

**2006 ASIAN REGIONAL FORUM ON AID EFFECTIVENESS:  
IMPLEMENTATION, MONITORING AND EVALUATION**

**MANILA, OCTOBER 2006**

**What new structures are emerging at country level to support  
a more effective and accountable development partnership?**

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and do not represent the official views of the organisers of  
the Asian Regional Forum on Aid Effectiveness

## Executive summary

1. This thematic case study assesses how the Paris Declaration is being implemented at country level, and how it is contributing to the emergence of a more mature and accountable development partnership. It assesses how the Paris agenda is being localised in different contexts, and how implementation is being organised and managed. It draws on the experiences of two countries – Vietnam and Cambodia – that have engaged actively with the aid-effectiveness agenda, against the background of very different country contexts.

2. The initiatives described here include:

- localising aid-effectiveness commitments through country-level action plans and targets;
- establishing structures for dialogue and coordination around aid effectiveness;
- strengthening systems and capacity for aid management;
- monitoring donor and government performance against aid-effectiveness commitments.

3. The Paris Declaration principles have proved highly relevant in both countries. Both have recognised that the Paris Declaration offers a platform for advancing their development agendas. For Vietnam, it provides a means of strengthening country management of external assistance and maximising its contribution to national development goals. For Cambodia, it provides a means of overcoming a history of poor aid practices and gradually increasing country leadership of external assistance.

4. The study shows the importance of country-level implementation processes, to convert the high-level commitments in the Paris Declaration into concrete action plans. Negotiating specific objectives and targets helps to identify country priorities, as well as generate buy-in from stakeholders. It is useful for countries to identify the problems with current aid practices that they wish to address, and the main areas where change is required, to help them organise and prioritise their efforts. There needs to be more joint analytical work to identify constraints and determine how to overcome them.

5. Both countries have generated useful experience in managing the aid-effectiveness dialogue. Dedicated working groups have proved helpful, although care has to be taken to avoid over-elaborate processes that are too demanding on participants. The study lists a number of specific lessons on how to organise an effective dialogue.

6. Both countries have identified that weak aid-management capacity contributes to poor aid practices, and have initiated comprehensive capacity-development programmes. These include clarifying the responsibilities of different agencies, strengthen the legal framework, development aid databases, preparing guidelines for donors and raising awareness of Paris principles and best practices across the administration. Improving the integration of Project Implementation Units into the administration is essential for sustainable improvements in aid-management capacity.

7. Donors are finding that changing aid practices requires a major commitment of time and effort. Some of these costs are transitional in nature, but many are permanent and should be seen as part of the core business of delivering aid according to the Paris principles. Donors need to think

through the resource implications, particularly for staffing. There is a need for greater selectivity in country programmes and improved division of labour among donors. Partner countries also call for greater delegation of authority to country level, together with cultural change among donor staff and consultants.

8. The principle of managing for results needs to apply to initiatives to improve aid effectiveness, just as to other development activities. In this context, it means working out how different aid-effectiveness initiatives are likely to contribute to the achievement of national development goals. Without this, there is a real risk that the Paris Declaration commitments may come to be seen as ends in themselves, rather than as tools for promoting development.

9. There is a need for dedicated mechanisms to monitor progress in implementing aid-effectiveness commitments. Vietnam's proposed system includes annual reporting against aid-effectiveness commitments by both donors and government agencies, supported by external evaluations of particular themes or institutions. At this early stage of implementation, the priority is to monitor whether the changes in aid practice and collective behaviour required under the Paris Declaration are actually occurring.

10. While there are no enforcement mechanisms for Paris Declaration commitments, there are signs that mutual accountability is beginning to emerge through a number of different processes. The negotiation of reciprocal aid-effectiveness undertakings is generating a sense of shared commitment and mutual obligation. There is greater transparency and more intensive dialogue around aid practices. Setting baselines and targets is creating a yardstick by which donors and partners countries can measure their collective performance on aid effectiveness, helping to sustain momentum for change. Through these processes, the norms established in the Paris Declaration are becoming accepted as the new rules of the game for aid delivery.