

Government of the Republic of Uganda

Evaluation of the Implementation of the Paris Declaration: Case Study of Uganda

Executive Summary

The Paris Declaration Evaluation was commissioned by the Office of the Prime Minister and managed under the Secretariat of the National Monitoring and Evaluation Strategy. The assignment was financed by the Austrian Development Agency.

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Evaluation of the Implementation of the Paris Declaration in Uganda

1. Introduction

This report sets out the findings of an independent Evaluation of the Implementation of the Paris Declaration in Uganda. The study is part of a larger global study led by the DAC Development Evaluation Network to contribute to the process of continuous learning and the strengthening of outcomes of the Paris Declaration (PD). The **overall purpose** of the evaluation is to assess the performance of the implementation of the Paris Declaration at its mid-point relative to the 2010 targets. It is expected that these findings will feed into the ongoing evaluation of Uganda's national Poverty Eradication Action Plan (1997-2007) and inform the new planning framework currently under formulation.

The analysis is primarily qualitative. Evidence was collected from both literature on aid management in Uganda and key informant interviews guided by an interview schedule. Sampling of respondents was purposive and encompassed central government, sector ministries, quasi-government institutions, Development Partners, civil society, and the private sector.

Furthermore, three sectors were prioritised for case studies: *education; justice, law and order; and agriculture.*

2. Main findings and conclusions

2.1 Clarity, Relevance and Coherence of the Paris Declaration

Clarity

The evaluation findings point to a stark information asymmetry as regards awareness and clarity of the Paris Declaration among stakeholders in Uganda. Knowledge is concentrated in a few individuals who have participated in previous aid effectiveness meetings (local or international). Closer analysis reveals that a more systematic nationwide dissemination plan for the Paris Declaration is what has been missing. The Paris Declaration seems to have suffered from the lack of a definitive driver given its dual ownership by the country partner and the Development Partners. There has been no clear line of responsibility for the dissemination of information or inviting civil society and the private sector into the Paris Declaration-related processes and dialogue at national/international level. Early resolution of this is

needed if the 2010 targets for the Paris Declaration are to be met.

Development Partners requested further clarity on indicators 3, 4, 5, 6, 7 and 10 when completing the 2008 Survey, thus facilitating harmonised interpretation and data comparability. Further, a decision is necessary on whether to keep the current twelve Paris Declaration indicators as a basic, cost-effective and manageable set or to add new indicators to monitor additional commitments for outstanding critical issues such as governance and corruption, which Development Partners in Uganda partly blame for having slowed down progress on Paris Declaration implementation.

Relevance

Uganda's experience suggests that the Paris Declaration has added value to pre-existing arrangements for managing aid. The Paris Declaration reinforced the message of ownership, alignment and harmonisation already robust in the PEAP Partnership Principles of 2001, thus elevating the significance of this home-grown strategy for aid management to the extent that even Development Partners who were reluctant to ratify the PP ended up doing so. The Paris Declaration is also viewed by Development Partners as having complemented the PEAP Partnership Principles which were less explicit than the former on issues of managing for development results and mutual accountability. In addition, the Paris Declaration gave impetus to donors to agree on a Joint Assistance Strategy for Uganda and to embark on an ambitious division of labour (DoL) exercise.

Coherence

The link between the Paris Declaration and aid effectiveness is beyond question as it addresses head-on several critical issues (clear country-led national strategy, focus on results, medium-term expenditure planning framework for rationalisation of budget allocation, synergy through alignment and harmonisation, transaction costs, local capacity through use of existing systems, etc). Coherence, however, can still be improved by sharpening the finer detail. One of the primary concerns raised by Development Partners in Uganda is that commitment to improving aid predictability does not fully take into account the risks posed by a deterioration in political and administrative governance – which in 2005/6 prompted Development Partners to temporarily cut budget support from USD 442 million to USD 226 million.

2.2 Changes in Partner Country Behaviour and Results Achieved

Commitment

Uganda's commitment to aid effectiveness predates the Paris Declaration. It is one of the first countries to embrace the Sector Wide Approach. In 2001, the Government of Uganda and its Development Partners also pioneered the concept of "*partnership principles*", which in many ways underscores Uganda's uniqueness in embedding the principles of local ownership and leadership into national aid policy and practice. Hence,

within much of government, commitment to the Paris Declaration is subsumed in the adherence to PEAP Partnership Principles and the SWAp MoUs. However, this commitment is not demonstrated on a continuous basis or uniformly across government or quasi-government institutions.

Capacity

Government remains committed to the civil service reforms and capacity building which have been ongoing for the past decade. However, the required level of capacity to implement the necessary reforms to which Development Partners are aligning is not yet achieved. In addition, a USD 70 million Performance Enhancement Facility (PEF) that was intended to be introduced with World Bank funding as complimentary to the core Public Service Reform Programme was not approved by Parliament in December 2007. As a demand-driven approach to capacity building, the PEF would have served as an alternative to the dominant supply driven mode of capacity building through various sector support programmes and projects, which so far has had limited results.

Incentives

No incentives were introduced within government specifically to support the implementation of the Paris Declaration. However, there were many but ad hoc opportunities for government officials to participate in international aid effectiveness meetings or training programmes related to the subject. There are also strong views within government that creating selective incentives would undermine the overall incentive structure within the public service. However, the overall outlook of civil service incentive packages remains that they negate staff motivation, retention and performance. The Ministry of Public Service lacks the resources to offer incentives to adhere to results-oriented management (ROM) and related integrated performance management framework (IPMF) processes.

Results achieved

In terms of progress made against the twelve Paris Declaration indicators, findings of this evaluation concur with the conclusion of the 2006 Survey on the Monitoring of the Paris Declaration in Uganda that it is high on indicator 1 (operational development strategies that have clear strategic priorities linked to a medium term expenditure framework) and indicator 11 (transparent and monitorable performance assessment frameworks), and modest on Indicator 2 (reliable country systems) as well as indicator 12 (mutual assessment of progress).

2.3 Changes in Development Partner Behaviour and Results Achieved

Commitment

Aid practices in Uganda confirm almost universal commitment to aid effectiveness by Development Partners, but not necessarily to the Paris Declaration. Though increasing, commitment to the Paris Declaration varies markedly across Development Partners. It is high among the twelve Uganda Joint Assist-

ance Strategy partners who provide either budget support or programmatic support, and who together provide about two-thirds of the budget. Some of them have either realigned their aid policies, instituted staff-orientation programmes on the Paris Declaration, or mainstreamed aid effectiveness targets into staff performance review and reward systems. Commitment was found to be lower among partners whose policies do not allow them to use country systems for public financial management and procurement (indicator 5) and continue in project mode. Some donors are selective about the areas they can engage with others concerning progress on the Paris Declaration, whilst a few reportedly stayed out of the Local Development Partners' Group.

Capacity

Study findings indicate that staff capacity is not a major determinant of progress on the Paris Declaration among Development Partners; it is more the political will to adhere with the Paris Declaration principles and commitments. There is even evidence that Development Partners who implement the Paris Declaration reduce both the number of projects and sector coverage focusing more on the budget support, SWAp or basket funding arrangements. This is freeing up staff resources for new tasks in aid coordination or upstream policy influence. However, these new tasks demand new skills which may not be immediately available in project staff but which can easily be acquired. However, without the political will at higher levels, the framework for strategy and programming around the Paris Declaration principles would not exist and country offices remain hamstrung.

Incentives

The main form of incentives for implementation the Paris Declaration is staff performance and reward systems, and these are more at top management levels. Practices for cascading these incentives to lower structures differ by Development Partner but are not systematised.

Results

There is sufficient evidence to conclude that good progress has been made on ownership and most alignment indicators except indicators 4, 5 and 6. Evidence from the twelve Development Partners interviewed confirms that the Paris Declaration has strengthened the Development Partners' respect and support for partner country leadership. The level of engagement varies between Development Partners, however. Nor is there local consensus on how Development Partners should contribute to policy formulation or when they should be invited to do so.

Both the UJAS and the DoL exercise are considered significant steps towards harmonisation despite the temporary loss in momentum in 2007. There is no evidence yet, however, on the donor side that harmonisation efforts have lowered transaction costs. Indeed, a transitional increase in transaction costs is expected from aid harmonisation efforts.

3. Some of the lessons from the Uganda experience

1. Reaching agreement on a Joint Assistance Strategy is very difficult among Development Partners because of divergent views and policies. However, once agreed it is likely to have high payoffs in the reduction transaction costs, at least for the partner country.
2. Emphasis on use of country systems for public financial management and procurement has to take care of country-specific risks such as poor administration, political governance and corruption, and hence needs to be balanced with appropriate risk mitigation measures.
3. Promoting a single modality, e.g., budget support, is not ideal practice given the risk of marginalising salient issues such as innovation, environment, demand-side governance and the private sector.

4. Main recommendations

For OECD/DAC: Consolidating the Paris Declaration

1. Agreement should be reached between Development Partners and the partner countries on a suitable and clear institutional home for the Paris Declaration at country level that can be charged with the responsibility of informing the public, monitoring implementation as well as getting feedback on the PD. Resources should be identified and a time-frame set for such activities.
2. The Paris Declaration should be transformed into a flexible and adaptable agreement that is realistic about the influence of local and donor priorities. The next edition of the Paris Declaration should not only provide a clear hierarchy of preferred aid modalities but also allude to the attendant need for balance or optimal diversity in aid instruments.
3. Further work should be carried out to (a) clarify the principles in order to eliminate inherent contradictions and (b) better define indicators 3, 4, 5, 6, 7 and 10 so as to harmonise their interpretation by Development Partners.
4. A decision should be made on whether to keep the current twelve Paris Declaration indicators as a basic, cost-effective and manageable set or to add new indicators to monitor additional commitments for addressing outstanding critical issues such as governance and corruption.

For Government of Uganda: Consolidating Change in Partner Country Behaviour

5. The Government of Uganda, through the MoFPED (Ministry of Finance, Planning and Economic Development), should develop and implement a sound dissemination plan. MoFPED should also play the role of overall coordinator of all sector working groups in order for the government to have a consolidated view of development effectiveness issues in the country.
6. Institutional roles in national planning need to be streamlined to avoid creating a syndrome of "shifting power centres".

7. Efforts should be made to enhance the collection of both process and impact data in all sectors and to establish stronger linkages between sectors and the National Integrated Monitoring and Evaluation Strategy where information for decision-making is required.
8. Government of Uganda should continue to uphold the principles of good governance, transparency and accountability. It should adopt zero tolerance for corruption within government, civil society and the private sector. Swift action is needed to fully implement existing policy and legislative provisions, including efficiently executing recommendations of all commissions of inquiry into cases of fraud.

For Development Partners: Consolidating Change in Development Partner Behaviour

9. All Development Partners operating in Uganda should join the Uganda Joint Assistance Strategy and fully participate in both the Division of Labour Exercise and the Local Development Partner Group Meetings.
10. Development Partners in Uganda should increase their use of national systems whilst helping with one voice to strengthen country capacity in governance, public financial management and procurement, especially dealing with systemic (as opposed to symptomatic) issues of corruption, rather than use this as an excuse for a lack of engagement.
11. Development Partners should continue to influence each other through the UJAS framework to reduce the number of PIUs (Project Implementation Units) except where there is a clearly identified need supported by government, and where the PIUs report and account to the national institutions hosting them. Such PIUs should be retained but with a clear exit plan.
12. There is a need to more carefully consider the choice of aid modality, reconsidering where possible the necessity of project support, and ensuring that this preference does not undermine the overall vision on planning upstream.
13. There is a need to support the Government to assume its lead role in the division of labour exercise.