

Implementing the Paris Declaration at ADB

- One of the unique features of the **Paris Declaration on Aid Effectiveness** is the monitoring mechanism that is used to review and report on the degree to which endorsers have followed through on commitments. The declaration also has a monitoring and evaluation system aimed at developing a comprehensive understanding of how increased aid effectiveness contributes to meeting development results.
- ADB is a signatory to the Paris Declaration. It must take specific actions to promote implementation and compliance with the commitments under the five pillars on which the declaration rests. Is ADB doing the right things? And is it doing them right?

Background

In 2007, the Operations Evaluation Department in the Asian Development Bank (ADB) conducted a **Special Evaluation Study on Evaluation of the Implementation of the Paris Declaration at the Asian Development Bank: A Development Partner's Study for an OECD-DAC Joint Evaluation**.¹ The study aimed to contribute to the first phase evaluation of the **Organisation for Economic Co-operation and Development-Development Assistance Committee's** joint evaluation of the declaration.

Following the terms of reference given by the committee, the evaluation focused on inputs within ADB—covering ownership and leadership, capacity building, and mainstreaming and incentives—for promoting and strengthening the pillars of ownership, alignment, harmonization, managing for results, and mutual accountability. The evaluation built on special evaluation studies on **ADB's approaches to partnering and harmonization in the context of the Paris Declaration, ADB's resident mission policy and related operations, and managing for development results in ADB**, also conducted in 2007.

Summary of Findings

Ownership and Leadership. ADB's **policies and strategies** generally support the pillars of the declaration, and ADB's revised guidelines for preparing

its key country partnership document, the country partnership strategy, reinforce their importance. Some of ADB's policies, strategies, and processes, however, may hinder achievement of some targets in the twelve **indicators of progress**. For example, the current set of loan modalities may need to be reviewed with a view to facilitating ADB's participation in program-based approaches. During interviews, **ADB's Board of Directors** and **ADB's Management** were generally supportive of the declaration. However, ADB's Management could provide more regular and visible demonstration of support. The study flagged concerns too. The scope and definition of the indicators of progress, for instance, may need to be reviewed and clarified. Further, guidelines and indicators for activities related to the declaration in countries that have no operational development strategy are not available. Moreover, the cost of harmonization to a development partner may be significant.

Capacity Building. ADB staff are generally aware of the pillars of the declaration, and of some more than others. General awareness-raising is yet to be undertaken, but ADB staff are professionals who continue to learn about good development practices. Staff working in **field offices**, country programming, sectors with many development partners (e.g., education), and **developing member countries** with governments actively implementing the declaration

(e.g., **Bangladesh, Philippines, and Viet Nam**) are the most familiar with the declaration per se. But staff in general have a low level of awareness of managing for results as revealed by the special evaluation study on managing for development results in ADB. Notwithstanding, the new country partnership strategy guidelines—approved in 2006 and distributed in 2007—provide some guidance to staff in implementing the pillars of the declaration when preparing country strategies, including promotion of country ownership and results orientation.

ADB's resident missions play a key role in meeting the commitments. They support project design and administration and are perceived by development partners to increase the effectiveness of ADB's services. The special evaluation study on ADB's resident mission policy and related operations revealed that, over the years, both the volume and scope of their work have grown. But, their capacities are restricted by a lack of delegated authority and increased workload without a commensurate quantitative and qualitative increase in resources. The effectiveness and efficiency of resident missions could still be improved with greater delegation matched by the required resources. Increased decentralization would improve their responsiveness to emerging development issues and would respond to calls for increased decentralization by the larger developing member countries.

Mainstreaming and Incentives. ADB staff are endeavoring to implement the declaration's principles, with three pillars, *viz.*, ownership, alignment, and harmonization, integrated more than the others. But mainstreaming the commitments of the declaration in any one developing member country is, in the final analysis, affected by that country's ownership of the declaration. In addition, there are no particular incentives for staff to implement the Paris commitments.

Lessons. In ADB, implementation of the declaration has differed across departments and among resident missions, and has been "bottom-up," because no corporate strategy or action plan was designed to meet commitments. Implementation of the declaration is not resource neutral under the current organizational setup. Alignment and coordination activities can require much time, which may impact on other responsibilities such as implementation and supervision. Where ADB is an established development partner in a sector or area, government officials and development stakeholders are more likely to expect it to play a lead role in coordinating assistance and in leading policy dialogue. Also, the declaration offers no guidance on how

development partners should conduct themselves where there is no national strategy.

Recommendations

- ADB's commitment to the declaration needs to be communicated regularly, with visible demonstration of support by ADB's Management.
- For more effective implementation, there is a need to designate a focal unit to provide overall guidance, knowledge management, monitoring, and reporting on the declaration.
- Tracking and monitoring ADB's implementation of the declaration can be facilitated by developing a consolidated implementation and monitoring framework that considers the commitments under each pillar. This would include outlining ADB's planned actions to meet commitments.
- There is need for better guidance and staff capacity development to facilitate implementation, and monitoring and reporting on the progress of implementation.
- ADB needs to better understand the resource implications of meeting its commitments with a view to providing guidance to staff on tradeoff choices or, where deemed necessary, reallocation of and/or additional resources and the priority that various activities should have.
- (To the committee and the Third High Level Forum on Aid Effectiveness.) The scope and definitions of indicators need to be reviewed vis-à-vis significant activities not presently captured. In the absence of a national development strategy, guidelines on and/or indicators capturing how development partners should coordinate their assistance are recommended.

Feedback

When these *Learning Curves* were prepared, **ADB Management's Response** and the **Chair's Summary of the Development Effectiveness Committee Discussions** were not available for disclosure to the public. The study was completed in January 2008.

¹ ADB. 2008. *Special Evaluation Study on Evaluation of the Implementation of the Paris Declaration at the Asian Development Bank: A Development Partner's Study for an OECD-DAC Joint Evaluation*. Manila. Available: <http://www.adb.org/Documents/SES/REG/SST-REG-2008-03/SST-REG-2008-03.pdf>