The Paris Declaration on Aid Effectiveness is an international agreement to continue to increase efforts for harmonization, alignment, and managing for development results. It includes a clear statement to eliminate duplication of effort and to rationalize donor activities to make them cost effective.

ADB is a signatory to the Paris Declaration. How well has it abided by its commitments?

Background

On 2 March 2005, more than 100 countries and development agencies, including the Asian Development Bank (ADB) and 19 of its developing member countries, signed the Paris Declaration on Aid Effectiveness. They agreed that developing countries should be willing and encouraged to take the lead and have sovereignty in defining and prioritizing their development agendas (ownership). Donors should use and help strengthen the development strategies and systems of countries (alignment). Their activities should be coordinated effectively to help curb the costs of aid delivery (harmonization), in consultation with countries. 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). Earlier, the Rome Declaration on Harmonization (2003) and the Marrakech Roundtable on Managing for Results (2004) had firmly up donor resolve and set out common plans of action.

In 2007, the Operations Evaluation Department conducted a Special Evaluation Study on the Asian Development Bank’s Approaches to Partnering and Harmonization: In the Context of the Paris Declaration on Aid Effectiveness. The study aimed to present a clear picture of ADB’s tactics and provide feedback for the review to be made toward the Third High-Level Forum on Aid Effectiveness that will be convened in 2008 in Accra, Ghana by the Organisation for Economic Co-operation and Development (OECD).

The study had two phases, the first of which piloted the conceptual framework, approach, and scope of the evaluation in Indonesia in March 2007. The scope was then expanded to include an overview of donor approaches and an analysis of OECD’s 2006 Survey on Monitoring the Paris Declaration: Overview of the Results. The other partner countries examined were Bangladesh, Cambodia, Samoa, and Viet Nam.

The study recognized limitations. It did not claim to provide a fully representative evaluation of the range of partnering and harmonization processes and activities in ADB and its developing member countries. Also, although it incorporated much of the current internationally accepted methodology and instruments, these instruments are still a work in progress as the survey of 2006 acknowledged. Equally, generalizing from a selection of country and operational case studies and good practices has intrinsic limits. Lastly, the study did not purport to offer a detailed analysis of the cost-effectiveness of partnering and harmonization.

Summary of Findings

The key lessons identified were: (i) ADB’s involvement in national poverty reduction strategies and local harmonization action plans has helped define its comparative advantage and clarify the rationale for its strategic partnerships; (ii) there is greater likelihood of capacity development support from development partners when a national capacity development framework, owned and led by the country, already exists; (iii) ADB has limited appreciation of the benefits of partnering and harmonization; (iv) there is greater possibility of alignment between aid agencies,
including ADB, and country systems if reform is led by
the countries in partnership with the aid agencies;
(v) the improved strategic approach to partnering and
harmonization in the revised country partnership
strategy guidelines provided a framework for meeting
ADB’s Paris Declaration commitments at the country
level; (vi) joint public expenditure reviews and
fiduciary assessments allow ADB and other
development partners to assess the risks and build up
confidence in using country systems; and (vii) the size
of the ADB-donor partnership for harmonized
approaches may vary at different stages of the project
or program cycle.

The main conclusions of the study related to: (i) the
need for ADB to review the 2006 Survey on Monitoring
the Paris Declaration: Overview of the Results, from
which ADB would draw benefits using the six
developing member countries that participated in the
survey; (ii) the less than full sharing of ADB’s
accomplishments vis-à-vis its Paris Declaration
commitments, particularly its wide knowledge of
partnering and harmonization issues and lessons—
ADB’s information systems are insufficiently developed
and information and knowledge are scattered over
several web pages; (iii) the need to clarify program-
based approaches (viz., do such approaches include
program loans, how is a sector-wide approach defined,
and when does a project qualify as a program-based
approach?); (iv) the importance of having ADB
guidelines and action plans that promote partnering
and harmonization, such as the Second Governance
and Anticorruption Action Plan of 2006 and the
medium-term framework and action plan on
Integrating Capacity Development into Country
Programs and Operations of 2007; (v) constraints on
partnering and harmonization activities with
multilateral development agencies with memberships
different from ADB’s, some of which stem from
provisions in the Agreement Establishing the Asian
Development Bank; (vi) promising operational
approaches taken by ADB, such as the Five Banks
Initiative on harmonized procurement, project
preparation, and safeguards, in Viet Nam; (vii) the need
to increase delegation of responsibility to resident
missions, constrained by the present staffing level and
skills mix that makes it difficult to fully participate in
local harmonization action plan groups; (viii) the
potential to facilitate engagement with a wide range of
development partners in a diverse range of
development policy, sectoral, and thematic areas, made
possible by the comprehensive scope of ADB’s
approach to partnering and harmonization and its
consistence with country priorities; and (ix) ADB’s high
participation in thematic working groups on
harmonization—multilateral development bank
arrangements for harmonization are made through
14 thematic working groups: ADB is particularly active
in (a) the Operational Policy Roundtable, (b) the
evaluation group, (c) the financial group, (d) the
managing for development results group, (e) the
private sector group, and (f) the disbursement group.

**Recommendations**

- Clarify what qualifies and what does not qualify for
  meeting the Paris Declaration commitments,
  particularly for program-based approaches and
  issue a guideline to staff in mid 2008.

- Strengthen ADB’s knowledge management systems
  vis-à-vis ADB’s activities in support of the Paris
  Declaration. Formulate the criteria and categories for
  good practice of partnering and harmonization in
  ADB operations and disseminate the information
  both within and outside ADB in 2008.

- Include a progress report on the Paris Declaration
  commitments in ADB’s new country partnership
  strategies and their mid-term reviews and
  completion reports.

- Through training and other awareness creating
  activities, ensure that all concerned staff understand
  ADB’s commitments under the Paris Declaration
  and their own responsibility.

**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 October 2007.

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2. 2007. *Special Evaluation Study on the Asian Development Bank’s Approaches to Partnering and Harmonization: In the Context of the Paris Declaration on Aid Effectiveness.* Manila. Available: