality of the partnerships between development partners and government. Health experts at the embassies state that ownership will only work if donors refrain from dictating policies and if at the same time the national governments becomes genuinely politically committed to development and health issues. But the embassies also indicate that in some African partner countries it is very hard to get governments committed to sensitive health issues without imposing and dictating that health policies should include attention for aids, srhr and gender.

Another decisive factor for country leadership is the capacity of the national government. In countries which have weak institutions and capacity, capable government officials are often severely overstretched. The embassies noted that this issue can not be addressed easily in the short run. However, it was stressed that the development partners could and should provide support through demand driven capacity development programs.

5.2.4 A range in ownership

The Dutch health aid programs in the African partner countries aim at fostering a partnership between central government and the Netherlands as a donor. In order for that the Dutch embassies mainly focus their attention on promoting country ownership amongst government institutions. At the same time they also recognise the need for a much broader ownership in order to achieve effective development in health, since sometimes the recipient government is not always completely trusted. In addressing ownership, not only the national government should be involved, but also a range of other actors as the civil society, NGOs and the private sector. In cases where the Netherlands acts as health sector donor, the range of actors the Netherlands focuses upon is much broader: from national and local government, to civil society, churches, NGOs and voluntary civil organisation and the private sector. According to the embassies involvement of these organisations is of crucial importance in addressing health issues in countries where people are reluctant to talk about issues as aids, srhr and gender. Often civil organisations and local organisation like churches reach a higher target group on the country side than the government can. One of the countries where this is the case is Mali. Other examples are the active involvement of civil society in the fight against hiv/aids (e.g. Burkina Faso, South Africa, Mali, Zambia), sexual and reproductive health and rights (e.g. Uganda and Zambia), private sector development (Ghana and Zambia) and support to the administrative decentralisation (e.g. Zambia, Mozambique). The private sector is mentioned here since health issues have affected capacity in the private sector and this sector needs to engage in dealing with health issues.

Some embassies mentioned the lack of a genuine health policy and actions by the host government to achieve ownership of development amongst its citizens (e.g. Ethiopia). Quoting the Dutch health expert at the embassy in Addis Abeba: *"Development happens to citizens without them being able to influence development and to tailor development activities to their specific needs or situation, therefore Dutch efforts aim at strengthening this particular group"*. The embassy in Mali reported that the active involvement of the civil society can possibly go too far. Something which the embassy needs to keep an eye at. It saw a trend in for civil society organisations to take on the role of programme implementers, which jeopardises their more political role of advocacy and lobbying.

It was also noted in interviews and the questionnaire that countries experiencing frequent political changes with discontinuity in the bureaucratic system, have experienced a set-back in leadership as well as in the recipient government's capability to manage the donors. This has been the case in Ethiopia, where the political instability in 2005- 2006 negatively influenced the dialogue between the embassy and the government.

5.3 Harmonisation

5.3.1 Examples of donor harmonisation

The Netherlands supports the health sector in the nine partner countries mostly through multi-donor, sector wide programs. There is a multiplicity of different small or large multi-donor activities present in the partner countries. Mentioning each and every program would be far too many, therefore only some of the largest and leading examples are discussed in this section:

- Donor harmonisation has substantially progressed in Uganda and Zambia. The Netherlands together with other donors (mainly Nordic Plus) have established a *Joint Assistance Strategy* (JAS) in health. In close cooperation with the government the donors agreed to a division of labour health programs. One donor is selected to be lead donor of the health sector and *Joint Financing Arrangements* (JFA) are established. The Dutch embassies in these two countries report positive experiences working in these settings, although they do state that the implementation of the JAS is labour intensive and a long term process. They also state that they not only have work in keeping like-minded donors in the JAS on track, but also preventing other donors outside the JAS from bypassing JAS structures and procedures.
- The JAS initiative in Tanzania is a leading example for the international donor community according to the OECD/DAC (Peer Review 2006). The lead role of the Netherlands has been significant and is praised by the DAC. Embassy staff also indicate that they have had good experiences within the JAS. They contribute the improvements in the health sector for a great

part to the JAS, since the Tanzanian government was already committed to health issues. This in combination with the JAS had led to the desirable results.

- The Ethiopian and Mali embassies consider that is too early for donor harmonisation, which takes places on ad hoc basis involving like-minded donors only. No JAS has been founded yet. The Netherlands and like-minded donors are trying to support the government by exerting peer pressure on other donors in Consultative Group Meetings. These platforms are also used by the donor community to reach a common understanding regarding the shortcomings in the national administration that are hampering donor harmonisation.
- In Burkina Faso, Ghana and Mozambique the embassies indicate that they have good experiences working in multi-donor settings which concentrate on health issues. Although harmonisation does not find itself yet in a far claimed position as in Tanzania and Zambia, multi-donor programs in health have seen an increase the last three years.
- South Africa is a somewhat special case. This country does not consider further donor harmonisation a priority because the external aid it receives is only a fraction of the national budget. The Netherlands regards South Africa as a “post- Paris developing country”. Like-minded donors, amongst them the Netherlands, aim to transform their development relationship with this country into a broader bilateral relationship in which official development aid will remain important in the medium term.

5.3.2 Changes in the work of health experts

Increased donor harmonisation has lead to changes in the work of the health experts in the African partner countries, but also in the composition of Dutch aid programmes. The following embassies have responded different on their experiences:

- In Tanzania and Zambia, the embassies noted that they face an increased work pressure in the health sector, where the Netherlands is the leading donor. Being a lead donor means actively engaging with other like-minded donors and keeping close contact. But embassy staff see the contacts with the non like minded donors as the task with the most pressure.
- In Mali staff indicated that engaging in multi-donor dialogue with the authorities has turned out to be a time-consuming activity, which they can hardly cope with.

All other embassies also responded in this manner. They all indicate that during the last years the increase in donor harmonisation has lead to a significant change in their work, which often can not be coped with at the embassies. The focus of attention shifted from projects, where health experts knew more autonomy than in the multi-donor settings. The changes in the work of the health experts include: diminishing the number of stand-alone projects, agreeing with other donors on joint financing through Silent Partnerships and applying joint procedures and common reporting formats. The embassies noted that consultations on joint financing agreements are very labour-intensive and time-consuming. They also indicate that they wonder whether the transaction costs really will decrease.

5.3.3 Aligning and harmonising the MASPs

At the time of conducting this study, the ministry was drawing up its Multi-Annual Strategic Plans (MASPs) for the support to partner countries for the period of 2008- 2011. DEK at the ministry in The Hague initiated the harmonisation of the MASPs to the JAS, as mentioned in chapter 4. The progress of the embassies however, is very diverse. Some of the embassies take the lead in harmonising their MASP to the JAS, like Tanzania, Mozambique and Ghana. Zambia and Uganda see good prospects for bringing their MASPs into line with the JAS. These countries are dealing with proper PRSPs which makes it easier for these embassies to align. As for the other embassies, Mali, Ethiopia and Burkina Faso the MASP will be based as much as possible on other types of harmonisation agreements, such as the Joint Country Strategy Paper established by like-minded EU donors and the European Commission in South Africa. The embassy in Mali indicated that its MASP will have to be flexible in order to account the soon to be expected JAS.

5.3.4 Challenges to donor harmonisation

The response of the embassies and their health experts indicate that they play an active and often leading role in donor consultations on the implementation of the Paris Declaration in the health sector. The embassies consider that being an important donor is an advantage when meeting partner governments in consultations with the aim of assisting it to assume leadership of the Paris agenda. The embassies have indicated a number of challenges with regard to donor harmonisation with the less like-minded donors:

- A considerable number of bilateral and multilateral development partners continue to need visibility, have high ambitions to lead in the health sector, show limited flexibility for working jointly and prefer bilateral dialogue with the partner government.
- There are less like-minded donors who continue to be project-orientated and consider the Paris Declaration only to be relevant for donors who provide budget support.
- Often there are donors who see the delegating of responsibilities to the partner country as problematic, on account of their own political, administrative and legal requirements and because of a lack of trust in the partner country's policies and administrative procedures. The Netherlands is one of them.
- Some embassies mentioned that the intensified consultations at the national level reduced the time available to monitor developments at the field level. This problem is also caused by the need to pay more attention to the administrative process.
- A critical note was raised about the Silent Partnerships, which are considered the most advanced example of harmonisation. They work best if all donors participate. If this is not the case non like-minded donors tend to get a much more prominent voice in the discussions.

Moreover, the embassies are not clear about their role in the case of adverse developments where the Netherlands only a minor contributor in the health sector, like in Uganda.

5.4 Alignment

5.4.1 Process alignment vs policy alignment

At the operational level, the Netherlands is increasingly paying attention to aligning its policy, procedures and processes to those of the partner countries as the annual plans/reports show. How and to what degree this has taken place depends on the specific context of the partner country. A senior staff member at DSI mentioned that the implementation of the Paris Declaration is resulting in increased process alignment. It appears that process alignment is more advanced than policy alignment. He warned that this may stand in the way of achieving the policy alignment that in his opinion is the central message conveyed in the Paris Declaration. The following observations have been made:

- In all partner countries policy alignment has increased gradually. The Netherlands is aligning with national financial and procurement systems. The Netherlands is striving to achieve budget and sector support.
- South Africa again takes a special stand. Much of the Dutch bilateral funding for health is channelled through the government's Reconstruction and Development Program. Full alignment through providing general budget support, is possible in South Africa. Track Records over the years indicate that South Africa is eligible for budget support. But the government does not wish to receive budget support As a result, the Netherlands provides sector support in order to address the hiv/aids epidemic through government projects and health programs as well as to local government institutions, NGOs and civil society.
- Ethiopia does not receive general budget support from the Netherlands. Full alignment therefore is not possible. Sector support remains the most advanced form of alignment here.
- In Mali 70% of the Dutch bilateral funding is provided through fully aligned budget support.

The embassies clearly state that full alignment is just not always possible in the African partner countries, that has to do with political instability (e.g. Ethiopia), lack of political will (e.g. South Africa) or lack of good health policies which has been the case in the past in Zambia and Mali. Another point which has been made by the embassies is that too much attention is given the alignment of aid money, and not so much on alignment of aid policy.

5.4.2 Conditions for alignment

Full alignment of aid only becomes possible in situations of good policy and good governance, aspects which are tested through the Track Record. But this is not yet the case in all of the nine health partner countries so a large part of the aid portfolio remains non-aligned. A condition is posed by the

slowness, inflexibility and differing degrees of substantive integrity of national systems and financial systems and procedures compared to those of the Netherlands and other development partners. Moreover, new governments may institute administrative reforms that result in changes to financial and administrative rules and regulations. It is considered important to test national procedures in order to asses whether they may lead to fiduciary risks and reduce the effectiveness and efficiency of aid implementation (IOB Evaluation of the Sector Wide Approach). These risks are recognised and monitored by the embassies, in order to ascertain whether they remain acceptable.

5.4.3 Capacity building

Annual plans/ reports of all nine embassies show a variety of projects where the Netherlands is involved in the training of local personnel in health, like nurses, mid-wives etc. A lot of capacity building in the health sector is being done by multilateral organisations like UNAIDS and UNFPA. Two organisation of which the Netherlands is one of the most important and largest donor. The majority of the embassies mentioned an involvement in a wide range of activities to help improve partner countries 'systems and procedures. And although the majority of capacity building efforts in the health sector goes through UNAIDS and UNFPA, the national institutions are being addresses by the embassies. Often, these activities are being undertaken jointly with other donors, like the government-wide Public Expenditure Management program in Zambia. Capacity building in thematic ministries, like the ministry of Health, is part of sector support to health. In other cases support is provided through PFM- reforms. The Netherlands also makes use of local personnel in order to work at the embassies and training programmes and workshops are often open to the locals as well. However, this can also be seen as keeping away the capable locals form the recipient government's institution were they are needed harder. It help weakens the capacity of the recipient government.

5.5 Capacity at the embassies

5.5.1 Capabilities

How well embassy implements the Paris Declaration also depends on its capacity and the extent to which they are sufficiently equipped in order to fulfil the implementation. That the implementation of the Paris Declaration requires different capacities of embassy staff members is something what all embassies confirm. But they also indicate that the adoption of the Paris Declaration has not brought dramatic changes in the organisational structure and procedures at the embassies. The embassies note that the Paris Declaration requires a balance of the different kinds of expertise which are present at the embassy level. The shift from project aid to sector/ program aid has reduced the demand for the traditional thematic expert, like the aids or srhr expert. Now there is an increase in expertise on institutional aspects and more diplomatic skills. At the same time more harmonisation and division of

labour amongst donors mean that it is no longer necessary for each donor to have a health expert at their embassy.

The adoption of the Rome and Paris Declaration required a new mindset when working in budget support mode: more political and diplomatic awareness. The concept of ownership and harmonisation has only strengthened the demand for this mindset. Especially in the health sector, the embassy invests time and efforts in increasing political commitment and awareness of partner countries of aids and srhr. This requires diplomacy and the right skills. Dialogue with other donors, like-minded or not, also demands for the need of diplomacy. Respondents have indicated that embassy staff have to be able to conduct multi-donor dialogue, think strategically, recognise opportunities and threats and be very tactful.

Most embassies indicate that they have sufficient personnel and a good mix of skills to meet the requirements for implementing the Paris Declaration, but they do have the following statements:

- The work pressure is high and the embassies are ordered by the ministry in The Hague to downsize the next years. But it remains to be seen of harmonisation and division of labour will indeed lead to downsizing of the embassy staff.
- It takes time to reorient sector specialists so that they will become experts on harmonisation in practice.
- Some donors still have a very centralised decision-making structure and for a lot of matters have to report to their ministry at home. So not all embassies have a decentralised structure as the Netherlands. This lead to hampering dialogue with the donors on the Paris Declaration. For some issues like untying aid and harmonisation, engagement in a dialogue at ministry level would be more effective and efficient.

5.5.2 More autonomy and authority

As is mentioned before in chapter 4, as a result of decentralisation the embassies have much more autonomy and authority to develop policy and handle financial and administrative matters. In their annual plans/ reports, embassies frequently mention that the delegation of responsibility to them has enhanced their ability to be effective in the policy dialogue with the partner country institutions and with development partners. But a number of problems are experienced. DSI at the ministry in The Hague continues to finance projectised activities from central budgets, which do not fit into the defined health sector. This frustrates the agreed division of labour across sectors and can be a disadvantage for harmonisation and alignment. A second problem is that formats for delegated cooperation developed at the ministry (for example with the Nordic Plus Group) are not sufficiently flexible to national conditions. In order for other donors to participate in delegated cooperation

arrangements, the arrangements and formats must be modified further but the embassies lack the legal expertise to do so on their own.

5.5.3 Support programmes: SPICAD and PFM-POP

Embassies can make use of various training and support programmes developed by DEK. Especially the mindset of the traditional health expert needs to change by these initiatives. The Support Programme for Institutional and Capacity Development (SPICAD) is a very recent programme and so far no embassy has had the experience of it yet. SPICAD was developed because the embassies saw an increase in expertise of institutional aspects and capacity building. At the time of this study however, no experiences have been mentioned, but the embassies express their satisfaction with the fact that the ministry has reacted to their demand.

All embassies make use of Public Finance Management Embassy Support Programma (PFM-POP) which is considered very appropriate since many of the embassies have no macro- economist on their staff. It is a periodic training which pays attention to macro-economic issues and most embassies indicate that other development partners and staff of partner country institutions participate in the training, which the embassies applaud.

5.6 Views on the Paris Declaration

5.6.1 Concordance between approaches of different actors

The embassies expressed a positive attitude about their own approach towards the Paris agenda in the questionnaire survey. All reported (with the exception of South Africa) a relatively constructive attitude of the partner governments towards the new way of handling development cooperation after the adoption of the Paris Declaration in 2005, although each partner country has its own way. The gap between intentions and achievements seems to be closing, but the degree of concordance in practice still leaves much to be desired. The embassies indicate that all partner countries are aware of the Paris agenda and are committed and willing to work on it, of course to varying degrees, and they have become active in its implementation.

The health experts at the embassies consider alignment relevant, but they also see it as a possible risk for themselves if the government is not willing to be fully accountable for development results. In turn, not all donors are willing to be held accountable by the partner country. Still there is growing attention for movement towards cooperation and coordination through sectoral, bilateral and multilateral dialogue. The partner countries that are very committed to the Paris Declaration (e.g. Tanzania and Zambia are indicated by the embassies) are often prepared to review its legislation and procedures in order to meet the implementation correctly. In South Africa, there is a difference of

opinion between the government and the group of like-minded donors. This concerns the reciprocal nature of the Paris Declaration. Like in other partner countries, the South African government's view is that donors have to commit to all of the principles and not to some of them. The embassy there mentioned that South African officials have been critical of the Dutch embassy by stating that the Netherlands keeps a hard focus on imposing political commitment to the fight against hiv/aids and accused the embassy to have a supply driven attitude and not respecting the country's ownership. In a number of partner countries the government has not yet made clear whether and to what extent it wishes to change its own ways of operating or whether it lacks the capacity to do so.

The concordance between the Dutch approach to alignment and harmonisation and that of other donors varies considerably. In the three cases where the Netherlands is involved in a JAS (Zambia, Uganda and Tanzania) the embassies are positive about the growing inclusiveness which provides donors space and time to become accustomed to a joint approach, but they also state that in practice progress is often slow. Often, as in Mali where the Netherlands is one of the largest and most important donors in the health sector, the Netherlands is regarded as a frontrunner in advocating the Paris agenda. Slowly, other donors become more engaged in the implementation of the Paris Declaration. However, this is not the case in all partner countries. In Ethiopia and South Africa donors are still going there own way. In South Africa the Netherlands and like-minded donors are very much in agreement about the Paris Declaration, but other donors are still unconvinced.

5.6.2 Differences in interpreting the Paris Declaration

The nine embassies noted that the concepts of the Paris Declaration are interpreted similarly by the Netherlands, the partner countries and the like-minded development partners. However, as one embassy (Uganda) states that development partners do not yet share the same vision on the measurable indicators for monitoring the implementation of the Paris Declaration. They often cling on to their own interpretations or definitions of the various concepts. This embassy gave the following example. There seems to be disagreement about concepts as parallel Program Implementation Units (PIU), coordinated technical assistance, basket financing and co-financing arrangements. Approaches and operationalisation clearly differ and hamper the actual implementation of the Paris Declaration.

5.6.3 Other issues

In general, all nine embassies consider that the Paris Declaration is very relevant as a theoretical and practical framework. They see it as a reference for a new way of working: the partner country leading and development partners in a supporting role. That is why the embassies are positive on the fact that the responsibility for general budget support has gone from DEK to the embassies. This is consistent

with the international context of increased emphasis on partner country led approaches. But some embassies have been critical on the interpretation of country systems. According to them interpreting country systems means working primarily through the central government and that is considered to be a major bottleneck, since it excludes civil society and the private sector. It is exactly these actors which are of importance in the health sector. When a partner country is reluctant in addressing some key issues in health, active involvement is needed from the civil society. Development in health requires a tripartite involvement of all three of these actors. Yet, according to some embassies, this issue has remained underexposed in the implementation of the Paris Declaration.

In practice, there has been a major shift of aid to the central government, because this is how donors interpret the concept of alignment. Although such a shift has its advantages, it can also result in less service being delivered at the local level. One reason for this is inefficiencies in government service supply. Another is bilateral and multilateral donors reducing their support to other service deliverers such as civil society organisations, churches and the private sector and also becoming less willing to fund regional health programs and local health projects. The Paris Declaration assumes the partner government, in particular the Ministry of Finance in the case of full alignment, to play a central role and a pro-active attitude. At the same time it assumes that donors react considerately to that. The embassies indicated however, that this assumption is not self-evident. The implementation of the Paris Declaration is a complex process which is hindered by many donors outside of the group of like-minded donors. For example the conservative donors like Irelands and the U.S. who form obstacles in harmonisation when opposing the distribution of condoms and are against abortion. Furthermore, political factors remain much more important than the technical aspects of the implementation of the Paris Declaration, as the embassy in Ethiopia stated. There a political crisis in the period 2005-2006 caused a severe setback to donor harmonisation and alignment efforts.

In principle all nine embassies consider the implementation of the Paris Declaration a good cause and could be feasible in the long tem. Several comment were made:

- Commitment on the part of the partner government in health issues like srhr and aids are of crucial importance and essential in reaching development results. This also applies for civil society and organisations who needs to be stronger involved in the dialogue about health issues. Especially since the civil society plays a significant role when partner governments are lacking in health issues. If commitment of the partner country is lacking, the embassies invest time and efforts in raising political awareness and involvement of the partner government.
- Implementation can take up to a considerable amount of time. Donors and partner countries have to be able to fully meet the requirements for alignment. It is a necessity that the attitude of donors change: donors should accept that they do less, and the embassies admit that this is something what needs time to grow. So it might seem like a paradox, donors are still very

much focused on reporting their actions to their ministry in their home land. Instead, they should be ready to support a limited number of interventions. In turn, the partner countries have to be willing and able to appropriate ownership and be convinced that donor harmonisation does not result in donors forming a strong front against them. But in reality this still is not the case.

- The Paris Declaration and its implementation depends on the political will of not only the partner countries, but also on the political will of donors. Where political will is lacking amongst important donors, one could only hope for a very partial implementation of the Paris Declaration, since long term will probably not change this attitude.

5.7 Conclusions

The embassies are very committed to the principle of ownership, although chapter 4 indicated that the commitment to this principle at the ministry is apparently less. Annual plans/ reports of the embassies frequently call upon ownership than the department DSI at the ministry in The Hague. The embassies also admit that especially in the health sector it seems that ownership is not always respected. Embassy staff invests time and efforts in raising political awareness and commitment amongst traditional and reluctant partner governments to addressing key health issues like the aids epidemic. This can be indicated as imposing yourself as a donor (donor driven policy) instead of partner country driven demand for policy. According to the embassies it is important to reach a broader ownership in order to achieve effective development result. A range of other actors as civil society and the private sector are of crucial importance to addressing health issues in countries where people are reluctant to talk about issues as aids, srhr and gender. Because if the government is reluctant, the civil society, private sector and local NGOs needs to be included in ownership. Several initiatives have been undertaken in order to strengthen these actors in the partner countries. Although still much of the focus of the embassies in creating partnerships is on the central government, it is recognised that there is a need for a much broader ownership at the level of local government, parliament and civil society organisations in order to realise development effectiveness. When strictly looking at the concept of ownership from the Paris Declaration, the Netherlands is not holding on to the right idea. In health the Netherlands is more embracing the idea of broad-based ownership and therefore it can be concluded that the Netherlands is not correctly implementing the concept of ownership as is laid down in the Paris Declaration.

It seems that this issue is exactly meeting the point of critique of ownership presented in chapter two. Whose ownership is being respected in this case? It certainly is not the partner countries' ownership. The embassies' efforts in trying to convince the need for addressing key health issues perhaps is a good thing according to the donor countries. These traditional partner countries need to address the

fight against hiv/aids, srhr and gender in their national aid policies. We all can give a good judgment on that, the health situation is threatening to stand in the way of development results, so donors have to raise political awareness in developing countries. But strictly considering the principle of ownership in the Paris Declaration, donor-driven supply goes directly against the partner country-driven demand of the developing countries. And when it comes to ownership, the Paris Declaration does not make a difference between how to address ownership in different sectors.

The embassies are very positive about the harmonisation efforts. According to them, collectively working in settings of multiple donors have contributed to development results. The nine embassies are actively involved in various processes of donor harmonisation. On various occasions the Netherlands has taken a prominent or leading role in promoting harmonisation with like-minded donors, while also trying to involve other donors as well. The Netherlands supports the health sector in the nine partner countries mostly through multi-donor settings. One of the most leading examples has been the JAS in health in Tanzania. The OECD/DAC praised the contribution of the Netherlands which had a prominent role. In all nine partner countries a long list of multi-donor setting are active. All embassies are also engaged in harmonising their MASPs to the JAS, although the extent to which they have reached so far varies. They have reacted on this initiative proposed by DEK.

The embassies are increasingly paying attention to aligning aid to policies. The shift from project to sector support was already a trend in Dutch development aid before the adoption of the Paris Declaration. The embassies recognise that alignment, certainly in the health sector is hard and they find the conditions for full alignment not always in place. General budget support is not always favourable for the health sector.

Embassy staff capacity is generally considered to be appropriate the meet the requirements of the Paris Declaration. It is taking the health experts and staff however, time to readjust from their sector expertise to a more institutional expertise and develop diplomatic skills due to the change in mindset the Paris Declaration brought with itself. Decentralisation and the fact that embassies know more autonomy and authority is considered to be favourable, e.g. in the policy dialogue with the partner government. The work pressure at the embassies is high, partly as a result of the various harmonisation processes in which the Netherlands is active. It seems that the idea of lowering transaction costs behind harmonisation is not the case here. It may even be higher. Thus far, the implementation of the Paris Declaration has not yet realised the division of labour. The considerable amount of time they spend on preparing common views, engaging in joint analytical work, joint missions etc. especially where the Netherlands is an important and large donor in the health sector, reduces their capacity to monitor implementation in the field. The SPICAD program is introduced by DEK in order to meet the

demand of the embassies. But it seems that the program comes a bit late. The embassies have no experience with it yet, and the prospects of the use of the program in 2008 is not positive.

The embassies also indicate that too many donors outside of the group of like-minded donors still seem to do their own thing. Political and economical factors and norm and values remain much more important than the technical aspects of the implementation of the Paris Declaration. Norms and values also play and important role in how donors are addressing health issues and major differences may affect aid effectiveness. Examples are the attitudes of the U.S. and Ireland. And sometimes it is hard to deal with this. This meets the critic which was given in chapter two on donor motives and objectives. Especially in the health sector that seems to be a problem, because here the like-minded liberal group of donors stand exactly across the traditional non like-minded group, which partly is being caused by political and economical factors and not so much with the motive of giving aid in order for poverty reduction and improvement of health. Besides that the differences in norms and values between rich western donor countries and poor developing countries differ to. This may hamper the implementation of the Paris Declaration principles and effect aid effectiveness.

6. CONCLUSIONS AND RECOMMENDATIONS

6.1 Answering sub question 1: the Paris Declaration

How is the Paris Declaration on Aid Effectiveness assumed to improve aid effectiveness?

The Paris Declaration centres around three concepts: ownership, harmonisation and alignment and it about the following set of assumptions: effective aid must relate to the building and/or strengthening of country aid management capacity; in order to maximise the degree of aid effectiveness, local ownership of the aid process is essential: from setting of priorities through policy formulation and implementation on to the evaluation stages of the process; increasing recipient side capabilities to take charge of aid relationship, will need to be combined with arrangements to meet legitimate donor accountability concerns. However, the theory of the Paris Declaration has not yet proved to be right since it is only short time has expired since its adoption in 2005.

Sceptics question the potential of the Paris Declaration and raise critical notes. Ownerships is being questioned, since donors still have a lot to say. Another issue is the fact that the Paris Declaration does not mention the aspect of donor motives and norms and values, something that still plays an important role in deciding the content of aid policies and the attitude of donors. And the concept of capacity building is not adequately addressed according to sceptic. Questions on it feasibility are also raised.

That the Paris Declaration's intents are good, is certainly not discussable. Its assumption are thought through and its assumptions seem plausible. But whether this set of assumptions is enough to reach increased aid effectiveness is yet to bee seen. Are the principles of the Paris Declaration the answer to aid effectiveness, or will it have to be revised next decade? Only research will tell.

6.2 Answering sub question 2: commitment in policy documents

Is there commitment to the Paris Declaration principles ownership, harmonisation and alignment in Dutch policy documents?

After analysis of policy documents it has become obvious that there is a firm commitment of the Ministry of Foreign Affairs towards the concepts ownership, harmonisation and alignment of the Paris Declaration on Aid Effectiveness. Policy notes and papers as *Mutual interests, mutual responsibilities, Our Common Concern, the Africa note* and *the Aids note* indicate that the Netherlands is committed to the implementation of these concepts. Other documents like annual reports, reports about results and MDG progress report not only present views on what is reached or what future plan are, but also stress

the Dutch commitment towards the Paris Agenda. The extent to which each principle is expressed differs. Much attention is given to the importance of harmonisation. All analysed documents show a great number of expressions of harmonisation. Ownership is also being addressed, but a little less then harmonisation. Important to mention is that the Netherlands is also critical on the Paris Declaration. It is expressed that the Paris Declaration focuses to much on the managing of aid. A point critics also mentioned. The Netherlands however, states in its policy documents that it wants to take that a step further, for example by addressing capacity building.

6.3 Answering sub question 3: implementation at the ministry

In what way are the Paris Declaration principles ownership, harmonisation and alignment implemented at the Ministry of Foreign Affairs?

The implementation of the concepts of ownership find itself through the decision-making process around the eligibility for budget support. The ministry has developed the Track Record and Sector Track Record as an instrument to decide upon the right mix of aid modalities. This instrument decides the extent of alignment. However, fact is that the main aid modality in the health sector is still project support. It seems that the implementation of the principle of ownership at the ministry stops at providing general budget support to seven out of the nine African health partner countries. The commitment to ownership in the policy documents does not find itself back at the department DSI at the ministry. While the implementation of the principle ownership is limited, the harmonisation efforts however, are high. The Netherlands is very active in different international forums as the EU, OECD/DAC and Nordic Plus Group and prominent when it comes to harmonisation in the health sector. At ministry level working in joint donor setting are promoted and a lot of the work, efforts and attention of DSI is aimed at maintaining contact with other donors.

6.4 Answering sub question 4: implementation at the embassies

In what way are the Paris Declaration principles ownership, harmonisation and alignment implemented at the Royal Dutch Embassies ?

Ownership at the embassies is expressed through maintaining political dialogue with African partner governments. This is in line with the Paris Declaration. But the Netherlands finds that a form of broad based ownership, including dialogue with civil society and private, is also very important. The Netherlands states that with the sectoral approach it tends to focus all attention on policy dialogue with the recipient government and less with the civil society, local government and private sectors in those countries. The embassies acknowledge that this needs to be improved. The Paris Declaration however, does not see a role for other actors outside the recipient government when maintaining policy dialogue

between donor and partner government. Ownership is strictly considered as a relationship between donor and partner government. And although in the health sector actors outside of the recipient government can play an important role, when strictly considering the Paris Declaration, the Netherlands is failing to address ownership in the way the Paris Declaration presents. Another major point of concern is the following. Although the embassies agree with the importance of ownership, they do but admit that sometimes the conservative attitude of African governments concerning health issues gives the embassies no other option than to impose themselves which leads to donor driven policy instead of partner country driven demand. Something what goes directly against the idea of ownership in the Paris Declaration.

Providing general budget support is also an expression of ownership and full alignment, but not all African partner countries meet the criteria of the Track Record which determines the aid modality mix. It is the responsibility to conduct the Track Record and it is the responsibility of the ministry to review this and decide upon the right aid modalities. All African health partner countries receive health sector budget support, but projects support is still the main aid modality in the health sector. And although there is room for project support according to the Paris Declaration, it more actively promotes budget and sector support. Because of the lack of sound health policies in some of the embassies, alignment is not possible. The extent to which the Netherlands aligns its aid in the African health partner countries is limited.

The embassies are engaged in a number of harmonisation and multi-donor setting in the African health partner countries. The Netherlands played an important and prominent role in the Joint Assistance Strategy in Tanzania and was praised by the OECD/DAC for its contribution to harmonisation efforts. The Netherlands is actively involved in a great number of multi-donor settings and because of its leading role in promoting harmonisation in hiv/aids and srhr is seen as an influential and important donor country. The embassies do meet problem with other development partner outside of the group if like-minded donors and indicate that too many of those donors are still doing their own thing, while the Netherlands and the like-minded group of donors, Nordic Plus, have good agreements and division in labour. Another major problem has to do with the work pressure encountered by embassy staff. They have indicted that the adaptation of the Paris Agenda has led to a new mindset of the health experts. There has been a shift from sector expertise towards a more diplomatic mindset since now embassy staff are dealing with different donors in multi-donor settings. Besides that, applying joint procedures and common reporting formats in joint financing agreements are very labour-intensive and time-consuming. It is only the question whether the transaction costs really will decrease.

6.5 Answering central research question

To what extent is The Paris Declaration on Aid Effectiveness implemented in Dutch aid policy for health in Sub Saharan Africa and what are the likely consequences for aid effectiveness?

When it comes to the principle of harmonisation and its implementation in Dutch aid policies for health, one could only be very positive about it. The Netherlands internationally is seen as a frontrunner in the health sector and its contribution to harmonisation efforts are great. The Netherlands is not only praised by the OECD/DAC for its contribution to harmonisation, but is also seen as an important and leading donor by the international donor community and developing countries. But when it comes to the health sector, one major discrepancy with the Paris Declaration is observed. Ownership is not being addressed by the Netherlands as the Paris Declaration visualises it. When dealing with traditional and reluctant African health partner countries, the situation of a donor driven policy is created instead of partner country driven demand. Something what goes directly against the core idea of ownership in the Paris Declaration and also makes alignment very difficult.

So it seems that only the principle of harmonisation is implemented in Dutch aid policies in the manner the Paris Declaration presents and ownership is being somewhat neglected. So what are the likely consequences for aid effectiveness? There are two sides in judging this case. On the one hand, trying to enlarge political awareness and involvement of African health partner countries on hiv/aids and srhr, were the aids epidemic is causing much harm, is important. Developing countries need to acknowledge the fact that the aids epidemic is causing the country much harm and that it stands in the way of further development. When health issues are tearing apart a nation and if the government is not intervening, it can be said that the donor community has a task in it. So practically this means that ignoring a African partner country's ownership can have positive effects. But on the other hand, when strictly theoretically considering the principle ownership as is presented in the Paris Declaration, this is clearly a situation of donor driven policy and not partner country driven demand. Something what goes directly against the core idea of ownership of the Paris Declaration. So the conclusion which can be drawn here is that aid effectiveness will probably slightly increase, but without more implementation of ownership and alignment, the visualised increase in aid effectiveness will not be reached.

6.6 Recommendations

At the end of this study it is now time for some recommendations which can possibly help increase aid effectiveness.

- The Paris Declarations should be more explicit on how to reach institutional and capacity building in the partner country. It would have been recommendable for the OECD/DAC to have added a sixth principle, capacity building. Now capacity building in the partner country is indirectly being addressed in the principle ownership and alignment. One of the reasons why development has been slow in African countries, is because of the lack of institutional capacity. In order to reach increased aid effectiveness it is important to stress the importance of institutional capacity building the developing country itself. Capacity building therefore deserves more attention than just indirectly being addressed in the Paris Declaration.

- Holding on to the principle of ownership in the health sector of African partner governments have turned out to be minimal, because of their reluctant and traditional attitude towards addressing hiv/aids, srhr and gender, which are important issues in order to improve the health situation. A possibility here would be for the Netherlands to actively try to engage other actors such as the civil society and private sector in policy dialogue. The Netherlands has admitted that too much focus is aimed at policy dialogue with the partner government and much less with other actors. Although the Netherlands is active in involving civil society and private sector in the policy dialogue on the health sector, it is recommended that much more efforts have to be undertaken in order to meet the lack in respecting broad based ownership when recipient government ownership can not be respected.

- The embassies have indicated that the work pressure is high and changes in the work and mindset of embassy staff are enormous. There is a shift from expertise on health towards a work attitude which consists of a more diplomatic and coordination nature. The ministry has reacted to this change by introducing the SPICAD programme for the training of embassy staff, but it has not yet found implementation at all embassies. It is recommendable that the ministry puts more efforts in making sure that all embassies have experienced this programme as soon as possible.

- Like other donors (Iceland, Sweden, Denmark) in the Nordic Plus Group, it is recommendable to the Netherlands to come up with a visible action plan on the implementation of the Paris Declaration Plan which indicates which efforts are being taken in order to implement to Paris Declaration principles. Although it was a original plan in the Netherlands, this it has not seen it existence yet. This will lead to better harmonisation within the group of like-minded donors, when these documents are open for other donors and can be adjusted to each donors action plan.

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Social and Institutional Department (DSI)
Dutch Ministry of Foreign Affairs, June 2007

Dhr. D.J. Koch, policy advisor NGOs
Social and Institutional Department/ Civil Society Organisations Division (DSI/MY)
Dutch Ministry of Foreign Affairs, June 2007

Mw. Drs. S.L.J.M. Filippini, chief DSI/ER
Social and Institutional Department/ Women and Development Division (DSI/ER)
Dutch Ministry of Foreign Affairs, June 2007

Mw. Ir. M. van Schaik, senior policy advisor srhr
Social and Institutional Department/ Women and Development Division (DSI/ER)
Dutch Ministry of Foreign Affairs, June 2007

Interviews of IOB:

Dhr. drs. M.A. Brouwer, director DEK
Effectiveness and Quality Department (DEK)
Dutch Ministry of Foreign Affairs, July 2007 **(interview taken by IOB inspector T. Kliest)**

Dhr. drs. H. Specker, Head DEK/RM
Effectiveness and Quality Department/ Reporting and Monitoring Division (DEK/RM)
Dutch Ministry of Foreign Affairs, July 2007 **(interview taken by IOB inspector T. Kliest)**

Dhr. J.H.A. Waltmans, Head DEK/BA
Effectiveness and Quality Department/ Policy Analysis and Advice (DEK/BA)
Dutch Ministery of Foreign Affairs, August 2007 **(interview taken by IOB inspector T. Kliest)**

Dhr, drs. P.C.F. Zwetsloot, Head DEK/HI
Effectiveness and Quality Department/ Aid Modalities & Instrument Development Division (DEK/HI)
Dutch Ministery of Foreign Affairs, August 2007 **(interview taken by IOB inspector T. Kliest)**

Dhr. drs. H.L. van der Vegt, Head FEZ/FM
Financial and Economical Department/ Financial Management and Advice Division (FEZ/FM)
Dutch Ministry of Foreign Afffairs, August 2007 **(interview taken by IOB junior inspector B. Limonaard)**

Mw. drs. A.A.M. Roohol, former senior officer FEZ
Financial and Economical Department/ Financial Management and Advice Division (FEZ/FM)
Dutch Ministry of Foreign Afffairs, August 2007 **(interview taken by IOB junior inspector B. Limonaard)**

Telephone interviews:

Dhr. P. de Haan, Health expert
The Royal Dutch Embassy of Lusaka, Zambia
Dutch Ministry of Foreign Affairs, July 2007

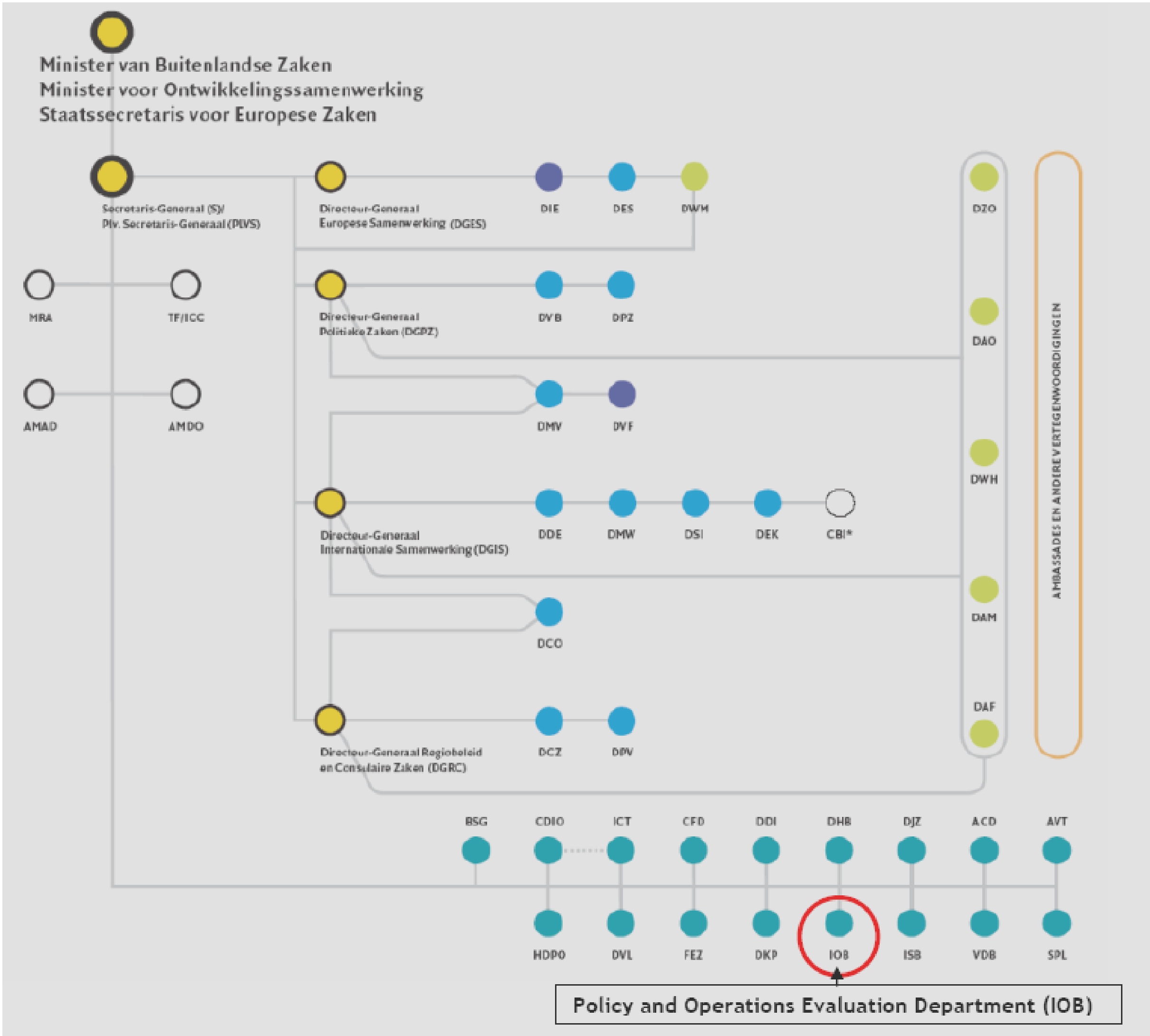
Dhr. M. de Jong, Health expert
The Royal Dutch Embassy of Accra, Ghana
Dutch Ministry of Foreign Affairs, July 2007

Dhr. R. Pas, Health expert
The Royal Dutch Embassy of Addis Abeba, Ethiopia
Dutch Ministry of Foreign Affairs, July 2007

Mw. A. Vestjens, Health expert
The Royal Dutch Embassy of Maputo, Mozambique
Dutch Ministry of Foreign Affairs, July 2007

ANNEXES

ANNEX I: ORGANISATIONAL CHART DUTCH MINISTRY OF FOREIGN AFFAIRS

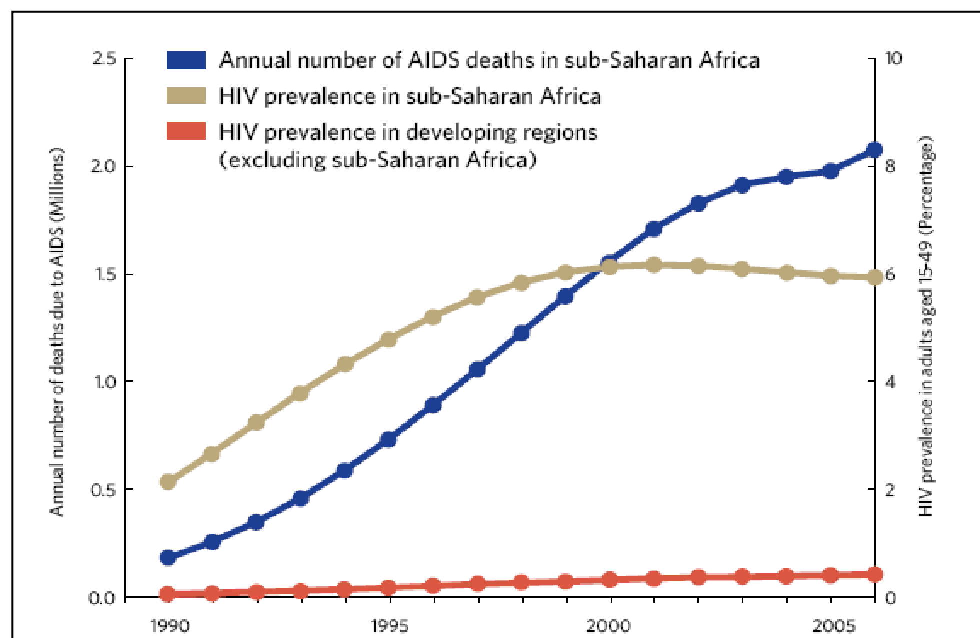


Legend Organizational Chart Ministry of Foreign Affairs of the Netherlands

- Political Leaders and Senior Civil Servants
- Multilateral Departments
- Regional Departments
- Policy theme Departments
- Support Departments
- Embassies
- Special Appointments

ANNEX II: HEALTH DEVELOPMENT IN SUB SAHARAN AFRICA

HIV prevalence in adults aged 15-49 in sub-Saharan Africa and all developing regions (percentage) and number of AIDS deaths in sub-Saharan Africa (millions), 1990-2006



Source: The Millennium Development Report 2007 [14], United Nations

Child mortality rates in different regions of the world (deaths per 1000 live births)

	Under-five mortality rate		Infant mortality rate	
	1990	**2004**	**1990**	**2004**
World	95	79	65	54
Developing regions	106	87	72	59
Northern Africa	88	37	66	30
Sub Sahara Africa	**185**	**168**	**111**	**100**
Latin America and the Caribbean	54	31	43	26
Eastern Asia	48	31	37	26
Southern Asia	126	90	87	66
South-eastern Asia	78	43	53	32
Western Asia	69	58	54	47
Oceania	87	80	64	59
Common Wealth of independent states	50	44	40	36
Common Wealth of independent states, Asia	83	78	68	65
Common Wealth of independent states, Europe	28	20	22	16
Developed regions	12	7	10	6
Transition countries of south- eastern Europe	29	17	25	15

Source: UN (2007) MDG Report 2006 and UNICEF (2003) The state of the World's Children 2000

[14] UN gathered data drawn from official statistics provided by governments to the international agencies responsible for the indicator. This is done through a mechanism of periodic data collection.

Deaths per 1000 live births in different regions of the world 1990- 2004

	Deaths per 1000 live births	
	1990	**2004**
World	95	79
Developing Regions	106	87
Northern Africa	88	37
Sub-Saharan Africa	185	168
Latin America and the Caribbean	54	31
Eastern Asia	48	31
Southern Asia	126	90
South-eastern Asia	78	43
Western Asia	69	58
Oceania	87	80
Commonwealth of Independent States	50	44
Commonwealth of Independent States, Asia	83	78
Commonwealth of Independent States, Europe	28	20
Developed Regions	12	7
Transition countries of south-eastern Europe	29	17

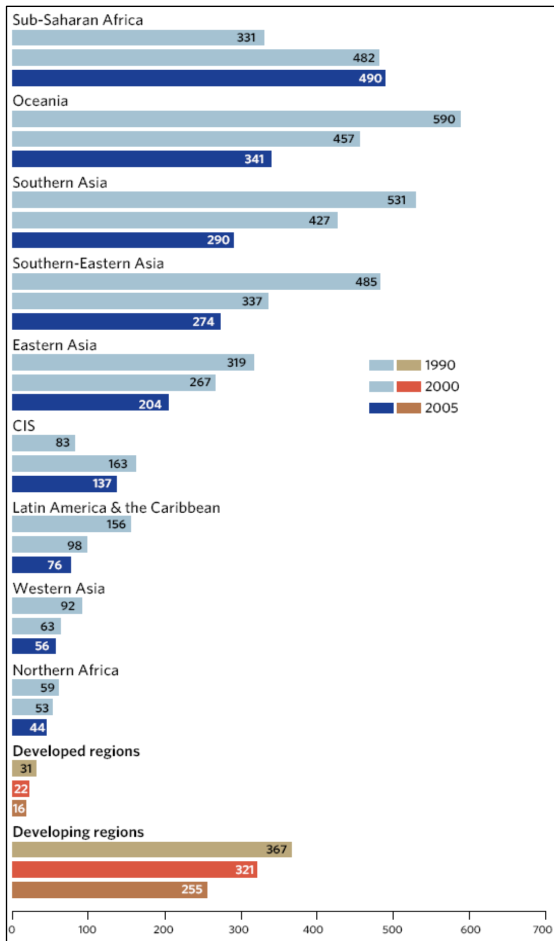
Source: UN (2007), *The Millennium Development Report 2006, Statistical Annexes.*

Maternal mortality ratio in 2000.
(No new global or regional data are available yet.)

	Maternal deaths per 100.000 live births
	2000
World	400
Developing regions	450
Northern Africa	130
Sub Sahara Africa	**920**
Latin America and the Caribbean	190
Eastern Asia	55
Southern Asia	540
South-eastern Asia	210
Western Asia	190
Oceania	240
Common Wealth of independent states	68
Developed regions	14

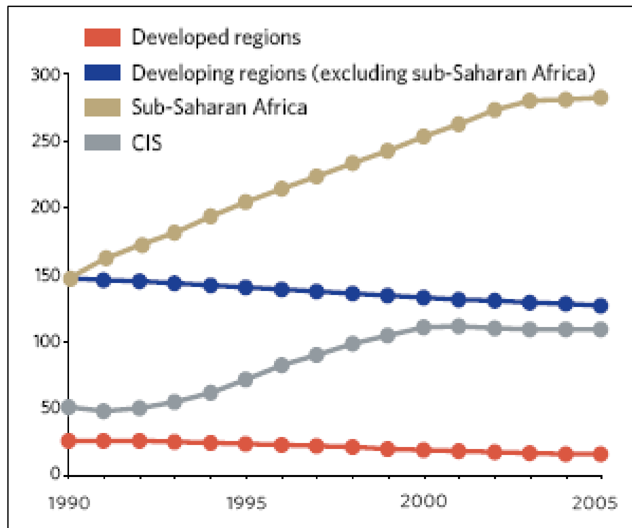
Source: The Millennium Development Report 2007, United Nations

Number of tuberculosis cases per 100.000 (excluding People who are hiv positive)



Source: The Millennium Development Goals Report 2007, United Nations.

Number of new tuberculosis cases per 100.000 (excluding people who are hiv positive)



Source: The Millennium Development Goals Report 2007, United Nations

ANNEX III: QUESTIONS FOR STAFF AT MINISTRY AND EMBASSIES

Questions for DSI staff and health experts

1. How is the principle of ownership implemented in aid policies for health? Can you indicate strengths and weaknesses of the implementation of this Paris Declaration principle?
2. How is the principle of alignment implemented in aid policies for health? Can you indicate strengths and weaknesses of the implementation of this principle?
3. How is the principle of harmonisation implemented in aid policies for health? Can you indicate strengths and weaknesses of the implementation of this principle?
4. Do you think the Paris Declaration will be of use in reaching aid effectiveness? What are your ideas on the theory/ set of assumptions behind the Paris Declaration?
5. Are there any other issues that you consider to be of interest?

Questions for health experts at the embassies

The health experts at the embassies of Ethiopia, Ghana, Mozambique and Zambia were asked somewhat a short summary of the questions in the questionnaire.

1. How does the embassy try to put ownership in practice? Can you give examples on how policy dialogue with government is encountered, but also on other relevant actors? Which obstacles do you encounter in promoting ownership?
2. How does the embassy try to put alignment in practice? Can you provide examples on Dutch systems and procedures are being adapted or have been adapted of those to the partner country? Which obstacles are encountered in aligning with the partner country's systems and procedures?
3. How does the embassy try to put harmonisation in practice? Can you provide examples and experiences on donor harmonisation efforts, like the JAS? Which obstacles do you encounter with regard to donor harmonisation?
4. What is your view on the Paris Declaration? Do you think the Paris Declaration will be of use in reaching aid effectiveness? What are your ideas on the theory/ set of assumptions behind the Paris Declaration?
5. Are there any other issues that you consider to be of interest?

ANNEX IV: QUESTIONNAIRE FOR THE EMBASSIES

Questionnaire for the Dutch embassies

You are kindly requested to answer the questions in the boxes placed below each question and return the questionnaire no later than 22 September 2007.

Embassy:
Name respondent:

I Implementation Practice

How does the embassy try to put the Paris Declaration principles ownership, harmonisation and alignment (2005) into practice?

Please answer this question by means of the following questions on the three principles.

Ownership (the ways in which the principle of *ownership* is shaped)

- What has changed since 2005 in the policy dialogue and interaction with the partner country? Is this dialogue organised in a bilateral or in a multi-donor/ multi agency setting?

- What are the consequences?

- On which actors in the partner country does the embassy focus its efforts to promote ownership?

- Has the partner country taken initiatives to increase its leadership role? If so, which?

- Which obstacles do you encounter regarding the promotion of ownership?

Alignment (the ways in which systems and procedures of the partner country are being applied)

- Can you provide examples of how Dutch systems and procedures are being adapted or have been adapted of those to the partner country?

- Which obstacles are encountered in aligning with the partner country's systems and procedures?

- What actions are undertaken by the embassy to support the partner country in improving its systems and procedures? Please provide examples.

Harmonisation (the ways in which donor harmonisation is shaped in the partner country)

- Which changes has the (further) shaping of donor harmonisation brought about for the embassy during the last two years?

- Have the consultations regarding harmonisation changed in character and participants? Please explain.

- In the event a Joint Assistance Strategy has been established in the partner country. What are your experiences with the JAS?

- Could you explain whether you think it is possible to bring the embassy's forthcoming Multi-Annual Strategic Plan in line with the JAS?

- Which actions does the embassy take to stimulate other donors and agencies to live up to the Paris Declaration?

- Which obstacles do you encounter with regard to donor harmonisation?

II Concordance in approach of different actors

- Does the embassy perceive concordance between its approach towards alignment and donor harmonisation and that of other donors/ agencies? Please explain.

- Is there (general) agreement on the interpretation of the concepts of the Paris Declaration between the Netherlands, the partner country and other donors? Please explain.

III Interaction with and support from the Ministry of Foreign Affairs (The Hague)

- Has the embassy sufficient autonomy and authority regarding policy, financial issues and administrative matters to implement the Paris Declaration principles? Are there any obstacles?

- What is the experience with the Track Record as the overall instrument for determining the aid modality or mix of aid modalities?

- How useful are the current Guidelines for Financial Management, in particular for new ways of collaboration amongst donors/ agencies, in particular Silent Partnerships?

- To what extent does the embassy receive support from divisions and teams of the ministry tasked with the promotion of the Paris Declaration: 1) the Effectiveness and Quality Department (DEK), 2) the Financial and Economical Department (FEZ), 3) the country teams, 4) Social and Institutional Development Department (DSI)?
  Do they respond appropriately and timely to requests from the embassy?

DEK
FEX
Country teams
DSI

IV Capacity

Capacity of the embassy

- Does the implementation of the Paris Declaration demand other qualities of the embassy staff?

- Does the embassy make use of the Support Programme for Institutional and Capacity Development (SPICAD) or other training and support programmes? Are these programmes appropriate and timely? Do they provide for the embassy's needs?

SPICAD
Other training and support programmes

Capacity development support provided by the embassy

- In which ways does the embassy provide support to capacity building in the partner country to implement the Paris Declaration?

- Can partners (partner country institutions, other donors/ agencies) participate in capacity training provided to embassy staff? Please explain.

- Are there special activities to train partners (partner country institutions, other donors/ agencies)? Describe projects/ activities to enhance capacity (objectives, financial magnitude and intended participants).

V View of the Paris Declaration

- What is your opinion regarding the relevance of the Paris Agenda, the internal logic of its principles and the indicators used?

- How feasible do you consider these in the partner country where you work? Take into account the efforts and role of the partner country and of other donors/ agencies when answering this question.

- How do the (Dutch) thematic objectives and input targets relate to the implementation of the Paris Declaration?

- Does the need for visibility of the Netherlands and/ or specific Dutch interests hinder the realisation of a more demand driven, locally adapted and harmonised approach to providing aid?

- Is it important to preserve the Netherlands donor profile in the partner country?

VI Concluding remarks

- Any other issues that you consider of interest?

ANNEX V: THE MILLENNIUM DEVELOPMENT GOALS

Millennium Development Goals (MDGs)	
1 Goals and Targets (from the Millennium Declaration)	**Indicators for monitoring progress**
Goal 1: Eradicate extreme poverty and hunger	
Target 1: Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day	1. Proportion of population below $1 (PPP) per day 2. Poverty gap ratio [incidence x depth of poverty] 3. Share of poorest quintile in national consumption
Target 2: Halve, between 1990 and 2015, the proportion of people who suffer from hunger	4. Prevalence of underweight children under-five years of age 5. Proportion of population below minimum level of dietary energy consumption
Goal 2: Achieve universal primary education	
Target 3: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling	6. Net enrolment ratio in primary education 7. Proportion of pupils starting grade 1 who reach grade 5 8. Literacy rate of 15-24 year-olds
Goal 3: Promote gender equality and empower women	
Target 4: Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015	9. Ratios of girls to boys in primary, secondary and tertiary education 10. Ratio of literate women to men, 15-24 years old 11. Share of women in wage employment in the non-agricultural sector 12. Proportion of seats held by women in national parliament
Goal 4: Reduce child mortality	
Target 5: Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate	**13. Under-five mortality rate** **14. Infant mortality rate** **15. Proportion of 1 year-old children immunised against measles**
Goal 5: Improve maternal health	
Target 6: Reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio	**16. Maternal mortality ratio** **17. Proportion of births attended by skilled health personnel**
Goal 6: Combat HIV/AIDS, malaria and other diseases	
Target 7: Have halted by 2015 and begun to reverse the spread of HIV/AIDS	**18. HIV prevalence among pregnant women aged 15-24 years** **19. Condom use rate of the contraceptive prevalence rate** **19a. Condom use at last high-risk sex** **19b. Percentage of population aged 15-24 years with comprehensive correct knowledge of HIV/AIDS** **19c. Contraceptive prevalence rate** **20. Ratio of school attendance of orphans to school attendance of non-orphans aged 10-14 years**

Target 8: Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases	**21. Prevalence and death rates associated with malaria** **22. Proportion of population in malaria-risk areas using effective malaria prevention and treatment measures** **23. Prevalence and death rates associated with tuberculosis** **24. Proportion of tuberculosis cases detected and cured under directly observed treatment short course DOTS (Internationally recommended TB control strategy)**
Goal 7: Ensure environmental sustainability	
Target 9: Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources	25. Proportion of land area covered by forest 26. Ratio of area protected to maintain biological diversity to surface area 27. Energy use (kg oil equivalent) per $1 GDP (PPP) 28. Carbon dioxide emissions per capita and consumption of ozone-depleting CFCs (ODP tons) 29. Proportion of population using solid fuels
Target 10: Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation	30. Proportion of population with sustainable access to an improved water source, urban and rural 31. Proportion of population with access to improved sanitation, urban and rural
Target 11: By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers	32. Proportion of households with access to secure tenure

ANNEX VI: PARIS DECLARATION, INDICATORS OF PROGRESS AND TARGETS 2010

	OWNERSHIP	TARGET FOR 2010	
1	*Partners have operational development strategies* — Number of countries with national development strategies (including PRSs) that have clear strategic priorities linked to a medium-term expenditure framework and reflected in annual budgets.	**At least 75% of partner countries** have operational development strategies.	
	ALIGNMENT	**TARGETS FOR 2010**	
2	*Reliable country systems* — Number of partner countries that have procurement and public financial management systems that either (a) adhere to broadly accepted good practices or (b) have a reform programme in place to achieve these.	**(a) Public financial management – Half of partner countries** move up at least one measure (i.e., 0.5 points) on the PFM/ CPIA (Country Policy and Institutional Assessment) scale of performance.	
2		**(b) Procurement – One-third of partner countries** move up at least one measure (i.e., from D to C, C to B or B to A) on the four-point scale used to assess performance for this indicator.	
3	*Aid flows are aligned on national priorities* — Percent of aid flows to the government sector that is reported on partners' national budgets.	**Halve the gap** — halve the proportion of aid flows to government sector not reported on government's budget(s) (with at least 85% reported on budget).	
4	*Strengthen capacity by co-ordinated support* — Percent of donor capacity-development support provided through co-ordinated programmes consistent with partners' national development strategies.	**50% of technical co-operation flows** are implemented through co-ordinated programmes consistent with national development strategies.	
5a	*Use of country public financial management systems* — Percent of donors and of aid flows that use public financial management systems in partner countries, which either (a) adhere to broadly accepted good practices or (b) have a reform programme in place to achieve these.	**PERCENT OF DONORS**	
		Score*	**Target**
		5+	**All donors** use partner countries' PFM systems.
		3.5 to 4.5	**90% of donors** use partner countries' PFM systems.
		PERCENT OF AID FLOWS	
		Score*	**Target**
		5+	**A two-thirds reduction** in the *% of aid* to the public sector not using partner countries' PFM systems.
		3.5 to 4.5	**A one-third reduction** in the *% of aid* to the public sector not using partner countries' PFM systems.
5b	*Use of country procurement systems* — Percent of donors and of aid flows that use partner country procurement systems which either (a) adhere to broadly accepted good practices or (b) have a reform programme in place to achieve these.	**PERCENT OF DONORS**	
		Score*	**Target**
		A	**All donors** use partner countries' procurement systems.
		B	**90% of donors** use partner countries' procurement systems.
		PERCENT OF AID FLOWS	
		Score*	**Target**
		A	**A two-thirds reduction** in the *% of aid* to the public sector not using partner countries' procurement systems.
		B	**A one-third reduction** in the *% of aid* to the public sector not using partner countries' procurement systems.
6	*Strengthen capacity by avoiding parallel implementation structures* — Number of parallel project implementation units (PIUs) per country.	**Reduce by two-thirds** the stock of parallel project implementation units (PIUs).	
7	*Aid is more predictable* — Percent of aid disbursements released according to agreed schedules in annual or multi-year frameworks.	**Halve the gap** — halve the proportion of aid not disbursed within the fiscal year for which it was scheduled.	
8	*Aid is untied* — Percent of bilateral aid that is untied.	**Continued progress over time.**	

ANNEX VII: PRO'S AND CON'S MULTILATERAL AID

PRO'S	CON'S
Multilateral aid tends to be less tied to the political self-interest of individual donor countries. One criticism of bilateral aid arrangements is that they are often drawn up based on self interest. Major powers who provide international aid have tended to direct their aid to former colonies or countries with which they have significant strategic ties, economic interests or potential markets. Often, aid money must be spent on goods or services from the donor country. While the United States does not have as developed a colonial history as some other major donor states, it does have a history of providing aid to countries it sees as strategic partners. This was particularly true during the Cold War, but has now emerged as a practice in the war on terror. Aid that is given multilaterally is therefore much more likely to go to developing countries on the basis of need, and of where it has the most potential for good.	Providers of aid, for the very reason that they are spending their own money, should have their interests served by an aid arrangement. Significant opposition exists to foreign aid in the United States. For this reason, it is important to demonstrate to the American public that their tax dollars are being spent in a way that benefits the nation and/or is used responsibly by the recipient nation. Sadly, many aid dollars have been wasted on countries with corrupt regimes that have misused the funds, or the recipients have lacked the resources internally to use the funds productively. This misuse is more likely to happen if aid is channelled through, and supervised by unaccountable international bureaucracies instead of given direct to countries in need.
Multilateral aid, particularly when delivered through NGOs or the UN, allows for the efficient pooling of financial resources. Much as when an individual makes a donation to a major charity, their small contribution goes much further when combined with those of many others. Particularly in the face of pressure to reduce foreign aid, America can still make a significant impact on development in other parts of the world through combining resources with other donors. By contrast, bilateral aid arrangements are often short-term and subject to change at short notice as a result of political or economic shifts in the donor country. Multilateral aid programmes are therefore more stable and can plan more usefully for the long-term.	Multilateral aid through NGOs or UN agencies is less cost-efficient. Direct aid means that that aid is immediately reaching its destination and can begin working for the recipient government. When funds go to multilateral aid organisations, some of these funds will be spent by the agency itself for administrative purposes. Those funds which reach the field are often seriously delayed. Moreover, when NGOs are used, the potential for abuse of resources exists, meaning less of the funds actually reach their intended destination. The UN, in particular, has a bad record of financial inefficiency.
Multilateral aid arrangements tend to avoid unnecessarily coercive conditions. One of the strongest criticisms of bilateral aid is the tendency for donor countries to place strict political, diplomatic or economic conditions on the receipt of that aid. For example, the United States greeted Pakistan's cooperation with the war on terror with a generous economic and military aid package, despite years of sanctions previously. Countries receiving development loans have often faced requirements for changes in internal policies on a range of issues not always directly tied to the aid itself.	Multilateral aid has the potential to be equally or more coercive than bilateral aid arrangements. The history of World Bank and International Monetary Fund austerity programs and structural adjustment policies in the developing world has amply demonstrated that sometimes multilateral organisations can impose potent and harmful conditions on recipients, interfering with the internal affairs of other nations and doing long-lasting harm. These agencies have also been heavily criticized for their focus on economic concerns at the expense of more basic human needs, such as health, education and the alleviation of poverty.
Multilateral aid arrangements develop a sense of cooperation among nations with the additional advantage of reducing conflict. Efforts to solve problems, such as poverty, disease and conflict through multilateral efforts suggest that these are "world problems" and not exclusively the problems of a recipient country and an interested donor nation. An increase in multilateral efforts improves the general sense that we are 'one world" with common difficulties in need of common solutions. Multilateral approaches to solving these problems expand a sense of goodwill.	Bilateral aid has the potential to help in the war against terrorism, or with other security concerns, in a way that multilateral aid cannot. The United States has learned that it can help reluctant regimes to cooperate in the war on terror through financial incentives (most notably Pakistan). Moreover, direct aid from the United States can help improve America's image in societies whose people might currently have negative or mixed attitudes toward the United States.
Multilateral aid arrangements help ensure that different bilateral arrangements do not work at cross-purposes. Years of development experiences have demonstrated that donors sometimes make mistakes in the arrangements they create. Dependency is sometimes fostered, conditions imposed on contributions are sometimes unreasonable and those administering the aid do not always consider the broader	Multilateral aid contributions by the USA are likely to trade-off with American contributions to other UN or multilateral projects. Americans question the value of international aid, and are particularly suspicious of America's involvement in international institutions. In an age of increased budgetary pressures and increasing suspicion of international institutions, efforts to support multilateral economic aid

picture. If more than one country is approaching the recipient nation with different goals or conditions in mind, their uncoordinated efforts could cause unintended negative effects.	would likely result in calls for cutbacks in other multilateral commitments, such as support for peacekeeping. Bilateral arrangements are easier to justify as serving specific national interests.
Multilateral aid agencies are more familiar with the regions or nations they work in. Many UN agencies and NGOs have been working in the communities they direct aid to for years. They are more aware of the unique needs of those societies and where the funds can be directed to do the most good.	Working through the agencies of multilateral institutions and NGOs risks creating a dependency culture where unaccountable foreigners supply all the physical and social needs of local society. This can in some countries amount to a parallel administration, bypassing the proper government which is increasingly denied responsibility for managing anything important. Giving aid government-to-government instead strengthens responsible and accountable government.

Source: Minch, K.J. (2005) *Bilateral vs Multilateral Aid.* International Debate Education Association
http://www.idebate.org/debatabase/topic_details.php?topicID=392

ANNEX VIII: PROGRESS THE NETHERLANDS ON PARIS DECLARATION INDICATORS

Verklaring van Parijs over effectiviteit van de hulp						
	Onderdeel	Indicatoren	Basis-waarden Nederland[1] (2005)	Basis-waarden-wereldwijd[2] (2005)	Streef-waarden Nederland (2007)[3]	Streef-waarden wereldwijd (2010)
1	Bedrijfsklare ontwikke-lingsstrategieën	% landen met operatio-nele ontwikkelingsstrate-gieën	nvt	17	nvt	≥ 75
2a	Betrouwbare systemen voor openbare financiën (PFM)	% landen met betrouw-bare PFM systemen	nvt	31	nvt	≥ 50
2b	Betrouwbare systemen voor openbare aanbeste-ding (procurement)	% landen met betrouw-bare procurement systemen	nvt	nnb	nvt	≥ 33
3	Hulp is afgestemd op nationale prioriteiten	% van hulp aan overheid gerapporteerd in natio-nale begroting van partnerland	70	88	≥ 78	≥ 94
4	Coördinatie van pro-gramma's voor capaciteitsversterking	% technische samenwer-king voor capaciteitsop-bouw, dat gecoördineerd wordt uitgevoerd	36	48	≥ 44	≥ 50
5a	Gebruik van PFM systeem van partnerland	% hulp met gebruik van PFM systeem partnerland	71	40	≥ 80	≥ 80[4]
5b	Gebruik van procurement systeem van partnerland	% hulp met gebruik van procurement systeem partnerland	78	39	≥ 80	≥ 80[5]
6	Parallelle implementatie structuren	# parallelle Project Implementation Units (PIUs)	23	1 832	≤ 23	≤ 611 voor NL: ≤ 23
7	Voorspelbaarheid van de hulp	% hulp dat cf. planning beschikbaar wordt gesteld	65	70	≥ 76	≥ 87
8	Ontbinding van de hulp	% hulp dat ontbonden is	91	75	≥ 75 (reeds gehaald)	≥ 75
9	Gebruik van gezamenlijke procedures	% hulp dat beschikbaar wordt gesteld op programmatische basis	68	43	≥ 66 (reeds gehaald)	≥ 66
10a	Gezamenlijke missies	% gecoördineerde veld-missies	46	18	≥ 40 (reeds gehaald)	≥ 40
10b	Gezamenlijke landen-analyses	% gecoördineerde landenanalyses	77	42	≥ 66 (reeds gehaald)	≥ 66
11	Aansturing op basis van resultaten	% landen met geschikte kaders voor resultaat-beoordeling	nvt	7	nvt	≥ 38
12	Wederzijdse verantwoor-ding	% landen met systemen voor wederzijdse verant-woording	nvt	38	nvt	100

Bron: 2006 Survey on Monitoring the Paris Declaration, OECD, 2007. Nnb = nog niet beschikbaar.

[1] Heeft betrekking op de prestaties van Nederland in de samenwerking met de 24 partnerlanden van Nederland, die deelnamen aan de nulmeting.

[2] Heeft betrekking op alle ontwikkelingslanden (indicatoren 1 t/m 3, 11 en 12) c.q. donorlanden (indicatoren 3 t/m 10) die de Verklaring van Parijs hebben onderschreven.

[3] Internationaal is overeengekomen om in 2008 te rapporteren over de voortgang per 2007 en in 2011 over de voortgang per 2010. De streef-waarden voor Nederland zijn qua timing hierop afgestemd.

[4] Tentatief cijfer.

[5] Tentatief cijfer.