



# Exploring “Development Effectiveness” at the Sectoral Level in Southern Countries

Research, Learning and Outreach  
GPEDC Action Area 1.1

ADM-MULTI/2021/426-576/BIS

## Synthesis Report

January 2023

Prepared by



Centre for Policy Dialogue (CPD)  
House 40/C, Road 11 (new), Dhanmondi,  
Dhaka-1209  
Bangladesh



Secretariat: Group for the Analysis of  
Development (GRADE)  
Av. Almirante Grau 915.  
Barranco, Lima 15063, Perú

## **Exploring “Development Effectiveness” at the Sectoral Level in Southern Countries**

European Commission Directorate-General for International Partnerships

Directorate D — Sustainable Development Policy and Coordination

Unit D1 — Effective Development Policy and Team Europe

E-mail: INTPA-D1@ec.europa.eu

European Commission

B-1049 Brussels

Manuscript completed in January 2023

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## Preface

The pursuit to define ‘development cooperation effectiveness’ and determine its drivers have undergone significant evolution over the last one and a half decades. The process of developing and improving effectiveness of development cooperation has also been a living one. One that was sensitive to the circumstantial realities, no less due to the Global Partnership for Effective Development Cooperation’s (GPEDC) multi-stakeholder engagements.

The basis of the GPEDC agenda has been a set of principles understood to contribute in improving effectiveness of development cooperation or as applicable by moving away from ineffective practices. However, in the recent years, the international agenda has incrementally lost relevance and political traction among both recipients and providers of development cooperation.

Given the emergence of such challenges, to ascertain a contemporary understanding of the GPEDC processes, the Centre for Policy Dialogue, in partnership with the Southern Voice network, was awarded by the European Commission, a research project titled *Exploring “Development Effectiveness” at the Sectoral Level in Southern Countries*. The design of this project was rooted in two broad objectives. First, to achieve a greater understanding of the factors that lead to improvements development cooperation effectiveness at the sectoral level. Second, to understand, in that respect, the factors that influence the extent to which the appropriate practice of development cooperation effectiveness influences planned development impact.

The project report includes a paper summary of the overarching messages emerging from the exercise as well as the sector-based case studies and thematic papers. The project was implemented over a period of 11 months (January —November 2022) during which 33 researchers representing institutes from across Asia, Africa and Latin America had been engaged.

The paper seeks to analyse and communicate the application of the agenda and the relation to improved development outcomes. Preliminary findings from the exercise have revealed declining multi-stakeholder participation across the development cooperation process chain, the imbalance in ownership between recipient national government and implementing agencies on the ground as well as the impact of differing nature of providers and funding sources on development outcomes.

I hope the sectoral-level experiences of adhering to the development cooperation effectiveness agenda and the analytical thought-pieces in its broader context prove to be useful in understanding the implications and the way forward for the GPEDC.

## **The Core Research Team**

The research project was led by the key expert and team lead, Dr Debapriya Bhattacharya (Distinguished Fellow, CPD) and co-team lead, Dr Lorena Alcázar (Senior Researcher, GRADE). The other members of the core research team and the non-key experts comprise Mr Towfiqul Islam Khan (Senior Research Fellow, CPD), Ms Andrea Ordóñez (Director, SV) and Najeeba Mohammed Altaf (Research Associate, CPD).

## **Authors of the Synthesis**

1. Debapriya Bhattacharya, Distinguished Fellow, CPD
2. Towfiqul Islam Khan, Senior Research Fellow, CPD
3. Najeeba Mohammed Altaf, Research Associate, CPD
4. Lorena Alcázar, Senior Researcher, GRADE

## **Authors of the Case Studies**

### *Centre for Policy Dialogue (CPD), Bangladesh*

5. Debapriya Bhattacharya, Distinguished Fellow
6. Towfiqul Islam Khan, Senior Research Fellow
7. Najeeba Mohammed Altaf, Research Associate
8. Ifaz Kabir, Programme Associate
9. Marfia Alam, (former) Research Associate

### *University of Dar es Salaam, Tanzania*

10. Bernadeta Killian, Deputy Vice Chancellor of Research
11. Richard Sambaiga, Senior Lecturer, Department of Sociology and Anthropology
12. William John Walwa, Lecturer, Department of Political Science and Public Administration
13. Lucius R. Mugisha, Assistant Lecturer, Department of Sociology and Anthropology

### *Independent Consultants, Rwanda*

14. Neissan Alessandro Besharati
15. Sifa Uwera
16. Christian Shema Berwa

### *Salvadorean Foundation for Economic and Social Development (FUSADES), El Salvador*

17. Margarita Beneke De Sanfeliú, Director of the Center for Research and Statistics
18. Carlos Gómez, Chief of Operations, Center for Research and Statistics
19. Gloria Hernández, Monitoring and Evaluation Coordinator
20. Yessica Sánchez, Statistics Specialist, Center for Research and Statistics

### *Initiative Prospective Agricole et Rurale (IPAR), Senegal*

21. Ibrahima Hathie, Economist
22. Ndiaya Cissé, Research Economist
23. Ahmadou Ly, Economist
24. Laure Tall, Research Director
25. Alassane Seck, Economist

*Economic Policy Research Centre (EPRC), Uganda*

26. Ibrahim Kasirye, Director of Research
27. Florence Nakazi, Research Analyst
28. Smartson Ainomugisha, Researcher
29. Tiffany Akurut, Graduate Intern

## **Authors of the Thematic Papers**

*Good Governance and Effective Development Cooperation at the Sector Level*

1. Artemy Izmetiev, Independent Consultant
2. Prosun Chowdhury, Independent Consultant
3. Madhubanti Anashua, Independent Consultant
4. Ronald Kimuli, Independent Consultant
5. Lyn Angelica Pano, Independent Consultant

*Constraints to Sectoral Coordination in the context of Development Effectiveness*

6. Erik Lundsgaarde, Independent Consultant and (former) researcher, German Development Institute (IDOS)

*The Role of Delivery Strategies of Aid on Development Effectiveness*

7. Andrea Ordoñez Llanos, Director, Southern Voice

*Results Orientation, Monitoring and Impact Assessment*

8. André de Mello e Souza, Senior Research Fellow, Instituto de Pesquisa Econômica Aplicada (IPEA) Brazil

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## Acronyms and abbreviations

ADB	Asian Development Bank
AECID	Spanish Agency for International Development Cooperation
AFD	Agence Française de Développement
AFDB	African Development Bank
AIMS	African Institute of Mathematical Sciences
ALREP	Northern Uganda Agriculture Livelihoods Recovery Programme
ANE	Non-State Actors
ANSD	National Agency of Statistics and Demography
API	Application Programming Interface
APSC	Annual Primary School Census
ASPR	Annual Sectoral Performance Report
BACDI	Canadian Cooperation Support Office
BANBEIS	Bangladesh Bureau of Educational Information and Statistics
BCIE	Central American Integration Bank
BCR	El Salvador Central Reserve Bank
BDT	Bangladesh taka
BNFE	Bureau of Non-formal Education
C-in-Ed	Certificate in Education
CAADP	Comprehensive Africa Agriculture Development Programme
CAC	Central American Agricultural Council
CAMPE	Campaign for Popular Education
CAOs	Chief Administrative Officers
CCT	Conditional Cash Transfer
CENTA	National Center for Agricultural and Forestry Technology
CHF	Community Health Fund
CIAT	International Center for Tropical Agriculture
CMC	Community management committees,
CNAAS	National Agricultural Insurance Company of Senegal
CNCAS	Caisse Nationale de Crédit Agricole du Sénégal
CNCR	National Council of Concertation and Cooperation of Rural People
CONSAA	Salvadoran Sugar Agroindustry Council
COSOP	Country Strategic Opportunities Program
COVID-19	Coronavirus Disease 2019
CPD	Centre for Policy Dialogue
CPEIMU	Compulsory Primary Education Implementation and Monitoring Unit
CPF	Country Partnership Framework
CRF	Country Results Framework
CRS	Catholic Relief Services
CSC	The Salvadoran Coffee Council
CSIP	Community Savings Investment Promotion
CSO	Civil Society Organization

CSR	Corporate Social Responsibility
CSSP	Child-Sensitive Social Protection
DA	Directorate of Agriculture
DAC	Development Assistance Committee
DAO	Delivering as One
DAPSA	Directorate of Analysis, Forecasting and Agricultural Statistics
DCF	Development Cooperation Framework
DCG	Donor Coordination Group
DEA	Agriculture Statistics Division
DFID	Department for International Development
DGDR	General Directorate of Rural Development
DGEA	General Directorate of Agricultural Economy
DIGESTYC	General Directorate of Statistics and Census
DLI	Disbursement Linked Indicator
DPAF	Development Partners Assessment Framework
DPE	Directorate of Primary Education
DPEd	Diploma in Primary Education
DPHE	Department of Public Health Engineering
DPP	Development Project Proforma
DPPD	Multi-year budgetary programming documents
DPs	Development Partners
DPSPWG	Development Partner Social Protection Working Group
EAC	East African Community
ECLAC	Economic Commission for Latin America and the Caribbean
ECOWAP	Agricultural Policy Framework for West Africa
ECOWAS	Economic Community of West African States
EDPRS	Economic Development and Poverty Reduction Strategy
EFA	Education 2030 Framework for Action
EGM	Expert Group Meeting
EHPM	Multi-purpose Household Survey
ELCG	Education Local Consultative Sub-Group
EMIS	Education Management of Information System
ENAP	National Multi-Purpose Agriculture Survey
ERD	Economic Relations Division
ERP	Economic Recovery Programme
ESCO	El Salvador Cooperation Agency
ESP	Expanding Social Programme
ESP	Education Sector Plan
ESSP	Education Sector Strategic Plan
ESTEEM	Effective Schools Through Enhanced Education Management
ESWG	Education Sector Working Group
EU	European Union
FAO	Food and Agriculture Organization of the United Nations

FAOSTAt	Food and Agriculture Organization Corporate Statistical Database
FBOs	Faith Based Organizations
FCDO	Foreign, Commonwealth and Development Office
FDI	Foreign Direct Investment
FFE	Food-for-Education Program
FOCIS	International Solidarity Cooperation Organisations Forum
FUSADES	Salvadoran Foundation for Economic and Social Development
FY	Fiscal Year
GDP	Gross Domestic Product
GDSP	Social and Political Dialogue Group
GEP	General Education Programme
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GMR	Global Monitoring Report
GNI	Gross National Income
GOANA	Great Agricultural Offensive for Food and Abundance
GoB	Government of Bangladesh
GoES	Government of El Salvador
GoR	Government of Rwanda
GoU	Government of Uganda
GPE	Digital Financial Services
GPEDC	Global Partnership for Effective Development Co-operation
GPEDC	Global Partnership for Effective Development Co-operation
GPG	Global Public Good
GPI	Gender Parity Index
GRADE	Grupo de Análisis para el Desarrollo/ Group for the Analysis of Development
HE	Higher Education
HEC	Higher Education Council
HEI	Higher Education Institution
HLIs	Higher Learning Institutions
HLPE	High Level Panel of Experts on Food Security and Nutrition of the Committee on World Food Security
IADB	Inter-American Development Bank
IATI	International Aid Transparency Initiative
iBAS	Integrated Budget and Accounting System
iCHF	Improved Community health Fund
ICT	Information and Communications Technology
IDA	International Development Association
IDEAL	Intensive District Approach to Education for All
IDP	International Development Partner
IEG	Independent Evaluation Group
IER	Institute of Education and Research
IFAD	International Fund for Agricultural Development
IFDA	International Fund for Agricultural Development

IFIs	International Financial Institutions
IFR	Interim Financial Report
IICA	Interamerican Institute of Agriculture Cooperation
IMED	Implementation Monitoring and Evaluations Division
INGOs	International Non-Governmental Organisations
IPAR	Initiative Prospective Agricole et Rurale
IPRC	Integrated Polytechnic Regional Center
ISRA	Senegalese Institute of Agricultural Research
JARM	Joint Annual Review Mission
JFA	Joint Financing Agreement
JICA	Japan International Cooperation Agency
JOC	Joint Operations Committee
JRES	Joint Education Sector Reviews
JRIS	Joint review and Implementation missions,
KALIP	Karamoja Livelihoods Programme
KCCA	Kampala Capital City Authority
KFW	Kreditanstalt für Wertverlust
KII	Key Informant Interview
KOICA	Korea International Cooperation Agency
KPI	Key Performance Indicator
LDC	Least Developed Countries
LFS	Labour Force Survey
LGD	Local Government Division
LGED	Local Government Engineering Department
LIPW	Labour-intensive Public Works
LMIC	Lower Middle-Income Countries
LOASP	The Law of Agro-sylvo-pastoral orientation
LPSDA	Sectoral Policy Letter for the Development of Agriculture
M&E	Monitoring and Evaluation
MAER	Ministry of Agriculture and Rural Equipment
MAG	Ministry of Agriculture
MCC	Millennium Challenge Corporation
MCDGWECSG	Ministry of Community Development, Gender, Women, Elderly, Children and Special Groups
MCF	Mastercard Foundation
MDG	Millennium Development Goals
MDTFs	Multi-Donor Trust Funds
MEL	Monitoring, Evaluation and Learning
MICE	Meetings, Incentives, Conferences & Exhibitions
MINECOFIN	Ministry of Finance and Economic Planning
MINEDUC	Ministry of Education
MIS	Management Information System
MODES	Non-Governmental Solidary Development Organisations Movement of El Salvador

MoEVT	Ministry of Education and Vocational Training
MoFP	Ministry of Finance and Planning
MoFPED	Ministry of Finance, Planning and Economic Development
MoLEYD	Ministry of Labour, Employment and Youth Development,
MoPME	Ministry of Primary and Mass Education
NAPE	National Academy of Primary Education
NCTB	National Curriculum and Textbook Board
NDC	Nationally-Determined Contributions
NDP	National Development Plan
NEMC	National Environment Management Council
NEPAD	New Partnership for Africa's Development
NGO	Non-Governmental Organisation
NHIF	National Health Insurance Fund
NIRA	National Identification & Registration Authority
NISR	National Institute of Statistics Rwanda
Non-DLI	Non-Disbursement linked Indicator
Non-KPI	Non- Key Performance Indicators
NPM	New Public Management
NSC	National Steering Committee
NSPF	National Social Protection Framework
NSSF	National Social Security Fund
NSSP	National Social Protection Policy
NST1	National Strategy for Transformation 1
NUREP	Northern Uganda Rehabilitation Programme
NUSAF	Northern Uganda Social Action Fund
OCDA	Office of Cooperation for Agricultural Development
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
OHCHR	Office of the United Nations High Commissioner for Human Rights
OPM	Office of the Prime Minister
PAA	Project Area Authority
PAES	Environment Program of El Salvador
PAF	Family Agricultural Plan
PAM	World Food Programme
PAP	Priority Action Plan
PASAD	Agricultural Programme for Sustainable Food Sovereignty
PDIA	Problem-Driven Iterative Adaptation
PEAP	Poverty Eradication Action Plan
PECE	Primary Education Completion Examination
PEDP	Primary Education Development Programme
PEI	Strategic Institutional Plan
PEPFAR	President's Emergency Plan for AIDS Relief
PESP	Primary Education Stipend Programme

PforR	Programme-for-Results
PLU	Programme Liaison Unit
PMC	Project Management Committee
PMU	Programme Management Unit
PNIA	National Agricultural Investment Programme
PNIASAN	National Agricultural Investment and Food and Nutritional Security Programme
PO-RALG	President's Office Regional Administration and Local Government
POA	Annual Operation Plan
PPI	Programme Plan of Implementation
PPP	Public-Private Partnership
PRACAS	Senegalese Agricultural Acceleration Programme
PSE	Emerging Senegal Plan
PSPS	Public Service Pension Scheme
PSQL	Primary School Quality Level
PSSN	Productive Social Safety Net
QLEAP	Quality Learning for All Programme
RBM	Results-Based Management
RCT	Randomised Controlled Trials
RDB	Rwanda Development Board
REB	Rwanda Education Board
RENCP	Rwanda NGO Coordination Platform
REPOA	Research on Poverty Alleviation
RP	Rwanda Polytechnic
RSTUs	Regional Technical Support Units
RTB	Rwanda TVET Board
SAGE	Social Assistance Grant for Empowerment
SCG	Senior Citizen Grant
SDG	Sustainable Development Goals
SDSP	Social Development Sector Plan
SECNSA	Executive Secretariat of the National Food Security Council
SFP	School Feeding Program
SICA	Central American Integration System
SICACAO	Central America and the Dominican Republic Cocoa Committee
SICDES	El Salvador Cooperation for the Development System
SIDA	Swedish International Development Cooperation Agency
SLIP	School Level Improvement Plan
SODEFITEX	Fiber and Textile Development Company
SPWG	Social Protection Working Group
SSC	South-South Cooperation
SSRA	Social Security Regulatory Authority
STEM	Science, Technology, Engineering, and Mathematics
STP	Technical Secretariat of the Presidency
STR	Student-Teacher Ratio

SV	Southern Voice
SWAP	Sector Wide Approach
TASAF	Tanzania Social Action Fund
TFP	Technical and Financial Partners
TMIS	Teacher Management Information System
ToRs	Terms of Reference
TVET	Technical and Vocational Education and Training
TWGs	Technical Working Groups (TWGs)
UEMOA	West African Economic and Monetary Union
UK	United Kingdom
ULGA	Uganda Local Government Association
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNSDCF	The United Nations Sustainable Development Cooperation Framework
UNU-WIDER	United Nations University World Institute for Development Economics Research
UPEP	Upazila Primary Education Plan
UPFSP	Uganda Parliamentary Forum on Social Protection
UR	University of Rwanda
US	United States of America
USAID	United States Agency for International Development
USD	United States dollar
VFG	Vulnerable Family Grant
VMCD	Vice-Ministry for Development Cooperation
WASH	Water, Sanitation and Hygiene
WB	World Bank
WDA	Workforce Development Agency
WFP	World Food Programme
WPL	Workplace Learning

## **PART A: SYNTHESIS**

# Chapter 1: Key Findings and Messages

*Debapriya Bhattacharya  
Towfiqul Islam Khan  
Najeeba Mohammed Altaf  
Lorena Alcázar*

## 1.1 Introduction

This report synthesises experiences from six sectoral Case Studies<sup>1</sup> with the findings of four Thematic Papers<sup>2</sup>. In sum, these works were developed through a research project aimed at clarifying the relationship between Effectiveness Principles<sup>3</sup> and improved sectoral development outcomes. The present chapter is Part A, which first provides an overview of the research project, including its rationale, analytical framework, and methodology. Second, the chapter highlights key messages from sector-level experiences. Third, it examines the broader themes of international development cooperation. Later Part B and Part C respectively present the four Thematic Papers and six country Case Studies.

### 1.1.1 Situational Analysis and Rationale

The project is premised on the understanding that improved development outcomes are induced through “the national and sectoral adoption of effectiveness approaches based on the ‘Effectiveness Principles.’” However, it also acknowledges that the realm of international development cooperation has undergone a range of major changes alongside several global socioeconomic shifts over the last decade.

The first of these changes was a decline and stagnation in the disbursed volumes of official development assistance (ODA) prior to the pandemic. Following the global financial crisis of 2008, austerity measures taken by Organisation for Economic Co-operation and Development (OECD) states put considerable pressure on their ODA budgets. This pressure persisted, as evidenced by the sluggishness in total ODA disbursed by Development Assistance Committee (DAC) countries from 2016 onwards (OECD, 2022; Bhattacharya & Khan, 2020). Among the recipients, middle-income countries have acquired nearly 50 per cent of all ODA commitments since 2000. Over the same timeframe, low-income countries (LICs) and least developed countries (LDCs) have received only 30 per cent of such commitments (World Bank, 2021).

Second, although the volume of ODA plateaued, its concessional characteristics changed. In the decade preceding the COVID-19 pandemic, the share of ODA as grants fell by nearly 7 per cent, while the share as loans rose at a much higher rate (OECD, 2021). Concessionalities varies across sectors, with a large portion of grants targeting social sectors and emergency responses versus concessional and non-concessional loans for infrastructure (World Bank, 2021).

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<sup>1</sup> Please see list of the ‘Authors of Case Studies’ on pg.4. Unless indicated otherwise, the sectoral experiences referred to in this Synthesis are drawn from the six sector-based Case Studies.

<sup>2</sup> Please see the list of the ‘Authors of Thematic Papers’ in pg. 5.

<sup>3</sup> The four Effectiveness Principles are: (i) Ownership of Development Priorities by partner countries receiving support, (ii) Focus on Results, (iii) Inclusive Partnerships, and (iv) Transparency and Mutual Accountability, as denoted by the GPEDC (OECD, 2011). In this report, they are interchangeably referred to as the ‘Principles’.

Third, congruent with the decrease in ODA concessionality, development cooperation gave way to various forms of economic cooperation. In this context, variations include the use of public-private partnerships and blended finance, among other options, to optimise public finance use through the private sector (Bhattacharya & Khan, 2020).

Fourth, many LDCs have graduated over the last decade, while many LICs have become lower-middle income countries (LMICs), thus leaving the existing group of LDCs largely 'Africanised' (Bhattacharya & Khan, 2020).<sup>4</sup>

Fifth, development financing has transitioned from long-term development programmes to short-term initiatives for humanitarian assistance (Bhattacharya & Khan, 2020). Between 2000 and 2019, ODA allocations for 'emergencies at home and abroad increased proportionally faster than that for other sectors' (World Bank, 2021). As the global community continues to reel from successive and overlapping shocks (prominently including the COVID-19 pandemic and war in Ukraine), development cooperation allocations are expected to divert towards emergency responses.

Finally, as reported in the recent round of monitoring conducted by the Global Partnership for Effective Development Cooperation (GPEDC), a decline has been observed in the alignment between International Development Partner (IDP) funded project objectives and the recipient country's results framework since 2016. These data indicate the existence of a fundamental challenge regarding adherence to the principles of development effectiveness (OECD/UNDP, 2019).

Combined, these factors have induced major scrutiny concerning the developmental impacts of the Effectiveness Principles. In general, it is unclear how adherence will affect outcomes amid current trends in global development cooperation.

### **1.1.2 Linking the Effectiveness Principles to the Research Project**

Over the past decade, we have witnessed a shift in the 'effective' development policy discourse. Following the traditional commitments of the Rome Declaration (2003), this is further evident in the establishment of the five principles of development cooperation effectiveness through the Paris Declaration (2005) and Agenda for Action declared in Accra (2008) (OECD, n.d.). These measures later evolved into the four Busan Principles of Effective Development Cooperation (2011), which gained prominence in subsequent policy discussions on the governance of international development cooperation. This subsection briefly discusses each Principle in relation to the present study, both in regard to its design and the selection of sectors and countries.

*Ownership.* The first effective cooperation principle is to ensure the 'ownership of development priorities'. To this end, the OECD (2011) has defined 'ownership' to indicate that a Southern country's national priorities should play a central role in the selection and implementation of development cooperation. Putting the 'ownership' of a development initiative into practice essentially covers three factors. The first involves the identification of key stakeholders (e.g. donor agencies, national and local governments, non-governmental organisations, civil society organisations, intended beneficiaries, and others), while the second requires meaningful consultations with those stakeholders to determine national, sectoral, and local development priorities, and the third calls for the use of a development framework that aligns with relevant national priorities.

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<sup>4</sup> Four countries have graduated over the last decade alone, including Vanatu (2020), Equatorial Guinea (2017), Samoa (2014), and Maldives (2011) (UNDESA, 2022)

Thus, this project understood that the ‘ownership’ of a development cooperation initiative may be considered adequate when programmes are aligned with the given country’s national or sectoral plans through meaningful engagement with key stakeholders. At the same time, an inclusive policy dialogue that engages multiple key stakeholders may facilitate the conceptualisation of ownership.

*Inclusive Partnerships.* In this report, the second principle is immediately seen to encompass the importance of reinforcing roles that the central government and other relevant actors play to ensure a democratic and sustainable process in setting and attaining national development goals. This is followed by the importance of using the recipient country’s institutions and policies as tools to deliver development cooperation (OECD, 2011). In this context, the lack of coordination and inclusion involving all groups (including those which are traditionally excluded and IDP actors), may lead to both fragmentation and the duplication of efforts within sectors. Thus, the present project recognised the government’s role in facilitating coordination among all groups and supporting partnerships between key stakeholders to increase the potential for effective development cooperation.

*Results-orientation.* A ‘results framework oriented towards sustainable impact’ has been designed to increase ‘investments and efforts’ in development policy making. This report highlights two specific approaches that underpin this principle. The first is determining the output indicators and outcomes of development initiatives and their monitoring. Here, the scope of the country’s involvement not only extends to the national government, but also includes beneficiaries of the development intervention. The second is to develop the country’s statistical capacities through a Global Action Plan<sup>5</sup>, conduct a joint assessment, and provide assistance from the international development community to ensure that institutions, laws, regulations, and procedures are fully usable and sustainable (OECD, 2011).

Regarding the concept of results-orientation, this project understood that efforts were conducted through a participatory and coordinated framework to monitor and evaluate development interventions with a focus on efficiency, effectiveness, and sustainability.

*Transparency and mutual accountability.* The fourth and final principle calls for a ‘transparent system that enforces mutual accountability’. As above, two elements underpin this principle. The first is a system that can regularly track, collect, process, and disseminate relevant data and information to stakeholders, while the second builds upon this to foster a participatory monitoring and review system that enforces mutual accountability among all involved national actors and development partners.

In the current development coordination landscape, the concept of transparency and mutual accountability urges the dissemination of symmetrical real-time data on development cooperation interventions and expenditures among all key stakeholders. Otherwise, knowledge gaps may discourage key stakeholders from engaging in the review process for a specific development initiative (Seppey et al., 2017; Grimm et al., 2009)

As mentioned above, this research project based its analytical framework and methodology on the Principles and their expected relevance in achieving desired sustainable development. By extension, the same Principles laid the foundation for selecting case studies and thematic issues.

### **1.1.3 Research Objectives**

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<sup>5</sup> In a Global Action Plan, joint efforts are made to enhance the statistical capacity to monitor progress, evaluate impacts, ensure results-focused management, and highlight strategic issues for policy decisions (OECD, 2011).

This project was primarily motivated by the relevance and effectiveness of the Principles within the changing context described earlier. Because commitment to the Principles has steadily declined in both the IDP and southern countries, this project sought to unpack their relationship with development outcomes through a sectoral lens, thus aiming to clarify whether and how implementation is impacted when recipient governments make strong commitments to particular sectors. Specifically, this project focused on conditions related to three sectors, including education, agriculture, and social protection, all of which play significant roles in LMICs, especially in regard to poverty alleviation and development outcomes.

At this time, the Principles and traction of the GPEDC continue to falter against emerging trends in the development cooperation landscape. This has prompted critical questions on the need for revision, reinforcement, or both. To gain answers, this project sought to unpack the relationship between the Principles and improved development outcomes from two vantage points:

*First*, what factors facilitate or constrain the positive application of development effectiveness cooperation principles at the sectoral level?

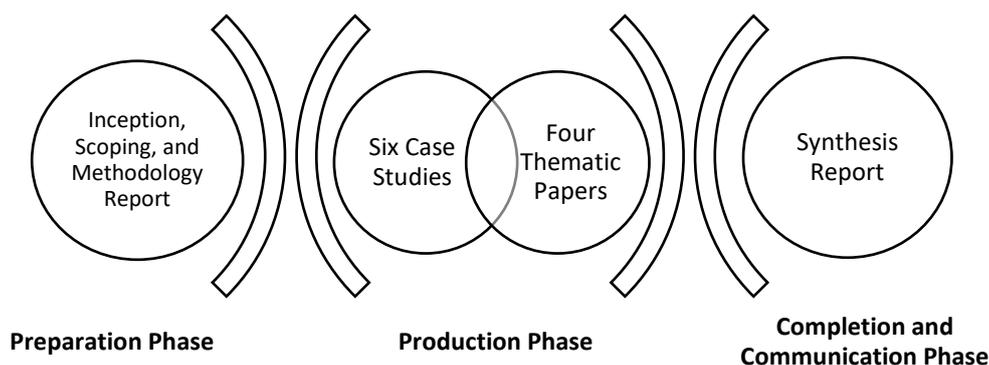
*Second*, what country-specific factors influence whether the application of the effectiveness of development cooperation principles leads to improved performance in delivering sectoral development targets?

In reflection of these motivations and objectives, this project explored the degree to which mutually agreed principles in southern countries has contributed to improved development outcomes at the sectoral level. To this end, subsequent sections of this report delve into the Case Studies, Thematic Papers, and their respective approaches, including details on the employed research questions and methods.

### 1.1.4 Project Elements

This project took an analytical descriptive approach to illustrate sector-level implementation of the Principles across six countries, thus defining how implementation is related to development impacts. As shown in Figure 1.1, this investigation was structured into three broad phases. The first was the Preparation Phase, which contained sub-phases involving the mobilisation of the core research team, in-country experts, and external consultants to prepare the Case Studies and Thematic Papers. Other activities included regular meetings with the European Commission and internal research team meetings. The Preparation Phase concluded with the submission of the Inception, Scoping, and Methodology Report.

**Figure 1.1: Research project design**



The second was the Production Phase, which broadly involved organisational and on-ground research activities to produce and finalise the six sector-based Case Studies and four Thematic Papers. Here, activities included a virtual methodology workshop for in-country experts and internal peer-review processes for the reports, revisions, and finalisation of the deliverables. The core team also travelled to case study countries that participated in the report validation workshop. The Production Phase concluded when the six Case Studies and four Thematic Papers were finalised and delivered to the contracting authority.

The third was the Completion and Communication Phase, which covered both the production of the Synthesis Report and its presentation at the 3<sup>rd</sup> GPEDC high-level meeting on development effectiveness. Activities leading to this conclusive process included structuring the final report, consulting with cross-country and thematic experts when preparing the report, proceeding with internal and external peer-review processes, and ultimately submitting the Synthesis Report.

## 1.2 Analytical Framework and Methodology

### 1.2.1 Analytical Framework

Against the backdrop of the four Principles and situational analysis introduced in the previous section, this project adopted a ‘sector’ perspective to investigate applications across several recipient countries. Specifically, the core research team focused on a subgroup of recipients consisting of LDCs (per the United Nations definition) and LMICs (based on gross national income per capita published by the World Bank), meanwhile excluding G8 members, EU members, and countries with firm EU entry dates that were eligible to receive ODA (UN, 2021). In this context, ‘sector’ is defined as an economic area where government activities are organised, thereby serving as the primary level of analysis, although the country-specific sectoral Case Studies also considered the ‘sub-sector’ level. To gauge development effectiveness at the latter level, this project identified sub-sectors based on the defined value chain of activities leading to the overall development of the broader sector, as overseen by respective government ministries. This point of departure was motivated by three distinct considerations:

- *First*, the effects of the Principles are best experienced and understood at the sectoral level, where policies are made, resources are allocated, and development programmes and investments are delivered. It is also where respective recipient governments, international development partners, and other stakeholders mutually interface in a regular, operational, and practical manner, often under sectoral dialogue platforms.
- *Second*, the same type of sector is likely to have more common elements across countries (especially in pursued development outcomes), when compared with different types of sectors located in the same country.
- *Third*, a given country will exhibit cross-sector variations in performance and achievement with regard to the establishment of structures and processes aimed at sector development targets. When attempting to identify the key determinants of effectiveness, it is therefore helpful to understand the drivers of differential performance.

Ideally, support from IDPs should critically contribute to the attainment of sector development targets in a recipient country. During the 2000s, major providers such as France and Germany emphasised education aid, but allocations for primary education were lower than expected despite its major focal position in the Millennium Development Goals (MDGs) (Thiele, Nunnenkamp, & Dreher, 2007). Moreover, the allocation approach shifted when IDPs turned attention to increased investments in global public goods to achieve sustainable development goals (SDGs), including vaccine production and combatting climate change, while working to mitigate the effects of the COVID-19 pandemic. A more recent trend can be observed in the

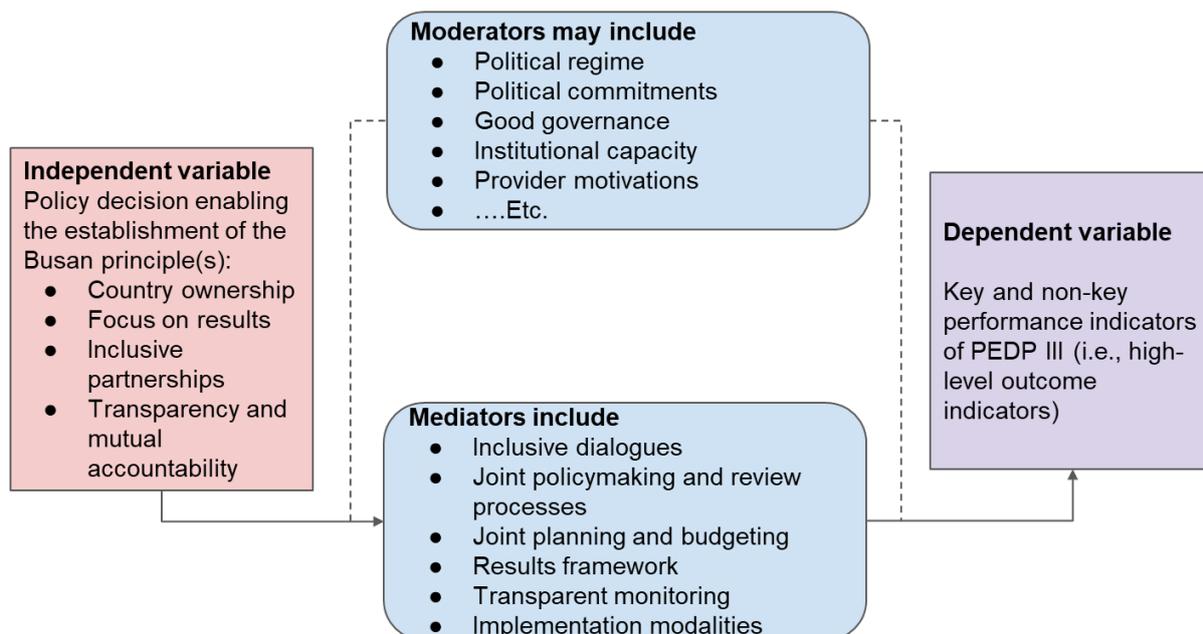
thematic allocation of aid frameworks. Here, decision-making is conducted at IDP headquarters rather than being accomplished through country-based leadership, and now tends to focus on major international issues such as migration. This approach has increasingly gained prominence over the traditional country-led aid allocation framework (Bhattacharya & Khan, 2020; Paulo, Janus, & Holzapfel, 2017; European Commission, 2020).

While the research focused on activities and resources within sectors, sectoral aid allocations likely affect the success of implementing the Effectiveness Principles therein. This is because successful sectors are attractive destinations for foreign aid, whereas falling or unpredictable aid allocations may weaken the effectiveness of structures and processes.

Applying the Busan Principles of development effectiveness as framing issues and the 'sector' as the focus of analysis, this project guided its embedded theory of change under the 'Moderator-Mediator' model, which is widely used in social-psychological and business research. In this context, moderators encompass any qualitative or quantitative variable that may affect the direction and/or strength of the relationship between an independent or predictor variable and a dependent or outcome variable, while mediators refer to 'intervening or process' variables that are positioned between independent and dependent variables, but which otherwise have no direct relationship (Namazi & Namazi, 2016; Baron & Kenny, 1986). In the current analytical framework, mediators were identified as independent variables connecting the Busan Principles to desired development outcomes at the sector and country levels, referring to 'the likely or achieved short-term and medium-term effects of a (development) intervention's outputs' (OECD, n.d.). On the other hand, moderators were identified as variables specific to a sector within the recipient country's national context that affected either the application of the Busan Principles or the impacts of achieved development outcomes. For example, these may include factors related to the contextual realities of the recipient country (e.g., the reigning political regime or national institutional capacity), but may also include other external factors (e.g., provider motivations underpinning local aid allocation strategies).

As shown in Figure 1.2, several variables were identified as moderators and mediators. In terms of moderators, the initial step was to find sector-specific variables within the recipient country's national context that fell into two categories, including (i) those with potential affects on the application of the Busan Principles vis-à-vis the mediators and (ii) those with potential affects on the impacts of the achieved development outcomes.

**Figure 1.2: Mediator-Moderator framework for development effectiveness at the sector level  
(potential selection of moderators and mediators)**



**Source:** Authors' elaboration.

To explain, the recipient country's contextual realities are pivotal in the implementation of actions that would generally further the attainment of effective development outcomes; these include in-country factors (e.g., the national political environment) and institutional arrangements for managing and engaging stakeholders. This project also assumed that recipient governments played central roles in managing cooperative efforts aimed at sector development. Other external factors included issues relating to geopolitics, historical trends in ODA commitments to the sector, and the preferences of source countries for specific aid modalities. In terms of mediators, this project adopted variables defined as 'building blocks' for effective sectoral development processes, per the GPEDC's Effectiveness to Impact Initiatives (GPEDC, 2020).

Based on this framework, this project viewed development outcomes in terms of goals that the recipient country set for the (sub)sector under consideration. Although it should be noted that these outcomes may ultimately contribute to desired long-term impacts, any such results were outside the current scope of research. The next subsection elaborates on individual moderators and mediators within the analytical framework.

### ***Moderators***

As mentioned above, the moderators consisted of sector-specific variables/factors in the recipient country with potential impacts on the application of the Busan Principles and/or the effectiveness of achieved development outcomes at the sector level. In consideration of the academic literature on aid and development effectiveness, five factors were used as examples of moderators that may affect the application of the Principles; they are also commonly described as important determinants of development outcomes. Specifically, potential moderators may include the (i) political regime of the recipient country, (ii) historical political commitments towards a sector, (iii) good governance within the recipient country, (iv) institutional capacity within the recipient country, and (v) IDP motivations beyond aid for development assistance. The present subsection further describes and discusses the individual moderators below.

*Political regime of the recipient country.* According to early research, aid can effectively support growth in recipient countries only when good economic policies are already in place (Burnside & Dollar, 2000). Nevertheless, a stable political environment is considered far more conducive in

this context. Otherwise, instability will likely influence the ‘dissipation of aid in unproductive consumption rather than being invested even in the presence of good policies’. The latter condition can be approached from two perspectives. *First*, political instability may emerge due to irregular or frequent changes in government through the electoral process, which may be associated with sociopolitical unrest. *Second*, it may result from sudden or drastic changes in the political regime, such as a radical shift in power after a coup d’état (Islam, 2005).

Understanding that political stability is an important factor for international development cooperation, other issues have recently emerged, especially given the emphatic promotion of ‘country ownership’ by the GPEDC and the literature on elite bargains (Dercon, 2022). In this regard, previous studies have pointed out that IDP-funded development initiatives are positioned as a ‘public good’, which the recipient government is given purview to use as needed. This becomes an issue when local ‘politics’ are not considered, potentially rendering the development initiative ineffective (Hughes & Hutchinson, 2012). The lack of conceptualisation by IDPs surrounding ‘politics’ in the context of development cooperation may lead to further deterioration in the alignment between IDPs and recipient governments, with potential deviations by IDPs from using country systems and frameworks. Masaki (2018) explored the potential relationship between genuinely competitive elections and aid allocation at a subnational level in Zambia. Over the span of 16 years, the findings show that political leaders may increasingly allocate IDP funding in districts with substantial opposition to the ruling party. This is partly due to the lack of information on swing states and, consequently, a ploy to garner favour among the opposition. This is an example that reflects recipient country motivations in the aid allocation process that may further reduced coordination between IDPs and recipients, as evidenced by recent findings highlighting the reduced usage of country results frameworks (GPEDC, 2019).

As conventionally understood, certain political contexts in recipient countries will better facilitate inclusive stakeholder participation and foster improved monitoring and review processes with transparency (among other issues) when compared to conditions in other countries. In this case, a provider is less likely to disagree with the recipient country’s government. However, an IDP is more likely to determine its own standards for development cooperation outcomes when providers disagree or misalign with the recipient country’s priorities. This has increasingly become an issue amid calls to redefine the ownership principle and include the ownership of IDP priorities.

*Historical political commitments towards a sector.* Pre-existing political commitments and strong partnerships with non-state actors and international development partners can help transform and/or develop a sector. These commitments can span decades, arising due to a host of reasons that may or may not have evolved over time. Historically speaking, this project investigated whether strong commitments from the recipient government to a particular sector tend to affect the implementation of development effectiveness principles. It is reasonable to hypothesise that the Principles are easier to implement in sectors with significant political commitments and which are characterised by historical path dependencies.

*Good governance within the recipient country.* Good governance is an indelible crux of sustainable development. It plays an integral role in ensuring the sustainable, effective, and efficient delivery of development cooperation. From this perspective, it is both an aim and instrument for enhancing development (Dijkstra, 2018). By contrast, the lack of good governance may discourage crucial investments. This was the case in sub-Saharan Africa, where infrastructure investments were hampered due to the engagement of intermediaries in illicit behaviours, pursuance of projects based on a ‘political basis rather than for its socio-economic rationale’, misappropriation of aid funds and resources, and lack of government capacity for assessment (Sobják, 2018). The research team expected that good governance would enhance the sectorial capacity to reach development outcomes.

Because good governance is integral to the effectiveness of development cooperation, the research team considered that a thematic study should focus on sector-specific aspects of the topic. Roadblocks imposed by the lack of good governance often become insurmountable for effective development cooperation, which highlights the need for adequate frameworks that international development partners can use to monitor and evaluate relevant conditions.

*Institutional capacity within the recipient country.* Institutional capacity is another crucial aspect in the establishment of effective development cooperation. While the majority of traditional IDPs concentrated their aid efforts within Africa, many African countries continued to display a negative growth rate. Evidence suggests that this was the result of insufficient institutional capacity, induced by technical cooperation replacing the construction of sustainable institutions and other capabilities within Africa to sustain the outcomes of the development cooperation initiative (Matsuoka, 2008). In this regard, development effectiveness requires an explicit and systematic approach to address infrastructural sustainability gaps in global economic and financial decision-making (OHCHR, 2018).

*IDP motivations beyond aid for development assistance.* Aid allocation is not always driven by the goal of providing development assistance to developing nations. Rather, at least two critical incentives can also influence aid relationships. *First*, assistance may be influenced by the provider country's interest in pursuing power or other geopolitical strategies across borders. Historically, strategic and political factors have been quite significant in donors' decisions to distribute aid. For example, Israel and Egypt, which are not necessarily poor, gained large shares of the US aid budget between 1970 and 1994 (Alesina & Dollar, 2000). More recently, scholars have expressed increasing concerns that the introduction of 'new sources of funds (from places such as China, Brazil, and India) will undermine the effectiveness of aid generally as they allow recipients to play providers off one another and to avoid conditionality' (Milner & Tingley, 2013). Another example is the decision to provide aid to limit emigration from the recipient country to provider countries (Clemens & Postel, 2018). As such, this project aimed to clarify how the geopolitical motivations of foreign aid allocation can influence the effectiveness of development cooperation. The *second* incentive pertains to specific political or economic reforms. IDPs may provide aid that is contingent on the recipient's trade liberalisation or political reform, for example. The selection of aid modalities and conditionalities usually occurs in a wider political context. IDP preferences may also be affected by prevailing trends within the development community, the modality preferences of other provider countries, and even interactions with key stakeholders (e.g., civil society organisations) (Bandstein, 2007). Moreover, motivations can be impacted based on the degree to which partners have the organisational capacity to administer effective development coordination, as they may not have the institutional capacity for true delivery (Gulrajani, 2014).

The examples of moderators provided herein reflect the project's goal of identifying in-country and external factors that may influence the relationship between the Busan Principles and development outcomes at the sectoral level. Further learning would then promote the identification of potential pathways that encourage positive influences across countries. The following subsection presents mediators and independent variables that connect the Principles with desired effective development outcomes at the sectoral level.

### **Mediators**

The GPEDC platform is developing medium to long-term Effectiveness to Impact initiatives that centre on 'improving impact within a specific SDG area' in partner countries. These initiatives aim to strengthen six 'building blocks' that constitute the practical application of the Busan Principles of Development Effectiveness at the sector level (GPEDC 2020). This project considered the same building blocks as six distinct mediator variables with connections to the Busan Principles and sustainable development outcomes at the sectoral or sub-sectoral level, further presuming their

ability to promote effective development outcomes across different sector and country contexts among recipients. The variables are: (i) inclusive dialogue, (ii) joint policymaking and review processes, (iii) results framework, (iv) joint planning and budgeting, (v) transparent monitoring and review processes, and (vi) implementation modalities. In the GPEDC community, these initiatives are considered key processes and conditions to ensure effective cooperation. The remainder of this subsection explains how the six mediators are related to each of the Busan Principles.

*Inclusive dialogue.* This refers to the establishment of inclusive dialogues at the sectoral or sub-sectoral level, where all relevant stakeholders participate in structured discussions centred on an area of concern. In this context, national ownership is ensured through inclusivity among those 'who are either affected by the development intervention or are themselves implementers of the development intervention'. As explained in earlier studies, both the combination of stakeholders and their participation quality can determine the dialogue's true inclusiveness, which influences the 'ownership' of a development cooperation initiative (Adda-Dontoh, 2017; Biekart & Fowler, 2018).

*Joint policymaking and review processes.* This mediator expands on the aspect of inclusivity. Ideally, a development policy is formulated based on factual evidence and societal realities. Such a process will also involve key domestic stakeholders beyond the recipient government. However, this assumes that the public sector is already well-endowed with skills for evidence-based policymaking and can adequately assess the source, robustness, and relevance of all collected data and evidence (OECD, 2018). Thus, existing capacities can affect the implementation of joint policymaking and review processes, both at the sectoral and sub-sectoral levels. In turn, it is increasingly important to target capacity building in conjunction with efforts to develop sectoral strategies (WHO 2009). Joint policymaking and review processes are crucial for coordinating key stakeholders in a way that enhances ownership of the development initiative. Ultimately, this approach should bring sustainable results that address the needs of all relevant stakeholders.

*Results framework.* The results framework should present a comprehensive set of priorities, goals, and targets that collectively demonstrate a range of possible outcomes and their interlinkages (Roberts & Khattri, 2012; GPEDC, 2020). At the sector level, a well-constructed results framework will not only clarify how expected outputs should lead to immediate outcomes, but also show how those outcomes will lead to longer-term impacts that align with the recipient country's sectoral development priorities. In this regard, 'results' are viewed as either the outputs, outcomes, or impacts of a development policy, programme, or strategy. Thus, it is critical to improve the level of coordination among stakeholders, especially in areas pertaining to the implementation approach, determination of expected resources, mutual accountability, and efforts to achieve sustainable development outcomes (Roberts & Khattri, 2012; NORAD, 2009).

*Joint planning and budgeting.* A well-integrated planning process should establish a framework consisting of national, sectoral, and subnational government goals, policies, and targets, which may be drafted through joint planning efforts among relevant key stakeholders (e.g., government bodies, NGOs, and CSOs). In turn, the budgeting process places these policies into a fiscal space where they can receive allocated funding from development partners in a timely manner (Allen, Betley, Renteria, & Singh, 2020).

Planning and budgeting also entail consistent predictability in aid and subsequent commitments to improve alignments between IDPs and recipient countries. However, predictability and commitment to development cooperation jointly impede effective development intervention. This is often attributed to the contextual realities of IDPs and recipient countries. On one hand, the existence of corruption in recipient countries is viewed as a 'breach of recipient commitment to development', which dissuades IDPs from their development cooperation commitments. On the other hand, recipient countries point out problems related to changing conditionalities that

are tied to development cooperation and the inability of IDPs to keep commitments because of their evolving national priorities. These fluctuations affect the capacity of joint planning and budgeting for development effectiveness (Llanos, 2019).

*Transparent monitoring and review processes.* Joint planning, policymaking, and budgeting require a transparent monitoring and review process. When established in the target country, this will promote more effective and efficient development cooperation and facilitate all national development processes thus supported. This will help hold officials and institutions accountable, both for their performance and how efficiently they use development resources (OECD/UNDP, 2019). Effective and transparent monitoring and reviewing processes must also ensure that information on development cooperation is equally disseminated and accessible among all relevant key stakeholders; data should be disaggregated to discern between what has been disbursed and what has been allocated, including the exact amounts received by intended beneficiaries (Pollen & Seshamani, 2011). Moreover, the institutionalisation of such processes should also consider the actual functions of each structure, and not merely the 'form' in which they are implemented; here, functions must benefit existing national frameworks to effectively and sustainably contribute to development (Buntaine, Parks, & Buch, 2017). Given this arrangement, transparent monitoring and reviewing processes reinforce shared accountability. The timely dissemination of relevant information should also reduce the potential that efforts will be duplicated, improve coordination among stakeholders, and optimise the performance and efficiency of policy implementation processes.

*Implementation modalities.* Finally, this mediator covers the various implementation modalities of development cooperation. Ideally, external support must be implemented through modalities that strengthen and support the use of a country's own systems (e.g., that which provides national health care). This facilitates the expansion of national capacities and ensures the sustainability of interventional results. In recent decades, structural adjustment programmes have given way to programme-based measures, general budget support provisions, and sector-wide approaches. These modalities emphasise national ownership and partnerships between stakeholders while increasing donor harmonisation and alignment (Bartholomew, 2005).

Each of the six mediators is recognised by the GPEDC. When successful, their combination may ultimately improve the impacts of a given development initiative. As previous studies have shown, desired outcomes can still be achieved when the Principles and their related initiatives are disregarded (especially in the case of SSC), but this project asserts that all such mediators pertain to sector-level conditions in the recipient country that are conducive to coordinated decision-making with providers and stakeholders in other recipient countries, thus increasing the potential for improved development outcomes. This is congruent with the project's goal of identifying determinants and obstacles related to the achievement of desired development results. In turn, these findings can inform broader thematic papers.

Under the same Mediator-Moderator framework discussed above, the following subsections detail the approaches used to conduct the Case Studies, describe the design of the thematic papers, and frame the final synthesis report.

### **1.2.2 Defining the Methodology**

The implementation of the Preparation and Production Phases broadly encompassed five major activities, as follows:

*Desk-based research.* This project's foundations were laid through an extensive review of the existing academic and policy literature on development coordination. This included, but was not limited to, (1) publications from the UNDP and GPEDC websites and (2) reports from pertinent UN wings, national governments, and non-state actors in the examined recipient countries.

*Expert group meetings and webinars.* The research team conducted a virtual expert group meeting during the Preparation Phase. This occurred on 2 March 2022, when development cooperation experts from both Southern and Northern institutes helped narrow down the choices for sectors and countries that would be investigated in the Case Studies. The same virtual event was also used as a launchpad to exhibit the analytical framework for those Case Studies (i.e., the Mediator-Moderator framework of development cooperation effectiveness). In sum, this event primarily helped the team gather insights for finalising the selection of sectors, countries, and in-country experts who would actively be involved in the on-ground case research.

After finalising the sectors, countries, and respective case study teams, the Production Phase was initiated through a webinar on 10 May 2022. This virtual session was designed to introduce and facilitate a shared understanding of the (a) research project, (b) issues to be addressed (including the identification of relevant historical sector milestones), (c) data and information sources to be mined (including the identification of key informants), (d) operationalisation of the analytical approach, and (e) research questions for the Case Studies. The Production Phase concluded with a four-part webinar series covering the Case Studies and Thematic Papers during the October–November 2022 period.

*Key informant interviews.* The research team conducted four one-on-one interviews with Southern experts to gather information on thematic issues, including the scope of major concerns in the development cooperation landscape and any challenges in addressing them. Moreover, each case study team incorporated the use of key informant interviews when preparing their respective Case Studies (this is discussed more explicitly in later sections).

*Internal and external peer reviews.* The ‘inception, scoping and methodology report’, six Case Studies, and four Thematic Papers were scrutinised by internal and external peer reviewers. Beyond the external parties contracted to conduct the in-country Case Studies and Thematic Papers, the research team also engaged development experts to guide both the design of the analytical approach and the scope of issues to be addressed through the research project. Moreover, the core research team also contracted Taylor and Francis Editing services to receive professional editing on each Case Study and Thematic Paper.

*Regular discussions with the European Commission.* The research team regularly met with the European Commission to discuss and confirm the overall directions of the project, Case Studies, and Thematic Papers. These meetings were held at least once every two to six to eight weeks.

Annex 1 provides a summary of the quality assurance process followed during this project, while Annex 2 highlights relevant outreach and dissemination activities.

### **1.2.3 Case Studies: approach, sector profiles, and methodological framework**

Following the Busan Principles and drawing on the Mediator-Moderator approach, the Case Studies were designed to address how and why the practical application of the Principles varies in some sectors and country contexts, and is not realised in others. The team further analysed the extent to which this influences sector development outcomes.

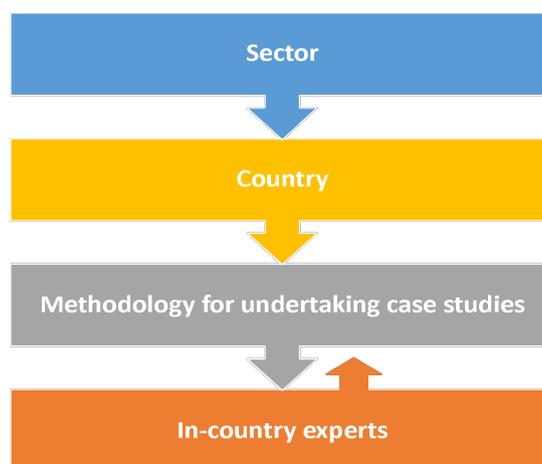
The earlier section conceptualised this sector. However, this project noted that government sectors were not real, but actually ‘constructed’ by governments as a means to organise public affairs and assign political responsibilities and accountability processes. As such, sectors may differ between contexts in terms of which parts of government are associated, which actors are involved, the extent of their involvement (e.g., the relative share of private education provision), and the political salience of the sector related to the government’s overall long-term development

plan. Sectors are also the domains in which development cooperation may be provided and managed, making them key organising principles for international development cooperation.

For these and other reasons, sectoral lessons learned in one specific context are not automatically valid or relevant in other cases. Rather, any lessons must be adapted and transposed to particular sector contexts depending on the country. For this reason, case studies do not produce generalisable findings on development effectiveness ‘anywhere’, but instead serve as plausible and relevant indications of development effectiveness in the contexts of concern. Still, this information may inform enquiries about external applications. Thus, the Case Studies discussed here should not be viewed as comparative cases that follow one coherent selection criterion, but may instead be seen as descriptive illustrations of different country contexts.

*Approach to case study selection.* As shown in Figure 1.3, this project selected case studies based on three major elements, including the (i) sector, (ii) country, and (iii) in-country expert responsible for overseeing the case preparation. The first step included a parallel and iterative process that began by determining which sectors were preferred. This was primarily based on a desk-review of the existing literature, relevant knowledge held by the core research team, and information from the in-country experts and beyond. The expert consultations took a webinar-style approach in which the team pitched the project’s context and objectives with the hope of gaining consensus from a group of academic experts and policy-related professionals from both the South and North. Here, the focus was to identify sectors of interest and determine the potential availability of in-country consultants for conducting the analysis. Alongside this was the three-pronged process of selecting specific countries for the Case Studies. First, the sector of ‘interest’ included the binding constraint of whether a medium-term sector development strategy or action plan existed in the recipient country. This was especially important because the project focused on sector development outcomes rather than broader macroeconomic goals. Second, countries were selected from a group of LICs, LMICs, and LDCs across Asia, Africa, and Latin America to ensure geographic diversity. Third, the core research team considered its ability to engage suitable in-country experts for each Case Study.

**Figure 1.3: Approach to case study selection**



The final stage of the case study selection process consisted of two mutually reinforcing steps. First, the core research team was primarily responsible for developing the selection methodology. This was finalised by weighing inputs from in-country experts and other professionals. Second, the process concluded with the selection of appropriate in-country experts, all of whom were vetted based on their degree of experience and knowledge pertaining to the investigated sectors as well as their ability to generally and specifically conduct research on foreign aid and development effectiveness, respectively. In this regard, members of the Southern Voice network held an advantage through their experience in previous projects with a similar focus.

*Sector profiles of case studies.* As mentioned earlier, the Case Studies were focused on sectors, subsectors, and countries in Asia, Africa, and Latin America. Essentially, the Case Studies explored development effectiveness at the sectoral level in (i) primary education in Bangladesh, (ii) the health dimension of social protection in Tanzania, (iii) TVET and secondary education in Rwanda, (iv) crop production in El Salvador, (v) social protection in Uganda, and (vi) crop production in Senegal.

*Methodological framework of the case studies.* Preparations began with a (i) review of relevant policy documents and reports as well as a consideration of literature respectively pertaining to each investigated sector, depending on the case study team. Beyond secondary research, the case study teams engaged key stakeholders through (ii) key informants. To this end, each team was responsible for identifying key informants with substantial expertise and institutional memory within their country's sector. The key informants who were ultimately interviewed broadly consisted of representatives from the following stakeholder groups:

- a) a representative from an international agency/donor country involved in funding the sector
- b) a representative from an international agency/donor country aware of the sectoral strategy and funding, but who was not actively involved
- c) a government official overseeing the execution of the sectoral strategy
- d) a government official involved in donor-funded project implementation processes within the sector
- e) a government official overseeing donor coordination activities
- f) a representative from a policy-oriented civil society thinktank or alternatively from the academic community
- g) sector development experts
- h) a representative of sectoral beneficiaries

Next, the case study teams held in-person (iii) *validation workshops* towards the end of the Production Phase, therein engaging at least eight key stakeholders (as identified above) based on the sectors and countries involved in their respective investigations. Core research team members also participated in these workshops. Following this, (iv) research questions were developed for the Case Studies based on a literature review, discussions at the virtual expert group meeting, and expert interviews during the Preparation Phase. These questions were then divided into two broad categories, with mediators and moderators as respective points of focus. The first category explored the extent to which mediators were established at the sectoral level, including factors that either constrained or facilitated this process. The second category focused on the roles of mediators in accelerating the achievement (or lack) of sector development targets, including a consideration of moderators that affected the ability of those mediators to deliver better impacts. Please refer to Appendix 4 for further details.

Thus, the employed research methods were chosen based on insights gained into sectors across various countries through a review of secondary literature specific to the concerned sector and country, including national development and sector strategy documents. This was followed by key informant debriefings and a validation workshop. The Case Studies were primarily geared towards a political-economy analysis of institutional processes. A small set of issues that emerged from the Case Studies was then addressed and analytically deepened through the preparation of the Thematic Papers, as explained in the next section.

#### **1.2.4 Thematic Papers: approach and key areas of interest**

*Approach to theme selection.* The Thematic Papers focused on issues (moderators) with the largest influences on either the establishment of effectiveness mechanisms and processes

(mediators) or their ability to accelerate progress on sector development outcomes. The pre-selection of themes was primarily based on a review of studies on development cooperation effectiveness. Choices were then validated through discussions at the expert group meeting and during one-on-one interviews with Southern experts. This selection outcome was further revised and complemented with more sector-relevant research questions on the selected moderators based on sector Case Studies.

To match the study sequence, the research questions used for the Thematic Papers complemented the Case Studies by broadly addressing larger themes of development effectiveness. In this approach, the core research team conducted three webinars (one for each examined sector) to harmonise the Case Studies and Thematic Papers.

*Key areas of interest and methods.* Drawing from discussions with development effectiveness experts, the expert group meeting, and literature review, the research team identified four key themes that would constitute the general framework related to various dimensions of the adapted Mediator-Moderator approach, within which the specific focus of the Thematic Papers was likely to fall. These themes were considered paramount for ensuring effective development, as follows: (i) the role of aid delivery strategies in development effectiveness, (ii) constraints on sectoral coordination in the context of development effectiveness, (iii) results orientation, monitoring, and impact assessment, and (iv) good governance and effective development cooperation at the sector level.

For the authors (recognised experts in their respective fields), individual exposure was complemented by a review of the key literature and issue-specific discussions with relevant knowledge and policy actors alongside and taking advantage of information and analyses from the Case Studies. The set of research questions included in Annex 3 of this chapter is indicative and was revisited, amended, and potentially supplemented during the aforementioned validation process towards the end of the case research.

### **1.3 Key Messages**

This research project adopted a bottom-up approach, focusing on the implementation of development cooperation processes at the sectoral level. Broadly, sector experiences showed that the mediators (i.e., the processes designed to improve development outcomes) were solidly in place across all six countries and sectors. In many cases, however, some aspects were not adequately addressed beyond the implementation stage, including multistakeholder engagement and accountability. In connection with this, the present section elaborates on key findings that emerged from the six Case Studies and four Thematic Papers.

#### **Diminished inclusivity and coordination among various stakeholders**

A provision exists for inclusive dialogue and joint policymaking processes to ensure meaningful participation among all key stakeholders, including the beneficiaries. However, most of the Case Studies found that programme beneficiaries were not meaningfully or consistently included across the intervention chain. As for externally funded projects or programmes, involvement from non-state key stakeholders was heavily concentrated at the conceptualisation stage. Thus, the lack of inclusive dialogues created few opportunities for local contextualisation within the programme<sup>6</sup>.

Moreover, the GPEDC framework advocates multistakeholder partnerships at the country level, but non-state actors across recipient countries continually experience systematically shrinking

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<sup>6</sup> For example, in El Salvador's crop production subsector, several key non-state actors at the community level were invited to joint planning sessions, but only 'consulted' for their comments and inputs on the policy/programme/project design. No aspect or scope existed for 'co-creation', meaning that localised perspectives provided by intended beneficiaries were essentially dismissed (please see Chapter 6).

spaces for effective participation. Not only has the scope of their involvement deteriorated, but civil society merely holds a weak influence on the strategic orientations of governments.

Finally, a lack of coordination among stakeholders was evident through disagreements between various line ministries and IDPs. These conflicts were often exacerbated by a contradictory understanding of the results indicators. Here, two main issues diminished inclusivity and coordination across the process chain:

- (i) low-quality representation (at the ministerial level) in dialogues with IDPs due to high turnover among project implementation leaders
- (ii) low participation from government officials at the project implementation level; the resulting high costs of mobilising key government officials and apathy further increased subpar budget performance at the grassroots level

In this context, both the success and sustainability of attained outcomes rely on inclusive dialogues and mechanisms for coordinating diverse stakeholders throughout the project lifecycle.

### **Inadequacies in monitoring and evaluation**

In the Case Studies, a recurring concern was the lack of sufficient, accessible, disaggregated, and reliable sector-specific data. In connection with this was a common theme in which no or insufficient follow-up mechanisms were available for assessing the level of consideration for recommendations and feedback from key non-state stakeholders. Here, the combination of poor M&E capacity and weak data triangulation processes in recipient countries induce scepticism and disinterest among IDPs towards reported development outcomes. As a primary cause of this situation, many government representatives and other stakeholders had limited capacities to meaningfully interpret and analyse data. In turn, project information was either insufficiently shared or delayed, which exacerbated the practice of uninformed decision-making and decreased the level of interest in development processes among stakeholders (including IDPs).

Against this backdrop, M&E capacities must be improved in the recipient country's systems and processes to revive interest in the GPEDC agenda. Here, the results based model (RBM) comes with the undeniable merit of seeking greater efficiency and cost-effectiveness among scarce resources in development cooperation by monitoring and adapting interventions and measuring their results<sup>7</sup>.

### **Lack of familiarity with the Effectiveness Principles**

Although the GPEDC agenda has remained in effect since the 2011 HLM in Busan, the reality is that key persons responsible for implementing development cooperation-led activities are rarely fully aware of it. This disconnects, which directly impacts the effectiveness of relevant activities, exists in recipient governments and IDP country offices. Several factors create this general lack of awareness. First, key personnel are frequently transferred within recipient government systems. Second, IDP headquarters are increasing the level of coordination with their country offices. Third, recipient governments do not have the capacity to negotiate any conditionalities during dialogues with IDPs, who are further influenced to follow their agenda without adequately considering localised perspectives or the nature of systems in recipient countries<sup>8</sup>. In this regard, a regular exercise in which all parties revisit and revive the GPEDC agenda at their respective levels would only lessen the extent of unfamiliarity.

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<sup>7</sup> The Thematic Paper on RBM suggests the need to include more participatory and qualitative approaches to data collection, analysis, and monitoring. It also important to increase the sensitivity of the RBM structure to include incentives for stakeholders to be more creative, innovative, and ambitious in pursuing longer-term and transformational interventions (please see Chapter 4).

<sup>8</sup> For example, most IDPs in Rwanda did not follow GPEDC-recommended approaches when implementing their development cooperation programmes. A large number of bilateral partners both channelled financing through their own systems and procured services from individuals and organisations from their countries (please see Chapter 9).

## **The ownership deficit and disinterest in GPEDC processes**

Reflecting the rise in unfamiliarity with GPEDC Principles at IDP offices, actual IDP involvement was increasingly constricted across the intervention chain. In this context, IDPs were either restricted to the design stage or merely received progress reports concerning the sector or its project performance. Similar to the results of diminished participation observed among non-state actors across the intervention chain, this has simultaneously induced a decline in IDP ownership and an increase in IDP accountability issues within projects and programmes. This is particularly attributable to the lack of a medium for aligning understandings between IDPs (headquarters and country offices) and key stakeholders in recipient countries, especially as it pertains to their perceptions of programme/project objectives, outputs, outcomes, and relevant indicators. Ultimately, this situation has led to disproportionate intra-ownership across the intervention chain, increased disinterest in the GPEDC process, and reduced accountability<sup>9</sup>. In this regard, the results of the Case Studies emphasise the need to promote local ownership and meaningful participation through dialogues with all key actors, especially to enhance mutual accountability for projects and programmes.

## **The shifting motivations of international development partners**

The motivations that drive a provider's development cooperation narrative are integral to the cooperation intervention chain. First, as highlighted in recent GPEDC monitoring rounds and the Case Studies conducted in this project, providers have gradually shifted away from using country systems<sup>10</sup>. The recipient's institutional capacity is closely tied to the effective attainment of the processes underpinning each of the Principles. The core function is initiated by fostering trust between IDPs and recipient countries through the de facto use of recipient country systems, concurrent with their strengthening<sup>11</sup>.

Pooled funds and the delivery of development cooperation through country systems are keys to achieving enhanced development effectiveness. Despite this, cooperative providers still exhibit strong project orientations<sup>12</sup>. To address institutional capacity issues (also at the sector level), this highlights the importance of transcending the technical approach and engaging with political issues<sup>13</sup>.

Second, the nature of IDP-disbursed funding is fundamental in the priority setting and design of results indicators used in the sector. Creditors were far more focused on fulfilling processes according to their requirements, whereas grant providers were far keener to support attainment within 'softer' or more innovative sectoral areas. The justification for this difference was that undue risks would be incurred given the costs of prolonging a project/programme. Overall, the creditor versus grant provider narrative remains underexplored in the realm of development cooperation.

## **1.4 Implications for the GPEDC Framework**

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<sup>9</sup> Please see Chapter 5.

<sup>10</sup> Please see Chapters 8 and 11.

<sup>11</sup> For example, in Senegal's crop production sector, weak institutional capacities at the recipient ministry level resulted in weak governance of value chains within the sector. Consequently, this has undermined sector development performance and diminished IDP trust in the country's systems (please see Chapter 7).

<sup>12</sup> The thematic study on sectoral coordination suggested that the global development effectiveness dialogue should emphasise increasing effectiveness through project assistance while the other collective modalities continue (Please see Chapter 3).

<sup>13</sup> It was observed that IDPs were reluctant to channel funds through local CSOs, universities, think tanks etc. The low level of funding that local CSOs receive from IDPs negatively impacts their ability to influence the sector (please see Chapter 2).

The findings from this project indicate a growing need for the GPEDC to strengthen the pursuit of its declared objectives; that is, (i) to generate evidence, knowledge, and new solutions; (ii) to facilitate the implementation of context-specific effectiveness solutions; and (iii) to foster partner country engagement and learning. In view of on-ground contextual realities in recipient countries and IDPs, the current findings point towards two perspectives for the future of the GPEDC Agenda, including the 'regular' and 'radical'.

### ***The 'regular' perspective***

This perspective entails a business-as-usual approach. First, stronger politico-institutional analyses must be conducted in recipient countries before implementing any sector-wide measures, as this will reveal local contextual realities that can influence the attainment of development cooperation effectiveness.

Second, the sectoral experiences observed in examined countries highlight the need to develop a stronger and shared understanding of what constitutes adequate and relevant result indicators for the recipient country, focusing on the context between the recipient country's government and relevant IDPs. There is also a need to ensure the availability and accessibility of quality real-time disaggregated data on programme/project and sectoral outcomes. In turn, the use of these data should be promoted while aiming to improve the interpretative capacities of gatekeepers.

Third, there is an increasing need to incorporate a periodic joint-assessment process to review the absorption of feedback and learning takeaways sought from key stakeholders to mend the broken feedback loop. Data deficits must be addressed through the national statistical system, therein providing results for overall development outcomes, and not only for programmes or projects. In fact, improved monitoring and evaluation capacities are key aspects. RBM may be adapted to include more participatory approaches and corresponding qualitative methodologies for indicator formulation, data collection, monitoring, and evaluation.

Fourth, the GPEDC should proceed forwards by promoting an effective mechanism that ensures sustained, inclusive, and meaningful participation among key state and non-state actors throughout the lifecycle of projects and programmes as well as in the formulation of policies. The promotion of a mechanism for multistakeholder participation also requires a validation mechanism for key stakeholders across the process or intervention chain. Here, recognition and support must exist for meaningful participation in shaping and implementing development plans, acknowledging that their criticisms are essential for achieving development outcomes. This push must be realised both internally at the country level and among national governments, key non-state actors, and IDPs at the sector level.

Fifth, the GPEDC Agenda should be socialised, both at the national and country offices of IDPs and national and local levels in recipient countries. Over the course of preparing the Case Studies and Thematic Papers, the extent of ignorance among IDPs and recipient countries grew increasingly obvious, albeit unintentionally. In this regard, the socialisation process should be tied to activities with dedicated staff time. Therefore, acclimatisation is required at the recipient government's national and local levels as well as at the headquarters and country offices of IDPs. This can be facilitated through regular immersion programmes. IDPs should allocate staff time to GPEDC-related work at the country level. Among other factors, the lack of continuity in project leaders and staff tends to desensitise newcomers to the importance and relevance of the Principles.

Finally, an added advantage of acclimating the GPEDC Agenda within IDPs is that it promotes a newer and stronger narrative concerning the necessity and relevance of the Principles for taxpayers in provider countries. This is more important than ever, as countries around the world continue to experience shrinking fiscal spaces and deviating priorities amid calls for action on climate change, growing socioeconomic volatility, and humanitarian crises.

### ***The 'radical' perspective***

This perspective undoubtedly addresses key issues that clearly emerged during this research project. However, the continually evolving realities of IDPs and recipient countries may require a reinvention of the GPEDC Agenda. The need to reinvent has particularly become significant as recipient countries continue to climb the development ladder and gain exposure to new and diversified sources of development financing. Consequently, the influence of development cooperation under the GPEDC framework continues to weaken at the country and sector levels. Moreover, the Principles are more suited for application when democratic accountability is upheld in recipient countries. In reality, recipient countries are now showing an increasing lack of democracy, which impedes the realisation of development outcomes via the GPEDC Principles.

Against this backdrop, the contents of the Busan Principles must be revised to reflect new realities, accompanied by redefinitions of the processes, outcome objectives, and measurable indicators. This endeavour may require a curated group of key eminent experts with a larger mandate than the earlier constituted Monitoring Indicator Advisory Committee.

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## Annexes

### Annex 1: Quality assurance process followed during the project

Quality assurance (QA) was a built-in process that ran parallel to the research project.

*First*, as mentioned earlier in this report, the core research team organised a virtual workshop with relevant development and policy experts to validate the sectors, issues, data sources and methods selected for the case studies and thematic papers.

*Second*, throughout the preparation of the case studies and thematic papers, the core research team was closely involved with each of the in-country experts and external consultants. This involved regular virtual meetings with individual experts contracted.

*Third*, the zero draft versions of reports were first reviewed internally through an internal presentation and validation by the core research team.

*Fourth*, after incorporating the initial edits and comments, selected peer reviewers and associate experts received a revised and refined version of the zero drafts for their input and feedback for finalizing the drafts.

*Fifth*, the research team had also planned a second validation workshop towards the end of the production phase. The intent here was to share findings for validation by key stakeholders at the sectoral and national levels within case studies countries. Members of the core research team had travelled to the countries in which the case studies had been based to participate in the validation workshops.

*Sixth*, the research team also shared the revised drafts of the case studies and thematic papers with professional editing services for the finalisation of the documents. Draft versions of the documents containing early findings were shared with the European Commission for review and comments.

Both institutes, CPD and GRADE (as the Secretariat of Southern Voice), are independently guided by their individual quality assurance policies.

## **Annex 2: Outreach and dissemination**

Over the course of the research project, the research team tapped into the expertise of a wide range of stakeholders and specialists, comprising both Northern and Southern experts, through various modes of engagement, both in-country and overseas.

During the 'preparation phase', the research team conducted a virtual expert group meeting to garner insights regarding sectors across countries and several individual consultations with academic and professional experts in the field of development cooperation effectiveness within the 'preparation phase' of the project. Two more validation workshops had been conducted during the production phase; to engage policy experts from both the North and South as well as key stakeholders at the national and sectoral levels of recipient countries in which the case studies are based.

The Centre for Policy Dialogue presented select key findings that had emerged from the exercise at the 'International Research Conference on the Effectiveness of Development Cooperation', jointly organised by UNU-WIDER, GPEDC and the European Commission, during 17-18 November 2022 at Brussels, Belgium.

Additionally, the Centre for Policy Dialogue (CPD) is organising a session at the upcoming GPEDC High-Level Meeting titled '2022 Effective Development Co-operation Summit' on 12-14 December 2022 at Geneva, Switzerland.

Moreover, in collaboration with the European Commission, the team will be identifying opportunities for publication of the findings, despite this not being the primary purpose of the research project, given the importance of the matter.

## **Annex 3: Case Study Research Questions**

As mentioned earlier in this paper, the research questions for the case studies used the Mediators and Moderators as its focus. The research questions had also been aligned with each of the Busan principles to address the varying dimensions of development cooperation effectiveness at the sector level. The questions below were initially designed by the core research team and were later revisited and adapted as required by each case study team.

### *I. Establishment of the Mediators*

- (i) How and to what extent have the key mediators been established?

The information collected in relation to this question present any and all Mediators that had been or are currently in use within the sector/country. As mentioned previously, the key mediators include (i) inclusive dialogues, (ii) joint policymaking and review processes, (iii) results framework, (iv) joint planning and budgeting (v) transparent monitoring and review processes, and (vi) implementation modalities (GPEDC, 2020), among others. However, the mediators in practice will be determined on a case study basis, respective to the sector contexts of the country in which they are based.

- (ii) Which stakeholders (including international development partner (IDP) actors such as a visiting diplomat, consultant or a long-term expert in the country among others) were involved, and when, in the preparation of the sectoral strategy/plan/document?

This question (and its sub-questions) broadly approaches the ‘ownership’ aspect of a country’s sector development strategy. Answering this would entail identifying the ‘national’ derivation of the sector strategy – i.e., whether it had solely been a government initiative or whether key in-country stakeholders such as sector beneficiaries, NGOs, economic actors, development partners had been a part of it and when. The researcher will seek to establish the extent and influence of the involvement of the different sector stakeholders in the establishment and functioning of the mediators.

### *II. The role of Moderators in the process of establishing Mediators*

- (iii) To what extent did the alignment – or lack thereof - between the sectoral priorities and approaches of Government, IDPs and other sector stakeholders facilitate or constrain the establishment of the mediators?

Building upon the previous question that sought to identify the involvement, or lack thereof, of the provider side in the sector strategy development, this question seeks answers that will address the motivation underpinning sector based IDP funding and the reconciliation between IDP interests and sectoral/national interests.

- (iv) Was reliable data on the allocation and use of external and domestic resources for interventions in the sector available in a timely manner? Was it accessible to only the concerned stakeholders, or was it publicly accessible?

The information gathered related to this question sets out to examine the extent of understanding of the donor and domestic funding flows to sectors within a country.

- (v) Was reliable data and evidence concerning sector performance and outcomes available and accessible in a timely manner? Was it accessible to only the concerned stakeholders,

or was it publicly accessible? If available, to what extent and how was it used by donors or the government?

The information collected in response to this query will examine the use of the relevant authority's sector-based results framework, particularly through data collection and dissemination of the sector development outcomes. In this connection, the answer will also seek to delineate the usage of the data output from the results framework by either the providers or the recipient government.

## *II. The role of the Mediators in delivering improved development outcomes*

- (vi) To what extent have the establishment of the Mediator(s) influenced or otherwise contributed to planned outcomes and which was the most influential?

The information collected in relation to this question will seek to highlight the timing of the effective use of the mediator during the timeline of a sector strategy and explore the intent behind the use of the mediators in relation to the sector strategy. Specifically, it will address whether its use was to meet the demands of the national development strategy or in response to IDP requirements. This will provide a base-level understanding of the degree of mediators established and application of the Busan Principles within sectors and allow for the examination of the sector development outcomes achieved, the results' sustainability and which Mediator was the most influential.

- (vii) What was the scope of involvement of actors, especially IDP actors, in the preparation of the sectoral strategy/plan? Was the participation of the IDP's an expression of pre-commitment to the sectoral strategy/plan?

The information collected in response to this query would extend to address the roles of the various entities engaged along with that of the IDPs' in the development processes of the sector strategy. This is expected to aid in the current understanding of what comprises 'ownership' of a development cooperation initiative.

- (viii) Was there a sector-based results framework, and how was it operationalised?

The information collected in relation to this question should examine the presence of a sector-based results framework and whether or not the formulation and usage of a results framework had been in response to IDP requirements. This will further emphasise the relevance of the Busan Principles, specifically the results orientation, to both government and sector-based stakeholders. The results framework has been emphasised separately in this manner particularly because it captures the disaggregation dimension highlighting the degree of inclusivity of the development outcomes, and the ownership aspect in terms of good governance and accountability. The multiple dimensional characteristics of the results framework allows an analytical retrospect of the remaining mediators.

- (ix) Which key stakeholders feature prominently in the sector-based results framework?

The answer to this question should seek to identify specifically which groups of people had been prioritised in the development of the sector strategy and the subsequent results framework and which groups or communities had been left behind.

- (x) How were key stakeholders identified and by whom, and how were they engaged (in terms of timeliness and scope of engagement)?

This question seeks to list all the stakeholders engaged in the processes concerning a development cooperation intervention at the sector level and their respective roles. Most importantly, the answer should highlight not only how the relevant stakeholders had been identified but the timing of their participation and the scope of their roles in the execution of the sector strategy. This will aid in understanding the potential for partnerships to raise the efficiency and effectiveness of development cooperation interventions.

#### *IV. The role of the Moderators in facilitating improved development outcomes*

- (xi) To what extent did any externality (Moderator variable) affect the development effectiveness outcome of the sector?

Keeping the narrative of orienting towards sustainable results as a driver of development cooperation interventions, the answer to this question seeks to broadly inquire about any country-specific and sector-specific factors that may have been influencing the role of the mediators. These factors may include the likes of political stability and institutional capacity within the country, among many others, but this is not limited to the examples listed in section 3.

## **PART B: THEMATIC PAPERS**

## Chapter 2: The role of aid delivery strategies on development effectiveness

*Andrea Ordoñez Llanos*

### 2.1 Introduction

Considering the wide range of development goals included in the 2030 Agenda, Official Development Assistance (ODA) is a relatively small source of development finance and International Development Partners (IDPs) make important decisions about what, who, and where to fund. This paper explores how the aid allocation decisions of IDPs affect adherence to the principles of development effectiveness in that sector. To a lesser extent, the paper examines if these choices impact the success of development cooperation initiatives and the policy sector where they are implemented. With regards to the issue of the role of development cooperation, and more specifically, of the decisions of IDPs in the development outcomes of a sector, creating a definitive link between cooperation and development outcomes remains difficult, as data on such impacts is scarce. However, we will reflect on some possible implications and shed some light on issues that seem relevant when considering how IDPs' choices can support development. This paper is part of a larger initiative seeking to explore the relationship between the principles of development effectiveness and development outcomes. To conduct this exploration, the initiative takes a sectoral approach. Other literature has explored the concept of effectiveness at national or global levels, but it is difficult to delimit outcomes at this level. Another approach has focused on the project level. While outcomes may be discerned at this level, it cannot shed light on certain aspects of the effectiveness agenda, such as multi-stakeholder dialogues and joint policymaking. The present paper will rely primarily on a review of the literature and six case studies that form part of this wider initiative. Two case studies focus on the agricultural sector in Senegal (Hatie, Cissé, Ly, Tall, & Seck, 2022) and El Salvador (Beneke de Sanfeliú, Gómez, Hernández, & Sánchez, 2022), two studies focus on education in Bangladesh (Bhattacharya, Khan, Altaf, Alam, & Kabir, 2022) and Rwanda (Besharati, Uwera, & Berwa, 2022), and two on social protection in Uganda (Kasirye, Nakazi, Ainomugisha, & Akurut, 2022) and Tanzania (Killiam, Walwa, Sambaiga, & Mugisha, 2022).

The paper is organised into four main sections. Following this introduction, the second section presents a framework for understanding donor preferences, particularly in relation to delivery strategies. The third section focuses in depth on choices of delivery strategies. The fourth section presents insights from the case studies, and the fifth section provides conclusions and recommendations.

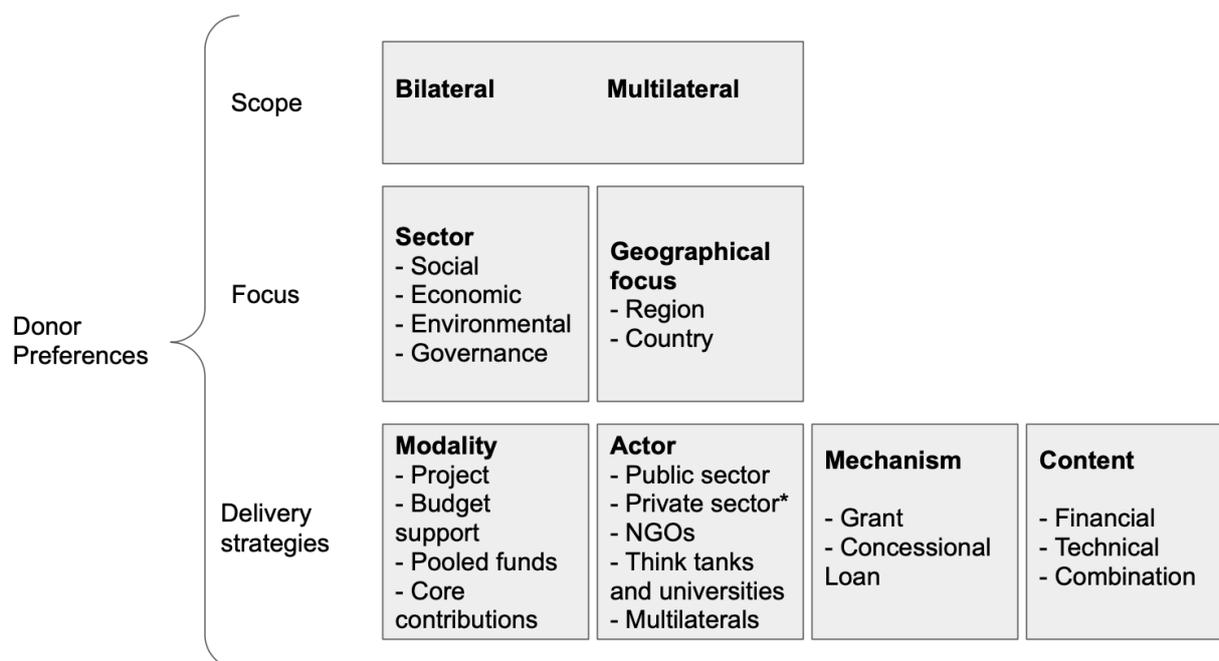
### 2.2 Delivery strategies: framework to explore emerging issues at the sectoral level

IDPs have ample choices to make around development cooperation, as summarised in Illustration 1. At the most general level, donors may have preferences in the **scope** of their cooperation, namely with regards to bilateral or multilateral cooperation. While bilateral flows are provided directly by a donor country to an aid recipient country, multilateral flows are channelled through an international organisation active in development such as the World Bank, European Union, etc. (Organisation for Economic Co-operation and Development [OECD], n.d.).

There are some significant points of difference between these two types of ODA flows. Bilateral transactions include the support of specific private or public organisations within a particular country or region. Bilateral cooperation is well suited to support specific development outcomes in a given territory. In contrast, multilateral cooperation is well placed to address global issues, such as providing global public goods (GPGs). Another significant difference is that bilateral

channels are more easily politicised. Regarding aid allocation, bilateral providers skew allocations according to their strategic and political considerations rather than their developmental impact or the target country's needs (Nunnenkamp & Thiele, 2006; Sippel & Neuhoff, 2008). While multilaterals have now also become politicised in that they can demand policy concessions from the recipients, they continue to possess a veneer of neutrality (Rodrik, 1996, as cited in Gulrajani, 2016). This has led to a perception among aid recipients of multilateral institutions as more legitimate and trustworthy than bilateral providers. Many studies also suggest that bilateral providers are more fragmented (Acharya, De Lima & Moore, 2006; Easterly & Pfütze, 2008). However, Gulrajani (2016) points out that fragmentation is not always a negative characteristic.

**Illustration 2.1: Delivery strategies according to donor preferences**



Most IDPs also choose a **focus of attention** in terms of the geographies and sectors where they work. Clear differences are observed between allocation to different countries and sectors. The geographical allocation of ODA differs across IDPs. Kharas and Noe (2018) highlight a consensus among Development Assistance Committee (DAC) members that aid should go to the poorest countries and those with good governance. Despite this general agreement, there are significant donor preference differences with respect to countries and the extent of geographical concentration of ODA. Emerging providers from the Global South also show different priorities. For example, Indian aid allocation is driven more toward neighbouring countries and prioritises the protection of its commercial interests (Fuchs & Vadlamannati, 2013). Contrastingly, Brazil emphasises South-South cooperation and enhancing its image abroad (Russo, Cabral & Ferrinho, 2013). Dreher & Fuchs, (2011) confirm that geographical allocation and preference for neighbouring countries are high in the case of emerging providers. For example, the neighbour-favouring behaviour of emerging providers such as Turkey, Thailand, UAE (and other Arab providers) is confirmed by other research studies as reviewed by Udvari (2014).

Concerning sectoral allocation, IDPs from emerging economies focus on sectors such as industry and infrastructure. Traditional providers continue to prefer focusing on social sectors such as health and education. The two kinds of support also differ according to their central concepts of economic gains versus charity. The former kind is more interested in getting economic returns from aid allocation; this case is also known as development investment. In contrast, the latter views aid allocation from the lens of charity or philanthropy; this falls under the definition of

development assistance (Saidi & Wolf, 2011). IDPs also have different motivations. In some cases, bilateral aid allocation is dominated by providers' political and economic interests (Maizels & Nissanke, 1984). Furthermore, some IDPs are motivated by links with their former colonies (Alesina & Dollar, 2000).

While these strategic decisions are relevant, they do not account for the set of choices relating to how aid is allocated in practice. The choice of **delivery strategy** translates donor motivations into action. By delivery strategy, we refer to the choices made relating to four interrelated issues: the modality of aid, the actors involved, the mechanism, and the content of support. Dietrich (2013) argues that the aid delivery strategy selected by providers impacts the aid's success even before it reaches the recipient, establishing a connection between delivery strategies and aid effectiveness. Furthermore, Dietrich (2013) argues that the expectation of positive outcomes may be one of the key drivers of the decisions IDPs make, suggesting that there is also a link between strategies and outcomes. In practice, IDPs do not follow a sequential decision-making process. The final choices may reveal a set of internal negotiations among IDP departments and the different rules or principles (implicit or explicit) that guide their work.

The modality of aid refers to the characteristics of the agreement between the provider and recipient, for example, projects, budget support, core support (for the non-public sector), and pooled funds. The second aspect refers to the actors involved in the support; these can include the public sector, private sector, multilaterals, non-governmental organisations (NGOs), universities, and think tanks. In mechanisms, we identify the financial arrangement; i.e. whether the support is a concessional grant or a loan. Finally, the content of the support refers to whether it is financial or technical assistance, or a combination of both.

These dimensions lead IDPs to make interrelated decisions. For example, budget support is a type of aid only available to governments, and for the most part, comes in the form of grants. Project-type interventions, on the other hand, can be implemented by governments, NGOs, the private sector, and other implementing partners. Loans can also finance projects.

In all cases, the final project or plan that is implemented is part of a negotiation between the recipient and provider. However, the IDP has stronger control over the final choice of delivery mechanisms. In fact, all the observed ODA transactions reveal a preference that the provider agrees with; otherwise, the aid disbursement would not have happened. Relationships in development cooperation can be understood through a principal-agent lens that extends throughout a chain of processes leading to the disbursement of funding (Ordóñez, 2019). In these relationships, IDPs balance different trade-offs, including how much to trust the other actors with whom they work and the extent of the control they will exert. These are the main drivers of the choices between different delivery strategies. Do these choices affect the implementation of the development effectiveness principles? Do they affect the observed outcomes of a given sector? To answer these questions, this paper first reviews existing literature before extracting lessons from six case studies in different countries and sectors.

## 2.3 Implications of delivery strategy choices

### *Modalities and mechanisms of development cooperation*

The constant changes in modalities used and extensive debate on the different mechanisms suggest a common belief that decision-making around modality and mechanism is important with respect to impact; getting such decision-making right may substantially affect the observed outcomes. Among experts and commentators, there is a general dislike for the use of project funding. However, DAC countries disburse most ODA through project-based interventions; for example, in 2020 such interventions amounted to USD 64,954 million, approximately 50% of the total ODA that year (Bosch, Fabregas, & Fischer, 2020). Pooled funds, aimed at increasing donor

coordination, are the second most popular modality (22% of all ODA in 2020). Within these pooled funds, just 3 percentage points are for core support to NGOs, the private sector, PPPs, and research institutes; 18 points go to implementing partners<sup>14</sup> for specific-purpose programmes and funds. However, core contributions to NGOs, the private sector, PPPs, and research institutes have also witnessed a 24% increase in 2020 compared to the year before. Finally, despite the interest in promoting ownership and use of in-country systems, budget support represents a small fraction (6%) of overall ODA in 2022. Nonetheless, this is a high percentage compared to the 3% average in 2011-2019. Budget support more than doubled from USD 3,725 million in 2019 to USD 7,946 million in 2020, although most of this increase is in loans, not grants.

This relative increase in budget support in the aftermath of the 2005 Paris Declaration is due to its growing popularity as a new modality for implementing aid effectiveness principles. Koeberle, Stavreski & Walliser (2006) note that the prime objective of budget support programmes among the IDPs has shifted from poverty reduction to good governance. In general, budget support programmes are proven to have a positive effect on aid effectiveness. Budget support is particularly supportive of the effectiveness principles such as alignment with national policies, harmonisation among providers, and ownership by partnership governments (Orth, Schmitt, Krisch, & Oltsch, 2017). This study also consolidates evidence that budget support positively affects public spending, especially in social sectors, and improves the recipient countries' public financial management.

On the other hand, Dijkstra (2018) claims that providers had difficulties respecting the ownership principle, which also affected other budget support benefits such as harmonisation, alignment, and predictability. Dijkstra (2018) also notes some positive effects resulting from the policy dialogues that accompanied budget support programmes, such as increasing budget transparency and execution and improved horizontal accountability within the institution. Additionally, no evidence points towards budget support increasing corruption; instead, monitoring of corruption was found to improve (Orth et al., 2017; Dijkstra, 2018).

However, given the current emphasis on new finance- and results-oriented modalities, acceptance of budget support is also on the decline. Swedlund and Lierl (2020) explain the rise and fall of budget support using the bargaining framework, attributing its decline to a lack of commitment among providers. On the contrary, Dijkstra (2020) refutes their reasoning, arguing that aid policies are now increasingly driven by commercial interests and foreign policies, which is the reason for the fall in budget support. Despite this, budget support remains an effective and relevant modality in promoting significant development outcomes such as budget processes, improved financial management, and access to public goods and services (Orth et al., 2017).

An alternative to budget support is pooled programmes or funds comprising different modalities where providers coordinate funding outside of official government channels. Barakat, Rzeszut, and Martin (2012) review the track record of multi-donor trust funds (MDTFs) on aid effectiveness. MDTFs can be conceptualised as an intermediate modality between the providers and recipients where financial assistance is held in a trust and administratively overseen by an agent such as the World Bank or a United Nations Agency. Funds are then allocated in an efficient manner as per the needs and priorities of the recipient governments (Ball, 2007). MDTFs are implemented, for the most part, in fragile states and can be structured as a long-term funding mechanism. They have come to be classified into two forms: geographical and thematic. Geographically, the funds have been primarily used in post-conflict and post-disaster contexts, while thematically, they have been used to deal with issues such as HIV/AIDS, disarmament, etc. (Barakat et al., 2012).

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<sup>14</sup> This includes international organisations, NGOs, PPPs, and networks, both in provider and third countries, setting up programmes and funds with a specific sectoral, thematic, or geographical focus.

These pooled funds are expected to offer national ownership, capacity development, mobilisation of resources, predictability, greater provider coordination, and reduced transaction costs for governments. However, some roadblocks include problems such as regulations and procedures of the administrators, unrealistic expectations concerning timeframes, and inadequate oversight and political support from providers (Ball, 2007). Further, even the impact of MDTFs on ownership has shown mixed results, with 24 out of 57 studies indicating a negative impact (Barakat et al., 2012); this review was also divided in terms of whether these funds enhanced alignment and harmonisation. A study by D'Aquino et al. (2019) analyses pooled fund in Zimbabwe identifies ways such a fund can enhance results. In this case, the coordination mechanism for the fund, which was originally between the participating providers and the government, enabled, at a later stage, coordination with other IDPs in the sector that enhanced coordination at a sectoral level.

Projects remain the main type of aid provided. For projects, the planning phase is critical, as it is when the key decisions are made; these choices constrain the options available during implementation and remain the most important determinant of success. Some studies found that the project modality involves multiple actors in the process, which increases transaction costs (Knack & Rahman, 2007; Winters, 2019), and causes implementation delays and reduced accountability (Martens, Mummert, Murrell, & Seabright, 2002), which, in turn, undermines development impact (Winters, 2019). However, complementing project interventions with local-level participation (Winters, 2019; Isham, Narayan, & Pritchett, 1995) or a non-state actor as the implementing partner (Shin, Youngwan, & Hyuk-Sang, 2017) might lead to better outcomes. Furthermore, some new studies argue that having more providers in a project does not always result in negative outcomes in the sector. For example, fragmented aid is good for the institutionalisation of democracy, by laying the foundation for a marketplace of ideas (Ziaja, 2018). Similarly, as long as there is coordination among providers, aid fragmentation is not problematic (Gehring, Michaelowa, Dreher & Spörri, 2017).

For some of the modalities of cooperation, particularly projects and budget support, the provider can choose between a loan or a grant; research as to the most effective approach remains inconclusive. Iimi and Ojima (2008) identify that loans and grants are, in fact, complementary when it comes to enhancing growth in the recipient countries. The impact of aid flows on domestic revenues depends more on the quality of the receiving country's institutions (Clements, Gupta, Pivovarsky, & Tiongson, 2004). Hence, country-specific differences in the impact of loans and grants need to be carefully studied according to the recipient's characteristics (Nunnenkamp, Thiele, & Wilfer, 2005).

In summary, evidence from the literature implies that there are no silver bullets when it comes to types of aid. For example, even comparing the use of a pooled fund and a regular project in South Africa, Aniruth's (2019) findings are counterintuitive; namely, the study identified a project that was able to be institutionalised in the long term and a pooled fund that struggled to do so. However, a sectoral approach can be useful for understanding the impacts of different aid modalities beyond the specific intended outcomes of each transaction.

#### *Content of development cooperation: between technical assistance and financial support*

The forms of financial support have some complementarities and significant differences with technical assistance. Technical assistance is defined as the 'transfer or adaptation of ideas, knowledge, practices, technologies or skills to foster economic development for institutional development, policy development, capacity building and programme support' (World Bank, 1991, as cited in McMahan, 1997, p. 2). Technical assistance is said to be demand-driven and aims to accommodate the specific needs of third-world countries; conditionalities imposed by donors are a feature of financial assistance, while technical assistance (from the EU at least) is said to be more flexible (European Council, 2021). The European Commission (2021) also notes that, in the

case of technical assistance, beneficiary countries enjoy more ownership over cooperation priorities and incur no costs when requesting technical assistance.

In the health sector, technical assistance interventions such as training, coaching, mentoring, and creation of peer networks have helped to create an enabling environment sector-wide based on trust, distributed leadership, social accountability, etc. However, there is almost no conclusive evidence of technical assistance programmes bringing any systemic change in the sectoral architecture (Nastase, Rajan, French, & Bhattacharya, 2021).

According to some of the scholarly literature (Annen & Kosempel, 2009; Mikami & Furukawa, 2016), technical assistance has proved to be an effective way of transferring useful skills and technical knowledge to partner countries. For example, Tanzania implemented a successful reform agenda when they complemented budget support with technical assistance; the government ensured better coordination among the providers, resulting in more harmonised aid delivery (IEG, 2008, as cited in Masaki, Parks, Faust, Leiderer, & DiLorenzo, 2021; World Bank, 2006). On the other hand, some studies suggest that heavy reliance on technical assistance, when fragmented and uncoordinated, impairs aid effectiveness. Similarly, it is also suggested that technical assistance adds only low value to the host government compared to the high value offered by aid delivery through public financial systems (Masaki et al., 2021).

#### *Deciding the channel: who implements development cooperation?*

An IDP decides who will receive and manage the funds from development cooperation initiatives. The data collected by OECD on DAC members refer to these as 'channels of delivery', which include the public sector, private sector and PPPs, universities, research institutes or think tanks, NGOs, multilateral organisations, and other channels. The choice of funding recipient has important implications for the recipient country and the success of development cooperation. This subsection will present the evidence from existing literature, including an overview of the available statistics, to highlight the relationship between the actors involved, the implementation of the development effectiveness principles, and the accomplishment of development outcomes. Among the different channels of delivery, the latest OECD data reveal that DAC providers most favour the public sector for fund allocation. However, this share has been decreasing (from 57% in 2009 to 49% in 2020). The share of PPP and the private sector also rose to 8.6% in 2020 from a mere 0.6% in 2015. Additionally, the multilateral channel has also been registering a steady rise over the years (from 17.2% in 2015 to 22.1% in 2020).

The choice of NGOs as a delivery channel has remained almost consistent over the years (within a range of 15-17%). Within this channel, the popular choice among DAC providers remains donor country-based civil society organisations (CSOs). These CSOs received a gross disbursement of USD 12.6809 billion in 2020, which amounts to a 65.6% share of the total bilateral ODA provided to all CSOs. There has been a consistent increase in funding to international CSOs, from a 14.2% share in 2009 to 28.4% in 2020.

Previous research on who is in charge of implementing development cooperation programmes has focused on the project level. Project analysis has gained relevance because it can shed light on more practical questions. Overall allocations have a variety of geopolitical considerations, and those who execute projects on the ground are scarcely involved; at the project level, hands-on bureaucrats and decision-makers tend to be involved. Data from World Bank-funded projects form one of the main sources for such studies (Winters, 2019; Shin et al., 2017; Denizer, Kaufmann, & Kraay, 2013; Ortega, Hagh, & Agarwal, 2022). The relevance of project data analysis is highlighted by Denizer et al. (2013), who find that development projects' success varies much more within than among countries. Confirming this, Bulman, Kolkma, and Kraay (2017) find that country-level characteristics account for only 10-25% of the variation in project outcomes; project-level differences comprise the remainder. This suggests that there are variables at the

practical level of project implementation that are relevant for success. In fact, Shin et al. (2017) assert that the choice of implementing partner seems to be a significant indicator of whether a World Bank project is successful. Generally speaking, the existing capacities and governance arrangements of the implementing organisation play a role in the success of a project.

As mentioned earlier, governments continue to be the most important channel for development cooperation allocation, mostly through projects. Governments usually have the institutional capacity to take large-scale projects and reforms forward in a way that would be impossible for other actors to implement. In fact, any sector-level outcomes will rely, to some extent, on the government, which can never be fully bypassed. A significant portion of innovations in the modalities of aid (budget support, pooled programs, etc.) have resulted from attempts to overcome the challenges of project implementation by governments. Indeed, from a project perspective, Shin et al. (2017, p. 32) identify that ‘when a state actor participates alone in development projects as an implementing agency, it is more likely to underperform relative to when non-state actors serve as implementers in a project.’ However, considering the evidence summarised above, governments may be best placed to succeed with budget support.

NGOs are known to fill gaps in social, economic, and political systems (Batley & Rose, 2011), especially by moving into spaces abandoned by governments; they are also thought to keep an ethical check on market forces (Bano, 2008). International NGO (INGOs) are the main channel of delivery of development cooperation, mainly in fragile contexts (Beisheim, Ellersiek, & Lorch, 2018). However, there is significant concern about the use of INGOs as a mechanism to bypass governments; such an approach can have detrimental effects, including increased dependency on aid and weakened state capacity.

There has traditionally been less interest in local NGOs, but their relevance is increasing alongside the localisation agenda. Over the years, advocacy-based NGOs' primary mandate has been revealed as comprising citizens' representation (Lewis, 2001), local ownership, partnership, and holding the government accountable (Lewis & Kanji, 2009; Banks & Hulme, 2012; Murray & Overton, 2011). According to Batley (2011), OECD (2009), and Rose (2011), local NGOs are expected to be effective in terms of the principles of effective development cooperation, though this remains an under-explored area of scholarship. However, Calix (2020) illustrates that educational programs led by local NGOs perform better when supported by factors such as alternative funding sources, state collaboration, and community participation.

This being said, lack of funding is a serious issue for local NGOs; they depend heavily on foreign aid to perform strongly and effectively (Bebington & Thiele, 1993; Brett, 1993; Fowler, 2000; Parks, 2008; Reith, 2010; OECD, 2013; Bosch et al., 2020). Despite the fact that local civil society plays an essential role in sectoral development, local NGOs receive little support. Given that providers want to avoid the administrative burden of managing local partners, INGOs and UN agencies act as intermediaries between donors and NGOs in developing countries (Ismail, 2019; Tomlinson & AidWatch Canada, 2013; Majid, Abdirahman, Poole, & Willitts-King, 2018). However, since the establishment of the Busan Principles of Effective Development Cooperation, a new interest has arisen among providers to directly fund NGOs in the Global South (Moilwa, 2015). Despite this, providers fear risks and limitations in directly working with CSOs in the Global South, for example, high transaction costs (Tomlinson & AidWatch Canada, 2013), limited capacity to scale up (Majid et al., 2018), and extreme dependence on foreign funding (AbouAssi, 2013). After conducting case studies in South Sudan and Somalia, Ismail (2019) concludes that UN agencies and INGOs still dominate the humanitarian sector despite increased direct funding to local NGOs, while also noting that evidence relating to direct funding is not yet available.

When a multilateral organisation implements aid in a sector, region, or country that has been stipulated by a donor, it is known as earmarked or multi-bi aid (non-core and restricted funding are yet further names used for the same). This approach allows donors to use the expertise and

implementing capacity of multilateral agencies while also keeping close control over the use of funds (Eichenaur & Reinsberg, 2017). Earmarked multilateral ODA allocation amounted to 16.1% of all allocations in 2020 (OECD, 2020). Furthermore, earmarked contributions of DAC countries for UN funds and programmes comprised 82% of all contributions to these multilaterals in 2020. Similarly, around 41% of the total DAC funding to regional development banks comprises earmarked contributions (OECD, 2020). Bilateral IDPs adopt this approach because of the advantages of disbursement of aid through multilateral channels with respect to political neutrality, to reduce administrative burdens on them and partner countries, and to access expertise (OECD, 2009). Multilaterals also have the added advantage of providing economies of scale, which is especially important for smaller donors. For example, channelling aid through international organisations such as the IMF may also serve as a catalyst for donors, as these organisations signal policy credibility (Stubbs, Kentikelenis, & King, 2016). Stubbs et al.'s (2016) findings suggest that the IMF can function both as a carrot and a stick by virtue of giving out funds and the promise of aid catalysis and linking policy conditionality, respectively. Another notable point is that donors support multilaterals that share their objectives rather than those with a different focus. Powerful stakeholders in multilaterals also sometimes drive organisations' designs and policies (Dreher, Sturm, & Vreeland, 2013), for example, the United States and Japan in the case of the IMF (Stubbs et al., 2016). Similarly, country, and sectoral priorities also form an important dimension of donor focus when delegating to multilaterals. Additionally, donors with a stronger focus on GPGs were found to delegate more to multilateral organisations (Greenhill, Rabinowitz, Jalles d'Orey, & Prizzon, 2016).

The literature review suggested that the question of the channel for disbursement of funds is not as directly assessed as the question regarding type of aid. Two important gaps persist, namely the effects of funding the private sector and donor country-based CSOs. These gaps should be addressed, given that a larger share of aid goes to the private sector, while donor country based CSOs take the most significant proportion of aid to civil society. It seems clear that local and national actors are essential for success, and having a mix of them is positive for reaching outcomes.

## **2.4 Insights from case studies with a sectoral emphasis**

The abovementioned case studies from Senegal (Hatie, Cissé, Ly, Tall, & Seck, 2022); El Salvador (Beneke de Sanfeliú, Gómez, Hernández, & Sánchez, 2022); Bangladesh (Bhattacharya, Khan, Altaf, Alam, & Kabir, 2022); Rwanda (Besharati, Uwera, & Berwa, 2022); Uganda (Kasirye, Nakazi, Ainomugisha, & Akurut, 2022) and Tanzania (Killiam, Walwa, Sambaiga, & Mugisha, 2022), all focusing on the sectoral level, add nuance to this discussion of the importance of different channels and types of aid for the success of a sector. Across the case studies, type of aid does not emerge as a critical issue. Instead, it seems that the most significant factor is the channel or actor that implements the project. This is relevant because significant attention has been given so far to the choice of type of aid and to generating innovations primarily focused on bypassing the government. This is aligned with the evidence from the literature that shows mixed results between the different types of aid; no silver bullet can be identified.

The case studies that form part of the wider initiative mentioned above follow similar trends to those observed for the DAC as a whole: a primary focus on project funding, with less sectoral budget support. While some trends are observed for providers that are present across the studies (for example, the reliance of the United States on projects or the preference of the European Union for budget support), some providers (such as the United Kingdom) may use different strategies in different countries/sectors.

In the case of sectoral budget support, the case studies show, as expected, that they represent a small fraction of the total development cooperation in the sectors analysed. Even Rwanda

(Besharati, Uwera, & Berwa, 2022) which is considered a 'donor darling' that has adjusted its ways of working to comply with donor requirements, receives a small fraction of support through budget support. Given the relatively small role of sectoral budget support, it is impossible to assess from the case studies if this choice makes a difference compared to, for example, the project modality. What seems critical, however, is that there is some level of coordination or dialogue among IDPs. In Bangladesh, for example, the education sector transitioned from being project-based to a programme modality (Bhattacharya, Khan, Altaf, Alam, & Kabir, 2022). While in both cases, IDPs provide funds via projects, the opportunity to collaborate and coordinate seems to have improved sectoral outcomes.

Pooled or coordinated funds, on the other hand, seem to be short-lived. The Ugandan case study, which focused on the social protection sector, exemplifies a case where these arrangements were used as part of a pilot programme, but had to later be incorporated into the government's systems to be sustainable in the long term. The initiative initially funded by a pooled program was later adopted as a government programme, financed primarily by concessional loans from the International Development Association (IDA) via a project modality.

Projects remain the norm across the case studies analysed. This trend is magnified by the increasingly important role of development banks, which use this modality for either grants or concessional loans. All the findings seem to suggest that the debate on the type of cooperation is not as relevant as one would expect given its centrality in discussions around development effectiveness. The Senegalese case study, focusing on the agricultural sector, highlights that IDPs maintain power in the negotiations and can determine how funds are allocated independently of the type of aid provided. This suggests that ownership will not be solved with different types of aid, but relates to more substantial issues within government.

On the other hand, the case studies do highlight the relevance of different actors in the success of a sector. All the case studies highlight that government participation is essential for any programme or reform at a sectoral level. While a successful project may exist without a government, a successful sector requires government intervention. This is important to note, as some innovations with respect to development effectiveness have focused on finding ways to bypass governments because of concerns of capacity or corruption. In fact, Barakat et al. (2012) highlight the paradox that while innovations such as pooled funds managed by third parties are meant to bypass governments in fragile states, even then these funds are most efficient when the recipient governments are active partners. As described above, the Ugandan social protection case study exemplifies this further. One of the initial social protection schemes (SAGE) was piloted outside of government systems, but in coordination with the government from the onset, so that it would be adopted by the government at a later stage. The other programme (NUSAF) was implemented through the national budget. Independently of this, both required significant government buy-in and relied on local government structures for delivery.

Two of the case studies (Uganda and Bangladesh) show an evolution towards a higher reliance on concessional loans and regular national budget financing. While this is perceived as a strong sign of government ownership, it may limit the application of other principles, such as participation and accountability. This highlights the concern that the development effectiveness agenda, as currently promoted, may not evolve well in conditions where the relevance of ODA decreases. There is no guarantee that a government will sustain spaces for joint planning and dialogue if not required to by IDPs.

The role of NGOs does not appear to be critical in any of the case studies, which is aligned with the choices made by governments: in most cases studied, civil society receives a small fraction of the funding in each sector. An outlier is Rwanda, where a higher proportion of funds are channelled to (primarily international) NGOs, and where the Rwanda education NGO Coordination Platform has gained an important role in sectoral debates. Probably because of the

high level of funds channelled through INGOs, there are a high number of INGOs in the sector; these INGOs have a particular incentive to engage in policy debates on education. However, in this case, a different platform for NGOs that allegedly represents the interest of local NGOs has emerged, suggesting that even in this case, participation may not be comprehensively inclusive. The case studies also highlight the gap perceived in the literature review in terms of the role of provider country-based CSOs, which do not appear to be critical actors. While their absence makes it difficult to draw broad conclusions about their possible role, we can reflect on what this means for ongoing debates on development effectiveness. First, the agenda for localisation, particularly within civil society, may be an appropriate next step to increase the influence of civil society on development outcomes. In the case studies, the role of local NGOs and those INGOs with local offices is highlighted; however, the challenges they face in terms of financing and long-term planning are also noted. The case study of the agricultural sector in Senegal highlights the existence of sixteen sector-relevant platforms that involve civil society. However, these platforms struggle to be sustainable in the long term.

One additional choice that the analysis of the case studies reveals to be important is the size of the portfolio and the relevance of a given sector/country for a donor. Independently of the channel and type of aid provided, it seems that the level of investment incentivises IDPs to engage more in the development effectiveness agenda in a given sector and country.

## 2.5 Conclusions

The paper has reviewed the implications of choices of delivery strategies. The findings suggest that the modality of aid is not as relevant a choice to the implementation of the aid effectiveness principles, or the final outcomes observed in the sectors as might be expected. Projects can be implemented in such a way that they increase their chances of success, while budget support can be manipulated and suffer from political instability. While budget support is considered a driver for ownership, this is not always the case, and it can be used by donor countries to exert more influence on a country. In summary, while significant efforts are being made by the international community to innovate modalities of aid, this may not be a particularly fruitful endeavour.

On the other hand, the move away from grants to loans is a way in which actors perceive real ownership. This is counterintuitive to the rest of the development effectiveness agenda, since under this mechanism, there are fewer spaces to implement joint planning and accountability. A further exploration between the principle of ownership (as understood by recipients) and other principles in the agenda may shed light on a path forward for the development effectiveness agenda as a whole.

Meanwhile, discussion on the actors chosen to channel development cooperation seems more relevant. This is confirmed by the case studies that follow a sectoral analysis. Previous evidence suggests that donors have explored working with an array of non-public actors mainly as a mechanism to bypass governments. The research, however, reveals that bypassing governments is not advisable; in fact, the case studies reveal they are essential for the success of a sector. Alternative mechanisms that continue to include the government are critical for instances where the IDP does not feel confident about working only with the private sector.

Furthermore, other private entities should not be seen only as channels of aid; it might be more productive to see them as important actors in the effective functioning of any given sector. Despite their relevance in disbursements at the aggregate level, INGOs and donor country-based NGOs have a smaller presence in the sectoral case studies, suggesting that their agendas may not be aligned with either IDPs or national governments. Local CSOs, universities, and think tanks have a relatively short presence in the sectors analysed, and they also receive minimal financing, suggesting that despite the commitment to broader local participation, IDPs are reluctant to

channel funds through these mechanisms. This may be due to the fact that local organisations may be less valuable as channels for large amounts of aid, but nonetheless play critical roles within sectors.

In conclusion, while the research points to the relevance of delivery strategies, within these, IDPs should provide more attention to reflecting on the actors they will work with, and how to combine loans and grants with a view to sectoral success. The case studies reveal that IDPs have yet to follow a true sectoral approach that would consider all the actors and needs of a particular sector; such an approach could be fruitful for IDPs.

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## Chapter 3: Constraints to Sectoral Coordination in the Context of Development Effectiveness

*Erik Lundsgaarde*

The aspiration to improve coordination among diverse development cooperation stakeholders has been a mainstay on the global development effectiveness agenda. Following recognition in the 2002 Monterrey Consensus stating the necessity to strengthen coordination, the Paris Declaration on Aid Effectiveness highlighted the role of partner governments in leading aid coordination efforts as a key dimension of the country ownership principle. In addition, alignment and harmonization objectives encouraged international development partners (IDPs) to limit duplication and fragmentation and promote complementary action through greater use of country systems and common delivery approaches (OECD, 2005). The Busan Partnership for Effective Development Cooperation emphasised the continued leadership role of the governments of developing countries in managing a more diverse provider landscape. In addition, it stressed that cooperation providers should improve their division of labor and use country systems and existing aid disbursement channels to a greater extent (OECD, 2011).

The potential for improved coordination exists across various dimensions of the development effectiveness agenda and multiple development stakeholders have responsibilities to address coordination challenges. Partner governments contribute to coordination through the formulation of clear strategies that provide a focal point for varied stakeholders, as well as their leadership and organization of coordination forums. Development partners influence coordination prospects through their participation in dialogue forums, their choice of implementation modalities, and their use of common management procedures. Coordination encompasses the standardization of information collection as a basis for decision-making, the steering role of partner governments to guide the achievement of specific goals, and the promotion of multi-stakeholder dialogues involving development partners and societal actors. In addition to the coordination processes focusing on the interactions between partner governments and IDPs, development partners also pursue coordination among themselves. Recent efforts among the European Union (EU) and its Member States to strengthen cooperation through the "Team Europe" approach provide a prominent example of IDP-centred coordination (Keijzer, Burni, Erforth & Friesen, 2021).

This thematic review examines the factors that facilitate or hinder the coordination that contributes to development effectiveness. It identifies the respective roles of partner governments and IDPs in contributing to coordination processes, the various processes established to facilitate coordination, as well as key contextual factors such as governmental and provider characteristics that can influence development outcomes. The review draws on a literature review of aid management and development coordination, and also references policy documents such as monitoring reports and government strategies. These documents provide an indication of governmental interests in coordination and the institutions in place to facilitate it.

The review is structured as follows. The first section situates sectoral coordination in a multidimensional cooperation architecture. The second section reviews coordination determinants related to the characteristics of partner governments, while the third section examines the factors shaping coordination among IDPs. The final section provides a synthesis of the analysis, identifying core themes and highlighting conclusions that are relevant for international dialogue on advancing effective development cooperation through coordination.

### ***Sectoral coordination in the broader development cooperation landscape***

Development coordination is pursued at multiple governance levels and is expressed in different forms. Globally, it involves agreement on common measurement standards to facilitate the

collection and use of data on development funding. This data provides a basis for development partners to identify funding priorities and inform allocation choices across themes and partner countries. Coordination serves to facilitate the achievement of development goals rather than reflecting an end goal on its own (Lundsgaarde & Keijzer, 2019).

At the country level, the distinction between cross-sectoral and sectoral coordination is relevant in outlining different arenas for interaction among development stakeholders. The term "sector" refers to a circumscribed public policy area that involves stakeholders engaged in a common field of economic activity, such as agriculture, healthcare provision, or education. Cross-sectoral coordination refers to the management of public policy challenges encompassing different areas of specialization.

Although cross-sectoral coordination should ideally be guided by an overarching national development strategy, partner countries pursue multiple strategies in practice. The purpose of such a strategy is to articulate the priorities of partner countries, highlighting the importance of specific sectors within a more comprehensive agenda (OECD & UNDP, 2019). International development agendas including the Agenda 2030 for Sustainable Development and the Busan Partnership emphasise the relevance of an integrated national approach to addressing development goals, requiring input from diverse stakeholders in addition to coordinated action across sectors. At the same time, the international development community has increasingly emphasised so-called "nexus approaches", which suggest that addressing development goals requires paying attention to the interlinkages between policy domains in light of synergies and trade-offs among policy goals (Boas, Biermann & Kanie, 2016).

Governmental actors face demands to participate in a variety of coordination processes due to the existence of multiple arenas for cross-sectoral coordination. In addition to coordination related to national development strategies, for example, commitments under the Paris Agreement on Climate Change include the identification of nationally determined contributions (NDCs) to outline the priorities for economic transformation addressing climate mitigation and adaptation goals. NDCs include sectors such as energy, agriculture, natural resource management, and waste management (UNFCCC, 2021). To orient climate action and attract international financing, partner governments also develop National Adaptation Plans. In this context, additional coordination mechanisms can be promoted to reflect the cross-sectoral character of the response to climate change and provide an interface with global climate funds (UNFCCC LDC Expert Group, 2020). Another example of a cross-sectoral coordination mechanism is the process of formulating the United Nations Development Assistance Framework (UNDAF). The UNDAF outlines common strategic priorities and joint implementation opportunities for the diverse organizations in the UN family represented at the country level. Initiated by the United Nations Country Team, and involving consultations with the partner government and other stakeholders, the UNDAF intends to reinforce national ownership and strengthen inter-agency coordination within the UN system (United Nations Development Group, 2017).

Coordination within sectors can serve as a building block for cross-sectoral coordination. Sector strategies provide a focal point for sectoral coordination and should ideally be aligned with broader national development strategies (OECD & UNDP, 2019). The focus of sectoral strategies on assessing challenges, defining priorities, and formulating responses within a limited thematic area provides the potential to mobilise and direct action among a subset of development stakeholders with similar goals and areas of specialization. Sector-specific coordination can involve more intensive interactions between stakeholders that lead to a common understanding of challenges and the appropriate choice of instruments to address them (Olivié & Pérez, 2016). Yet coordination challenges have persisted even within individual sectors, despite the widespread recognition of the effectiveness gains from coordination and the introduction of approaches intended to remedy fragmentation efforts. Reviewing the health and education sectors in Zambia, Leiderer (2015) notes that differences in government and development

partner interests, varying political commitments to coordinate, the use of multiple disbursement channels, and limited bureaucratic capacities lowered aid effectiveness. As the study by Leiderer (2015) suggests, coordination challenges within sectors reflect similar factors that are relevant in understanding higher-level or cross-sectoral coordination dynamics. Sectoral coordination is, therefore, not completely independent of broader coordination dynamics within a given country.

### ***Partner governments and sectoral coordination***

This section outlines key factors related to how partner governments promote and organise sectoral coordination. It highlights questions concerning: 1) the interests of partner governments in coordination, 2) the division of governmental responsibilities across and within sectors, 3) the institutional setup for development coordination, and 4) partner country capacities to engage in coordination.

*Interests in Coordination:* The alignment of stakeholder interests is a foundation for effective coordination. Bourguignon and Platteau (2015) highlight that the lack of consistency in the agendas of partner governments and development partners concerning the commitment to central goals can influence governmental preferences for the scope of coordination. In addition, governmental preferences relate to the tolerance for the conditionalities applied to development cooperation. Partner governments may be wary of advancing coordination among development partners due to the leverage the latter might achieve with a more unified approach (Bourguignon & Platteau, 2015).

Uganda provides an example of how the divergence of interests between the government and development partners can hamper coordination. A Global Partnership for Effective Development Cooperation (GPEDC) country pilot study on the state of effective cooperation reported a breakdown in trust between the Government of Uganda and key cooperation providers associated with the move away from the use of budget support as a modality, which was driven by concerns about corruption. Consequently, some IDPs became increasingly reluctant to use country systems for implementation, reducing both the avenues for development partners to engage in policy dialogue with the government and for the government to exercise a coordination role vis-à-vis partners (Ministry of Finance Planning and Economic Development of Uganda, 2020). Keijzer, Klingebiel, and Scholtes (2020) observe a similar dynamic in Rwanda, where declining development partner interest in the government's preferred modality of budget support contributed to more atomised dialogue. Concerns that IDPs have expressed about the shrinking space for civil society in the country or broader deficits in democratic governance similarly point to a lack of alignment of the political agendas of the government and important partners (European Union, 2022). In short, different views on the policy priorities that development cooperation should advance and divergent perceptions of which cooperation modalities are appropriate can limit coordination.

Differences in the political preferences of partner governments and IDPs can reinforce government interests in diversifying international funding sources and managing bilateral cooperation relationships independently. While attracting additional development finance is the primary motivation for engaging with partners beyond the membership of the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD), the diversification of funding flows provides governments with the potential to seek funding provided on more favorable terms from their perspective. The availability of alternative funding channels can present opportunities for partner governments to gain leverage in negotiations with development partners. In this sense, the maintenance of fragmented dialogue and aid delivery may support a governmental strategy for gaining an advantage over development partners (Oliví & Pérez, 2016). The extent to which South-South cooperation providers are involved in coordination processes in part reflects the nature of partner government interests toward maintaining multiple channels for engagement (Greenhill, Prizzon, & Rogerson, 2013).

*Intra-governmental coordination dynamics:* Partner governments face several internal coordination challenges. The competition for external financing can lead to conflicts regarding the responsibilities of different government entities in leading coordination efforts and implementing cooperation. For example, government entities engaging on sustainable energy issues may include environment and energy ministries, national planning entities, and regulatory agencies that may compete with one another over access to international cooperation opportunities (Lundsgaarde, 2016). Tensions between apex and line ministries over priorities and control of resources have long been recognised as a constraint on effectiveness. Shawoo, Dzebo, Funder & Dupuy (2022) illustrate the continued impact of competing political interests among ministries in Zambia, pointing to different perspectives among environment, planning, and finance ministries on the appropriate locus for the coordination of climate finance. Beyond holding different views on how responsibilities should be assigned, ministries can also vary in terms of their exposure and commitment to development effectiveness principles.

Even in sectors where policy leadership is clearly assigned to a specific line ministry, coordination challenges persist due to the interconnected character of development activities. Rwanda's education sector strategy provides an example, as it foresees coordination between the Ministry of Education and ministries including the Ministry of Agriculture in relation to school gardening projects, the Ministry of Health for issues such as HIV/AIDS prevention, and the Ministry of Infrastructure regarding the construction and renovation of public facilities (Republic of Rwanda Ministry of Education, n.d.). Development partners, in turn, utilise different entry points for government engagement based on their areas of specialization. In the education sector, varied emphases on primary, vocational, and tertiary education potentially lead contributors to engage with different entities in national administrations.

*Institutions for coordination.* The institutional setup for coordination varies across countries and can include formal and informal arenas for joint deliberation, assessment, and planning (Orbie, Delputte, Williams, Steurs & Verschaeve, 2017). Institutions facilitating coordination include information management platforms that provide inputs for partner government planning and budgeting, as well as working groups for development stakeholders to share information via direct dialogue. These institutions perform varied functions, such as strengthening information flows and promoting transparency, creating avenues to discuss priorities and implementation approaches, and assessing the results of cooperation through monitoring and review.

The GPEDC monitoring results indicate that information management systems to track development cooperation flows are widespread. However, these systems are dependent on the provision of timely and reliable data on financial flows and the commitment of development partners to supply this information. One pertinent conclusion derived from GPEDC monitoring is that such systems generally function better at the level of documenting financial inputs than in tracking how they translate to expenditures and results (OECD & UNDP, 2019). As an illustration, Table 1 presents an overview of development partner reporting to information management platforms for the countries that are the subject of sectoral case studies in the broader research project to which this thematic review contributes. For all countries except Uganda, the GPEDC monitoring process indicates that all development partners covered submit information on cooperation to at least one of the country's recognised information management systems. The gap between the coverage of cooperation flows in information management platforms and the use of country systems for financial management is suggestive of a distinction between the availability of data and its integration into country-level planning and budgeting processes. At the same time, the monitoring reports suggest that alternative informational management systems coexist in many countries, underlining that while the reliable supply of information is essential for promoting effectiveness, more attention to how such information is used is advisable.

**Table 3.1: Scope of Development Partner Reporting to Information Management Platforms**

	Bangladesh	El Salvador	Rwanda	Senegal	Tanzania	Uganda
Information Management	100%	100%	100%	100%	100%	56%
Country Systems	73%	44%	37%	50%	57%	58%

The first row indicates the percentage of development partners that report cooperation flows to relevant national aid management platforms. The second row indicates the overall extent of development partner use of country public financial management systems. These figures are obtained from the country monitoring profiles produced in the GPEDC 2018 monitoring round (GPEDC 2019a; GPEDC 2019b; GPEDC 2019c; GPEDC 2019d; GPEDC 2019e; GPEDC 2019f).

Relatedly, the institutional setup for coordination provides a relevant platform for sector-specific dialogue. Partner countries outline the function of sectoral coordination in development cooperation policy frameworks. For example, Tanzania’s 2017 Development Cooperation Framework assigns the Ministry of Finance and Planning the responsibility for spearheading strategic dialogue with IDPs, while line ministries assume the leadership of sector-specific dialogue. The framework not only acknowledges an interest in the inclusion of diverse stakeholders but also promotes development partner representation in sector-specific forums focused on their respective areas of specialization (The United Republic of Tanzania Ministry of Finance and Planning, 2017). In Rwanda’s National Strategy for Transformation, working groups from different sectors are listed alongside other coordination forums contributing to the strategy’s implementation. These groups are expected to serve functions related to planning, implementation, and review (Republic of Rwanda, 2017).

In Bangladesh, governmental coordination with IDPs is organised through the Bangladesh Development Forum, a high-level institution meeting infrequently, as well as through a Local Consultative Group that is an umbrella for 18 working groups organised according to sectoral priorities. The sector working groups are co-chaired by a representative of a relevant government office and a development partner representative. Bangladesh’s current national strategy paints a positive picture of the contribution of working groups in improving government-IDP relations and also points to areas for improvement. In particular, the strategy highlights a need for greater consistency in the approach of the Economic Resources Division, which has the overall responsibility for managing development cooperation, and line ministries invested with the responsibility for sectoral coordination (Bangladesh Planning Commission, 2020). Other assessments have suggested a decline in the coordination capacities of some sectoral working groups, with a lowered frequency of meetings and less participation from key stakeholders as indicators. Recommendations for revitalizing coordination structures include reducing the number of working groups, as well as introducing centralised oversight mechanisms to enhance effectiveness (Rieger, 2021).

In Uganda, the Office of the Prime Minister assumes an oversight responsibility vis-à-vis 16 sectoral working groups for dialogue between the government and IDPs. The Ministry of Finance Planning and Economic Development, as well as the National Planning Authority also exercise key strategic, budgetary, and planning roles in development cooperation. Additional sectoral coordination takes place in development partner working groups (Ministry of Finance Planning and Economic Development of Uganda, 2020).

The existence of an array of sectoral working groups is not a guarantee of their functionality as coordination forums to advance development effectiveness. A review of the coordination architecture in Uganda pointed to variations in the effectiveness of sectoral working groups. Factors supporting greater effectiveness in sectoral working groups included a history of

collaboration and incorporation of learning over time, government leadership, and joint funding initiatives among development partners in the sector. Shared objectives among governmental entities, as well as the availability of staffing and technical resources to participate in coordination mechanisms, were additional effectiveness determinants. Obstacles to coordination included the desire for governmental entities to protect mandates or budgets and a lack of knowledge about the relevance of other stakeholders' activities within a given field. The review noted the potential for further streamlining coordination mechanisms, in part by limiting the creation of new agencies or coordination structures (Roberts & Sejjaaka, 2017).

*Capacity constraints.* The capacity limitations of partner country administrations to manage development cooperation have been a longstanding concern in effectiveness discussions. The evaluation of the implementation of the Paris Declaration suggested that some elements of the effectiveness agenda, such as improvements in information management, contributed to lower administrative burdens while the introduction of novel management practices generated additional bureaucratic tasks (Wood et al., 2011). Although coordination is billed as a means of limiting transaction costs, it absorbs administrative capacities and may carry unintended consequences. In a study of the application of the aid effectiveness agenda in Albania, for example, Karini (2016) points to a trade-off between the strengthening of mechanisms to foster aid coordination and efforts to promote reforms in public administration. In this case, the development of substantive mechanisms to facilitate aid harmonization was considered useful. However, it was also oriented toward fulfilling international commitments, directing capacities away from national reform processes (Karini, 2016).

Capacity constraints can hamper sectoral coordination in various ways. As Keijzer et al. (2020) illustrate in a case study of Liberia, administrative capacity limitations can, on a basic level, limit the government's prioritization of coordination and willingness to manage partners. Capacity limitations can also negatively impact the quality of participation in dialogue and the ability to represent both political and technical perspectives to strengthen the linkages between policy formulation and implementation. Relevant dimensions of capacity-building include not only increasing general staffing resources but also improving the skillsets of officials in supplying technical expertise and enabling them to provide continuity in managing relationships with other stakeholders.

### **3.1 Development partners and coordination**

Coordination challenges apply both in the interface between partner governments and IDPs and among development partners themselves. This section reviews the factors that shape development partner contributions to coordination across four dimensions: 1) participation, 2) differences in interests and administrative systems, 3) preferences for specific modalities, and 4) capacity constraints.

*Participation in coordination processes.* The Busan Partnership welcomed the contributions of a more heterogeneous group of development partners, creating an expectation that coordination would become more difficult (Lundsgaarde & Keijzer, 2019). A key goal of the Busan Partnership was to acknowledge the distinct contributions that South-South cooperation providers could make in addressing development objectives, applying lessons from their own development trajectories, and fostering new ways of working.

While South-South cooperation has positive associations in terms of mobilizing additional resources and expertise for development, its growing prominence on the development agenda has unclear implications for the country-level coordination structures that historically developed around the OECD DAC development community. For example, the High-Level United Nations Conference on South-South Cooperation noted that South-South Cooperation should not be

characterised as Official Development Assistance (ODA), though it indicated that efforts should be made to enhance its development effectiveness. However, this conference only took note of the GPEDC as an initiative, highlighting one component related to enhancing triangular cooperation, rather than identifying how South-South providers should pursue complementary action with OECD cooperation providers (United Nations General Assembly, 2019).

The ambiguity concerning the linkages between South-South cooperation providers and pre-existing systems for development cooperation management extends to country-level processes. As an example, Uganda's review of the status of development partnership arrangements pointed to the increasing financing role of China along with a rising profile of Arab countries, global vertical funds, and development finance institutions. The review noted that only a maximum of 61% of financing was represented in the development partnership architecture in the country in 2018, underpinning a conclusion that local coordination structures had not adapted to changes in the development cooperation landscape. The review suggested that the inclusion of China and India and vertical funds in coordination structures would make a significant contribution to increasing the share of financing represented in the partnership architecture (Ministry of Finance Planning and Economic Development of Uganda, 2020).

The issue of IDP participation in coordination mechanisms is not restricted to how well South-South cooperation providers are incorporated into existing frameworks but similarly concerns entities within the OECD DAC community. In connection with the rising interest in using a limited amount of international public financing as a catalyst for additional resource mobilization, development finance institutions have gained prominence as partners. These organizations vary in size and organizational setup and have had diverse historical experiences with respect to their integration into development coordination processes. Their growing importance can present coordination challenges due to limitations in their country presence, their engagement with private sector intermediaries, and the project orientation of their work. At the same time, development finance institutions recognise the value of coordination in scaling up projects (Marbuah, te Velde, Attridge, Lemma & Keane, 2022).

The interest of both partner governments and IDPs in prioritizing investment as a financing source raises fundamental questions regarding the extent to which coordination mechanisms adapted to a setting where government-to-government cooperation was dominant remain relevant as cooperation objectives change.

*Differences in interests and administrative systems.* Differences in development partner interests and administrative systems present a barrier toward more consolidated action even among IDPs with a long tradition of working together. For example, the EU translated development effectiveness commitments into a series of policy agendas, including efforts to advance the division of labor among European development partners and foster coordination through joint programming. As Carbone (2017) indicates, pursuing joint programming proved challenging for the EU due to factors such as uneven leadership from EU delegations and differing views among Member States on the utility of EU-specific coordination mechanisms. The recent development of Team Europe Initiatives seeks to build on previous joint programming experiences while encouraging a flexible approach to collaboration that accommodates an even wider circle of European development organizations such as development finance institutions (Jones & Sergejeff, 2022).

An early assessment of the joint programming potential of the EU highlighted that a basic challenge for improving the coordination of EU aid delivery stems from the fact that European development partners retain autonomous national systems for programming development cooperation. Differences among bilateral systems can hinder coordination due to the lack of synchronised planning cycles, variations in the extent of delegation of decision-making to country offices, and differences in the level of flexibility enabling adjustments in implementation to

changing circumstances (O’Riordan, Benfield & de Witte, 2011). At a more fundamental level, the evaluation of the Paris Declaration pointed to variations in the commitment of development partners to making administrative adjustments in order to advance harmonization (Wood et al., 2011). These limitations underline that effectiveness concerns are not the only drivers of how development partners choose to implement development cooperation.

Similar to partner governments, development partner organizational setups for development cooperation involve a range of governmental entities. The autonomy and leadership position of specialised development agencies within national administrations are a rarity. Instead, foreign affairs ministries generally occupy a dominant role in outlining the overall objectives of cooperation and coordinating international activities. The abilities of government agencies that are stewards of the effectiveness agenda are subject to numerous constraints, such as budgetary pressures, the need to satisfy domestic accountability requirements, and competition from other agencies due to the internationalization of a number of public policy fields (Gulrajani, 2015).

*Aid Modality Preferences.* The effectiveness agenda encourages coordination through the pursuit of pooled funding modalities. General and sectoral budget support gained traction as a means of strengthening national ownership in development planning while providing forums for government-development partner dialogue and coordination among IDPs. However, development partner commitments to budget support declined for multiple reasons, including concerns about governance and corruption in partner countries. In an assessment of the consequences of the withdrawal of budget support in Malawi, Rwanda, Uganda, and Zambia, Orth, Birsan, and Gotz (2018) conclude that discontinuing budget support in these countries had negative consequences for development effectiveness. It furthered the deterioration of relations between development partners and governments decreased the importance of stakeholders such as civil society organizations and national parliaments in national policy dialogues, and led to a return to greater fragmentation in development partner portfolios. The consequences of budget sector withdrawal in specific sectors were related not only to shifts in funding modalities but also to the focus of coordination activities. In the case of Rwanda, for example, the study notes that the budget support exit led to a greater emphasis on sectoral level coordination, though the performance of sector working groups varied (Orth et al., 2018).

Similar to budget support, sector-wide approaches (SWAp) attracted interest as a means of supporting the effectiveness goals of strengthening government ownership and enhancing development partner coordination. As approaches to development cooperation management, SWAp are built around partner government strategies outlining priorities throughout a given sector, common management or planning frameworks, and the identification of pooled funding opportunities (McNee, 2012). However, a review of studies on the effectiveness of SWAp in the health sector pointed to difficulties in implementation reflecting general dilemmas of development cooperation management, such as the possibility that their administrative setups create additional coordination burdens and that the prioritization of governmental action may neglect non-governmental stakeholders that are relevant in improving service delivery (McNee, 2012). Other forms of pooled financing such as multi-donor trust funds or basket funds may also foster coordination. However, the extent of government and IDP involvement in these mechanisms and their degree of alignment with other modalities within the country may influence the coordination gains achieved (Orbie et al., 2017).

In an analysis of program-based approaches encompassing budget support and SWAp in the health and education sectors in Zambia, Leiderer (2015) concludes that the adoption of these approaches contributed to improvements in the application of effectiveness principles and the achievement of development outcomes. However, the gains from program-based approaches were limited in this case, notably due to the large volume of funding disbursed outside of budget support and SWAp frameworks from vertical funds, as well as from the same IDPs that supported program-based approaches (Leiderer, 2015). This finding is a reminder that adequately assessing

the impact of specific modalities requires a contextualization of how they work alongside other development cooperation inputs.

Table 2 below presents an aggregated view of the trend in choices for specific aid modalities among development partners in the OECD DAC community. Although changes in the portfolios of individual OECD DAC partners are obscured by this broad perspective, the summary of general trends illustrates the low priority assigned to budget support as a modality. Project-type interventions have consistently accounted for a much larger share of OECD DAC ODA, which also significantly surpasses the portion of aid channeled through a broader category referring to program-based approaches. Relatedly, the use of country systems has declined among key development partners. For the EU and its Member States, reasons for this decline include aid budget cutbacks, growing risk aversion, an interest in ensuring the traceability of results to specific funding sources, and the expansion of cooperation agendas to prioritise trade and investment objectives (European Union, 2021). However, the EU provides budget support to a greater extent than its Member States, underlining the role of budget support in promoting dialogue with partner governments and supporting coordination among IDPs (Lundsgaarde & Engberg-Pedersen, 2019).

The figures on development aid shares point to consistencies in the balance of the different categories over the last decade. Notably, the category of funds referring to bilateral aid channeled through multilateral organizations has been inching upward as a share of total ODA. These non-core or earmarked funds are implemented through a variety of mechanisms. Some forms of non-core support such as multi-donor trust funds have a pooled funding character, while other forms of bilateral funding for multilateral implementation are project-specific. In light of the varieties of non-core funds, bilateral aid channeled through multilateral organizations has the potential to both strengthen coordination—for example, among bilateral development partners or between multilateral agencies—and to contribute to coordination challenges due to project fragmentation (Weinlich, Baumann, Lundsgaarde & Wolff, 2020).

**Table 3.2: Overview of Main Forms of OECD DAC ODA (2011-2020)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
ODA	150,195	140,247	151,785	151,142	143,132	157,574	161,405	164,804	161,240	176,879
Bilateral Aid	0.73	0.72	0.73	0.72	0.74	0.73	0.74	0.73	0.73	0.73
Budget support	0.03 (.04)	0.02 (.03)	0.04 (.05)	0.02 (.03)	0.02 (.03)	0.02 (.02)	0.02 (.03)	0.02 (.03)	0.02 (.03)	0.04 (.06)
Project-type Interventions	0.39 (.54)	0.41 (.56)	0.38 (.53)	0.40 (.56)	0.39 (.53)	0.37 (.50)	0.39 (.53)	0.37 (.50)	0.36 (.49)	0.35 (.49)
Non-core multilateral	0.12 (.16)	0.12 (.16)	0.12 (.17)	0.13 (.18)	0.13 (.17)	0.13 (.18)	0.14 (.19)	0.15 (.20)	0.16 (.21)	0.16 (.21)
Multilateral ODA	0.27	0.28	0.27	0.28	0.26	0.27	0.26	0.27	0.27	0.27

Table 3.2 presents the gross ODA disbursements in United States Dollars (USD), followed by the share of overall OECD DAC cooperation assigned to key modes of implementation. Source: OECD.Stat (2022). Budget support, project-type interventions, and non-core multilateral contributions are forms of bilateral aid. The table reports the share of these channels of delivery in relation to total ODA along with their share within OECD DAC bilateral aid (in parentheses).

Table 3.3 indicates the profile of development cooperation beyond the OECD DAC community. The data presented in the table does not represent a comprehensive portrait and only reflects data for providers that report funding flows to OECD databases. However, the figures suggest that non-DAC cooperation is more strongly bilateral, with a predominance of project modalities. Interestingly, the share of non-DAC assistance in the form of budget support is reported to be higher than the share for OECD DAC providers, though the overall volume of OECD DAC far

exceeds the total funds reported for non-DAC providers. Non-DAC providers disburse a lower share of funding in the form of earmarked contributions to multilateral organizations, in addition to providing a limited amount of core funding.

Although South-South cooperation is highlighted as a distinct form of cooperation due to the nature of the stakeholders involved in partnerships, the extent of differentiation from OECD cooperation remains unclear. For example, a summary of good practices for South-South cooperation developed by key UN entities engaging with this agenda describes a long list of individual projects. Notably, it also points to the role of OECD DAC development cooperation providers as a source of funding for projects (UNOSSC/UNDP, UNCDF, UNOHRLLS, 2022). There may be significant commonalities in the objectives and form of cooperation between OECD DAC and non-DAC cooperation providers in practice, even though both groups encompass diverse providers and approaches.

**Table 3.3: Overview of Main Forms of ODA for Cooperation Providers beyond the DAC (2011-2020)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
ODA	9,338	6,658	16,818	25,165	12,532	17,186	18,626	22,436	17,651	16,266
Bilateral Aid	0.89	0.83	0.93	0.95	0.93	0.89	0.91	0.94	0.91	0.90
Budget support	0.02 (.02)	0.03 (.04)	0.24 (.26)	0.02 (.02)	0.19 (.20)	0.14 (.16)	0.18 (.20)	0.20 (.22)	0.07 (.07)	0.07 (.07)
Project-type interventions	0.19 (.21)	0.43 (.52)	0.26 (.28)	0.32 (.34)	0.63 (.67)	0.67 (.75)	0.63 (.69)	0.62 (.66)	0.68 (.75)	0.71 (.79)
Non-Core multilateral	0.00 (0.00)	0.01 (.01)	0.00 (0.00)	0.00 (.01)	0.03 (.03)	0.03 (.03)	0.03 (.03)	0.07 (.07)	0.07 (.08)	0.05 (.05)
Multilateral ODA	0.11	0.17	0.07	0.05	0.07	0.11	0.09	0.06	0.09	0.10

Table 3.3 uses the same measures reported in Table 3.2. Source: OECD.Stat (2022). The "non-DAC" category comprises EU member states that are not DAC members, in addition to a variety of other providers who report funding levels to the OECD, notably Israel, Kuwait, Saudi Arabia, Turkey, and the United Arab Emirates. However, it does not account for flows from major non-DAC cooperation providers that do not provide such data to the OECD, such as Brazil, India, and China. Budget support, project-type interventions, and non-core multilateral contributions are forms of bilateral aid. Table 3 reports the share of these delivery channels in relation to total ODA along with their share of bilateral aid (in parentheses).

International conferences addressing the development contribution of South-South cooperation emphasise its distinctive character and historical origins separate from the OECD-centered aid regime. Even so, the Outcome Document of the 2009 High-Level Conference on South-South Cooperation highlighted the relevance of promoting greater effectiveness of South-South cooperation. The document recognises the value of strengthening mutual accountability and increasing transparency of resource flows and also indicates that South-South cooperation providers should coordinate activities with other development projects and programs in line with the country-driven development logic (United Nations General Assembly, 2009). The continued relevance of these effectiveness principles for South-South development cooperation providers was affirmed in the 2016 High-Level Meeting of the GPEDC, though major South-South providers including Brazil, India, and China had disengaged from the GPEDC dialogue by that time (Bracho, 2017).

*Capacities* A final constraint on development partners mirrors the challenges on the partner country side, given the limitations of staff resources allocated to development cooperation implementation. The evaluation of the implementation of the Paris Declaration emphasised that development partners needed to shift administrative resources and decision-making authority to the country level. However, the extent to which OECD partners pursued such changes was uneven

(Wood et al., 2011). IDPs continue to differ with respect to the size of country offices and the decisions that field staff are empowered to take.

Development partner administrations face numerous capacity constraints affecting their engagement in coordination processes. As McNee (2012) highlights in his review of SWAps, the lack of continuity among posted staff makes it challenging for development partners to intensify coordination and contribute effectively to joint initiatives. Posted staff have many responsibilities beyond engaging with government representatives, other development partners, and their program implementation partners. They have coordination roles not only within the country but also vis-à-vis their headquarters. Acknowledging that coordination presents an additional work burden in its own right should encourage development partners and partner governments to allocate resources specific to coordination tasks (WHO, 2009).

Sundberg (2019) indicates that an interest in the localization agenda—a humanitarian aid term stressing the importance of engaging the knowledge and capacities of local stakeholders—and development partner pressures to reduce administrative costs have encouraged greater reliance on national staff in development cooperation management. Country nationals represent an asset for development partners due to their inherent relationship to the state as citizens and the networks they can draw on to facilitate dialogue and implementation with local stakeholders. This shift points to the existence of informal channels for coordination within development cooperation systems alongside formal coordination mechanisms.

## **3.2 Conclusions and Recommendations**

Development cooperation has many moving parts. It involves a variety of stakeholders, cuts across and serves numerous policy fields, and is implemented in a combination of forms. As a consequence, it is natural that reflections on how to enhance development effectiveness should address coordination challenges. The current review has outlined numerous factors that can help or hinder coordination efforts. The analysis indicates multiple avenues for addressing coordination issues and points to several core themes. A key conclusion is that improving coordination requires a multi-pronged approach that should consider the alignment of interests between partner governments and development partners, the functions of institutions in place to promote coordination, and the capacities of participants to engage in coordination. The review stresses four areas for further reflection and action.

First, coordination is associated with both positive outcomes such as limiting fragmentation and aligning the actions of multiple stakeholders, as well as negative outcomes such as creating additional administrative burdens. Thus, promoting coordination as a means of fostering development effectiveness comes with trade-offs in relation to the government and development partner capacities that coordination absorbs. The emergence of new agendas and the availability of alternative platforms for development stakeholder engagement create the potential to divide attention. Partner governments and IDPs should work toward a clear prioritization of the coordination arenas that are a focal point for development cooperation management to enable a higher level of engagement in coordination processes. One area for improvement is to further strengthen information management systems and foster a better linkage between reporting, awareness, and action.

Second, sectoral coordination arrangements interact with broader coordination setups. The functionality of sectoral coordination can be influenced by governmental guidance concerning the division of tasks across sectors and ministries, for example. To achieve greater focus and limit the diversion of administrative resources, partner governments should exercise caution in creating new working groups and consider streamlining the number of sectoral working groups in general. The rising importance of climate-related finance disbursed by dedicated international

funds illustrates that international initiatives can also influence the distribution of mandates among partner government entities and lead to conflicts regarding the balance of responsibilities within national administrations. In light of the interconnections between national-level strategies and sectoral objectives and structures, the diagnosis of opportunities and challenges to advancing sectoral coordination should be situated in the assessment of national development architectures.

Third, although the scale of engagement of non-DAC development cooperation providers varies across countries, the extent of their participation in coordination is limited, even though a key objective of the GPEDC was to widen the range of stakeholders involved in the effectiveness agenda. Existing country-level coordination structures reflect a legacy of cooperation between governments and the OECD DAC community. The distinctive position of non-DAC cooperation providers in the country-level development architecture has several potential sources, including the interests of partner governments in pursuing separate channels for cooperation or differing perceptions of the objectives that development cooperation should serve. An important foundation for coordination is the recognition of common interests. At the level of information management, a common interest for partner governments and diverse development partners could be improving the scope and reliability of data that indicates where funding is directed in order to identify where opportunities for filling financing gaps exist. At the level of implementation, stakeholders may find a common interest in sharing lessons on the determinants of project success.

Finally, the effectiveness agenda encourages a shift from project-based approaches and supports the increasing use of country systems. However, this review notes that for both OECD DAC and Southern cooperation providers, project modalities are a preferred approach. The increasing interest in using blended finance projects to catalyze investment, the provision of non-core funds to multilateral organizations, and the emphasis on capacity-building support in project form in South-South cooperation illustrate the staying power of project approaches. Projects can vary widely in terms of their scale and complexity. While coordination to alleviate development cooperation fragmentation has often been associated with a shift away from a project-focused orientation, a focus on how to better coordinate projects could be a way of reviving effectiveness discussions and expanding their relevance across stakeholder categories. In a heterogeneous cooperation context, effectiveness cannot be linked purely to a single set of choices or practices. Rather, there is a need to accommodate different ways of working and clarify the common interests of partner countries and development partners to create incentives for strengthened cooperation.

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## Chapter 4: Results Orientation, Monitoring, and Impact Assessment

*André de Mello e Souza*

### 4.1 Introduction

Measurable results have been a key concern in development cooperation since the late 1990s. At this time, scarcer resources required partners to prioritise interventions based on evidence, and, in so doing, legitimise these interventions in the eyes of taxpayers. Moreover, the new millennium brought greater skepticism regarding the impact and cost-effectiveness of development cooperation (Burnside & Dollar, 2000; Easterly, 2003, 2007; Alesina & Dollar, 2008; Moyo, 2009). Finally, many scholars, including those involved in what eventually became known as the “The Abdul Latif Jameel Poverty Action Lab” (J-PAL), have called for the application of rigorous methodologies in development interventions.

Accordingly, the Millennium Development Goals (MDGs) (2000) emphasised targets and indicators. Further, building on new public management (NPM) theories<sup>15</sup> and normative orientations against a backdrop of growing financial constraints, members states of the Organization for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) incorporated the results-based management (RBM)<sup>16</sup> model in the Paris Agenda for Aid Effectiveness in 2005. The OECD-DAC defines RBM as “[a] management strategy focusing on performance and achievement of outputs, outcomes and impact” (OECD, 2002)<sup>17</sup>. This definition was subsequently expanded in a working paper commissioned by the Canadian International Development Agency for consideration by the OECD-DAC: “Results-Based Management (RBM) is a management strategy aimed at achieving important changes in the way organizations operate, with improving performance in terms of results as the central orientation. RBM provides the management framework with tools for strategic planning, risk management, performance monitoring and evaluation. Its primary purpose is to improve efficiency and effectiveness through organizational learning, and secondly to fulfil accountability obligations through performance reporting” (Meier, 2003).

The main objectives of the Paris Agenda have been to achieve more effective aid by, among other actions, endorsing results and accountability so as to achieve greater and better developmental impact in partner countries. Hence, RBM and “results-oriented reporting and assessment frameworks” are stressed as means both of achieving development goals and demonstrating such achievement. According to the OECD, “[m]anaging for results means managing and implementing aid in a way that focuses on the desired results and uses

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<sup>15</sup> NPM, as coined by political scientist Christopher Hood (1991), involves combining business and market ideals in proposals for public administration; it dominated the public administration agenda in New Zealand, Australia, the United Kingdom, and, with variations, the United States.

<sup>16</sup> The term “results-based management” was probably coined in the early 1990s in Canada, where the Auditor General and the Treasury Board Secretariat were the primary promoters of public reform and performance management (Vähämäki, Schmidt, & Molander, 2011, p. 11).

<sup>17</sup> Outputs are the products, capital goods, and services that are produced by an intervention, including changes arising from the intervention that are relevant to outcome achievement. Outputs are the first level of results, the most immediate effects of an activity, and the results over which partners have the most control. Conversely, outcomes are the likely or achieved medium-term effects of an intervention’s outputs, i.e., the second-level results.

information to improve decision-making” (2005/2008, p. 7)<sup>18</sup>. Accordingly, clause 46 of the Paris Declaration states that “partner countries and donors jointly commit to work together in a participatory approach to strengthen country capacities and demand for results-based management” (OECD, 2005/2008, p. 8). The agenda has also sought to assess progress through 12 indicators<sup>19</sup> that should “be measured nationally and monitored internationally” (OECD, 2005/2008, p. 9).

Faced with a rapidly changing development context, including the rise of non-OECD cooperation providers and non-state actors, as well as the growing importance of private financial flows, the OECD held the Fourth High Level Forum on Aid Effectiveness in Busan in 2011. In Busan, the narrow aid effectiveness agenda was replaced with a wider development effectiveness agenda. In effect, the technocratic, provider-centric focus of the Paris Declaration was broadened.

The Busan partnership outcome document adopted the principles of country ownership, transparency and shared responsibility, a focus on results, and inclusive partnerships. It also established a new global monitoring system to measure all development partners’ progress regarding use of the effectiveness principles (OECD, 2011). Responsibility for the process shifted from the Western-dominated OECD to the newly created multistakeholder Global Partnership for Effective Development Cooperation.

The objectives of achieving greater efficiency and cost-effectiveness of scarce resources in development cooperation are difficult to dispose of entirely. Moreover, the need for relevant performance data to understand and adapt to different development contexts and to make informed choices in international cooperation remains uncontested, according to a literature review carried out by Vähämäki, Schmidt, and Molander (2011, p. 2). It is also widely recognised that development cooperation projects need to be flexible and responsive to partial outcomes, verified via monitoring throughout their implementation. Finally, impact assessments can serve as a crucial tool to determine which and how investments in a given development cooperation activity can be most efficiently and equitably made to achieve the Sustainable Development Goals (SDGs).

Yet, while NPM and RBM have become integral constituents of international development cooperation practices, they are originally business management models. As such, they are built on business goals and values which were brought into the international development agenda (Nytting, 2021). Critics have highlighted the risk that RBM objectives will, in practice, override humanitarian and humanistic values of development, ultimately distorting the purpose of the development effectiveness agenda.

Moreover, RBM has been denounced as unfit for purpose in development, where sectors are not as static, linear, quantifiable and predictable as the business sector for which it was

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<sup>18</sup> The OECD-DAC 2006 sourcebook points out that managing for development results is almost synonymous with RBM. However, it has also been claimed that some approaches to RBM have focused only on accountability, whereas managing for development results goes further in its definition by incorporating newer ideas about collaboration, partnership, country ownership, harmonization, and alignment. It also provides a higher management standard by asking stakeholders to continuously focus on country outcome performance rather than short-term results (Vähämäki, Schmidt, & Molander, 2011, p. 7).

<sup>19</sup> These indicators are the following: partners have operational development strategies; reliable country systems; aid flows are aligned with national priorities; strengthen capacity by coordinated support; use of country public financial management systems; use of country procurement systems; strengthen capacity by avoiding parallel implementation structures; aid is more predictable; aid is untied; use of common arrangements or procedures; encourage shared analysis; results oriented frameworks; and mutual accountability.

originally devised (Nytting, 2021, p. 2). In practice, and in opposition to RBM's stated purpose, there are many reports of a tendency to translate focus on results into formal or mechanistic models that contrast with analytic, adaptable, and learning-oriented ones (Vähämäki, Schmidt, & Molander, 2011, p. 15).

Furthermore, RBM's application in international development cooperation poses specific and greater challenges relative to domestic public policies. Indeed, the establishment of performance measurement systems can be more complex and costly in such cooperation. Providers work in many different countries and contexts, where causality chains between funded activities and possible outcomes and impacts are significantly longer and more intricate. Additionally, providers must rely on outcome and impact data collected by partners, who often have limited technical capacities and resources and lack registry data of population, taxes, transfers, and the like, which are needed for data analysis and sampling. The many requirements of the RBM model often lead development agency officials to reallocate the scarce time and energy needed for implementing programs to data collection, reporting, and control. Data collection is not always considered directly relevant or useful but is needed to "report upward." Finally, international development cooperation usually involves objectives that are more difficult to measure, such as capacity- and institution-building (Binnedjikt, 2000).

Incentives for compliance with RBM in international development cooperation may also be missing. Countries in the Global North and South alike have formally endorsed the Busan principles, and results management systems have been introduced in most developed country government sectors, with purported implementation in most developing countries. However, countries have found it difficult to significantly change their practices on the ground and have also been disincentivised to do so. Lacking legitimacy and facing a rapidly changing international development architecture, "the donor-led process sought to diffuse the norm more broadly and deliberately tried to bring in a wider range of actors, which had the effect of diluting the norm while failing to convince emerging donors to engage" (Brown, 2020, p. 1231).

As a result, the Busan principles were only weakly institutionalised and internalised. Compliance was difficult to assess because of unclear obligations and the absence of sanctions, including shaming or stigmatization, for non-compliance. Consequently, the development effectiveness agenda lost impetus and relevance (Brown, 2020, pp. 1231-1232).

Accordingly, the literature reviewed by Vähämäki, Schmidt, & Molander (2011, p. 19) "implies very weak positive effects from the application and implementation of RBM." Likewise, in a more recent review of 26 scholarly articles published from 2011 to 2021, Nyting (2021) found that the RBM framework underpinning the aid effectiveness agenda has largely (and paradoxically) failed to deliver on its own outcomes thanks to organizational, implementational, systemic, and capacity-related structural factors; competing world views (specifically how "change" and "development" are understood); and a Western governance model that has been introduced in a top-down manner. Additionally, asymmetric power relations also affect RBM outcomes, as providers and beneficiaries have more of a transactional rather than partnership-based relationship. Finally, the lack of commitment and legitimacy and weak institutional leadership within partner countries also undermine such outcomes.

However, these findings and criticisms regarding RBM should not be overstated. RBM itself has not been a static, fixed model but has demonstrated the capacity to adapt to different needs, goals, and contexts. The development community has evolved its own professional and epistemic communities, methodologies, standards, and normative aspirations that have

little to do with pure business management. Newer monitoring and evaluation approaches emphasise the need to tackle complexity, bring beneficiary voices to the forefront, and use evidence for the purpose of learning. Accordingly, numerous evaluations and reviews of RBM have not led organizations to dramatically reconsider the RBM approach; instead, recommendations aim to improve how the model works in practice (Vähämäki & Verger, 2019, p. 5).

In addition, RBM models (or variations thereof) have not been abandoned but instead continue to be widely employed. For instance, since 2012, a new movement of government departments, think tanks, and high-profile individuals within the UK has sought to promote the increased usage of randomised controlled trials in public policy as an evidence-based corrective for the inappropriate certainties of experts (Pearce & Raman, 2014). Most notably, the SDGs (2015) agreed upon in the 2030 Sustainable Development Agenda extended the legacy of the MDGs while adopting a plethora of targets and indicators<sup>20</sup>, even while many of these lack data and methodologies. The continued use of RBM suggests that, while far from perfect, alternatives are also wanting.

Moreover, the shortcomings and challenges of the development effectiveness agenda in general and of RBM in particular have been uneven and have had different causes across development sectors. This sectoral variation has not been sufficiently acknowledged, and few studies approach RBM in development cooperation from a sectoral perspective. This paper aims to help filling in this gap by exploring the determinants of and obstacles to improvements in development cooperation effectiveness at the sectoral level by applying the Busan principle of “focusing on results” in practice. It also seeks to identify in-country factors that influence adherence to this principle and the achievement of planned development results at the sectoral level.

In particular, the paper focuses on the sectors of education, agriculture, and social protection. While the theory, methodology, and practice of appraisal, evaluation, and impact assessment in these three sectors are largely the same and overlap with those in the broader field of development, there are important specificities related to the goals pursued, unintended effects, and political implications.

The following three sections of the paper discuss the results orientation, monitoring, and impact assessment advocated by the development effectiveness agenda in education, agriculture, and social protection. In each of these sections, three main questions are addressed. First, is it possible to measure (or at least demonstrate) the impact of development interventions? Second, what approaches/tools are best suited for this purpose? Finally, what are the requirements/costs of measuring or demonstrating such impact? The concluding section provides a comparative analysis and various general recommendations for applying the Busan principle of a focus on results in education, agriculture, and social protection that are potentially useful for other sectors as well.

## 4.2 Education

In general, one of the most cited challenges regarding the application of RBM is related to the difficulty in selecting appropriate, objective indicators that measure relevant results rather than activities (i.e., that measure impact instead of process). In the education sector, however, the selection of indicators should be easier, as jointly agreed-upon global

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<sup>20</sup> See [https://sdgs.un.org/#goal\\_section](https://sdgs.un.org/#goal_section)

monitoring indicators already exist, most notably the Education for All (EFA) framework<sup>21</sup> (Vähämäki, Schmidt, & Molander, 2011, p. 20). This framework was originally developed in 1990 at the World Conference on Education for All in Jomtien, Thailand; and embodies explicit commitments made by individual countries in terms of physical achievement, targets, and time frames<sup>22</sup> (Govinda, 2003, p. 171).

Yet, EFA indicators remain a target of severe criticism, particularly for its “one-size-fits-all” approach that neglects local culture and needs. In effect, EFA ostensibly promotes a particular knowledge system and set of values. For example, its focus on individual rights may conflict with the primacy placed by traditional populations on family-group welfare, raising the issue of whether EFA values should be imposed on such populations (Brock-Utne, 2000, p. 141; Dyer, 2001, p. 325).

Additionally, curriculum choices, as well as the language and form in which education is delivered, prioritise certain forms of knowledge. In promoting one form of knowledge as accepted and mainstream, other forms will be relegated to secondary status. Most notably, the use of a foreign language as the language of instruction constitutes not only a barrier to learning for students but may also have deleterious consequences regarding their cultural identity and political sovereignty. Finally, countries that promote EFA may not be similarly committed to creating employment opportunities for citizens, as traditional occupations are being “edged out by development” (Brock-Utne, 2000, p. 141; Dyer, 2001, p. 325). In other words, the focus on educational attainment may promote a certain set of skills which find no demand in the domestic labor market, while traditional options for work are no longer available.

Other concerns relate to the narrowness of EFA and are often raised when an educational target is set without considering the development context. In particular, when specific targets are pursued, a strategy of teaching to the test, or focusing exclusively on skills and knowledge required by examination performance, may override other educational goals. Thus, classroom education may become narrowly directed toward examination content and may not necessarily represent the curriculum as it would have without the existence of achievement targets (Jansen, 2005).

Moreover, there is disagreement over what is actually being measured. Terms like “primary age” may have various meanings depending on context, and there is no certainty that

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<sup>21</sup> SDG 4 also presents targets and indicators in education. Yet, many of these have no corresponding data, methodologies or standards (being Tier III in the adopted classification). Moreover, as the set 2030 deadline for achieving this goal has not yet been reached, it is more difficult to assess.

<sup>22</sup> Conference participants endorsed an “expanded vision of learning” and pledged to universalise primary education and massively reduce illiteracy by the end of the decade. Ten years later, with many countries far from having reached this goal, a broad coalition of national governments, civil society groups, and development agencies met again in Dakar, Senegal, and reaffirmed the commitment to achieving EFA by the year 2015. They identified six key education goals to meet the learning needs of all children, adolescents, and adults by 2015 (e.g., the Dakar Framework for Action): “(a) expand and improve comprehensive early childhood care and education, especially for the most vulnerable and disadvantaged children; (b) ensure that by 2015 all children, particularly girls, those in difficult circumstances, and those belonging to ethnic minorities, have access to and complete, free and compulsory primary education of good quality; (c) ensure that the learning needs of all young people and adults are met through equitable access to appropriate learning and life-skills programmes; (d) achieve a 50% improvement in adult literacy by 2015, especially for women, and equitable access to basic and continuing education for all adults; (e) eliminate gender disparities in primary and secondary education by 2005, and achieve gender equality in education by 2015, with a focus on ensuring girls’ full and equal access to and achievement in basic education of good quality; and (f) improve all aspects of the quality of education and ensure the excellence of all so that recognised and measurable learning outcomes are achieved by all, especially in literacy, numeracy and essential life skills.” See UNESCO, <http://www.ibe.unesco.org/en/glossary-curriculum-terminology/e/education-all-efa>

internationally used definitions are being adopted in all data-reporting countries (Jansen, 2005).

Additional criticisms of EFA focus on its high costs and the impracticality of achieving its goals in much of the developing world. The latter includes the unavailability of information for key data categories for many countries, which may lead to over- and underreporting of particular datasets with political implications regarding resource allocation. International agencies have incentives to use results even when these are compromised by unreliable and/or incomplete data. It is also unrealistic to assume that countries can and will reorganise their structures and priorities to meet international EFA guidelines (Jansen, 2005, p. 374).

Moreover, education is arguably among the most challenging development sectors in terms of impact assessment. By their very nature, effective educational initiatives are complex and multidimensional, affected by a myriad of variables that often interact in unexpected ways (Ongevalle & Fonteneau, 2014, pp. 12-14). The attribution problem is key, as it is difficult to ascertain whether and to what extent outcomes are caused by the particular international cooperation intervention rather than by other factors. Consequently, there is a general tendency of managing for outputs rather than outcomes and of inputs not being linked to impacts along the results chain<sup>23</sup> (UNDP, 2007; UN, 2008).

Furthermore, educational development is necessarily a long-term endeavor. The impact of any initiative in this sector is not immediately detectable or measurable and many times involves institutional change. For instance, the concept of “structuring cooperation” championed by Brazil involves educational projects that “create and structure institutions for the training of manpower in deficient areas in countries that demand cooperation.”<sup>24</sup> The first projects implemented along these lines were the professional training centers established in Angola in 1999 and in Paraguay in 2002 (Rizzo, 2020, p. 121). Projects of this kind involve considerable long-term change in education systems, as they are not limited in terms of scope, or time to the RBM measuring and evaluation requirements. They also tend to produce greater externalities and indirect beneficiaries, which are difficult to measure.

Yet, by imposing RBM requirements, the development effectiveness agenda has narrowed the view of what is valued and how value is measured. Its promotion of an “obsessive measurement disorder” is highly problematic, because, in the words of former US Agency for International Development (USAID) Director Andrew Natsios (2010, p. 3), the projects that are “most transformational are also the least measurable.” He claims that the RBM agenda within USAID has led to conflict between compliance officers and technical program specialists in education over attempts to measure and account for everything, leading to more risk-averse behavior, less innovation, and the compromise of good development practices. Vähämäki and Verger (2019, p. 22) found similar behavior in several recent reviews and evaluations of RBM, and Liddy and Gallwey (2020) also reached similar conclusions in their specific examination of Irish aid.

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<sup>23</sup> RBM provides a structured, logical model for identifying expected results and the inputs and activities needed to accomplish these results. The results chain is a visual representation of the logical model; it depicts the assumed causal linkage between an intervention and desired impacts through a series of expected intermediate results.

<sup>24</sup> The conceptual foundation of structuring projects lies in one of the principles of South–South cooperation, namely capacity-building, according to which cooperation projects should strengthen local institutions and be sustainable, generating greater autonomy for the partner country. Accordingly, developing capacity does not concern simply donating or transferring resources and technology but also creating and strengthening institutions capable of autonomously providing quality services to locals (Rizzo, 2020, p. 121).

Accordingly, pressure from funders and the pursuit of a portion of the always-limited fundraising pot have led “managing for results” too often to turn into “managing by results,” which is an unintended (and undesired) consequence of RBM. This has favored “quick wins,” readily measurable results, and immediate deliverables (Nytting, 2021, p. 2; De Koster & Holvoet, 2012). As a result, RBM may generate considerable opportunity costs in development by creating incentives to select international cooperation initiatives that allow short-term measurement, such as an increase in the net enrollment rate in primary schools (Holzapfel, 2014, p. 116). Smith (1995, p. 284) has called this problem “tunnel vision,” which he defined as an excessive “emphasis on phenomena that are quantified in the performance measurement scheme, at the expense of unquantified aspects of performance.”<sup>25</sup> The associated problem of “measure fixation” is defined as an “emphasis on measures of success rather than the underlying objective” (Smith, 1995, p. 290).

The application of business principles in education has led to managerialism in educational institutions and performativity, a particularly salient feature of RBM in this sector (Tolofari, 2005, p. 83). Peters (2004) defines performativity in education as the combination of enforced standards and accountability, devolution and diversity, flexibility of employment for teaching professionals at different levels, greater choice of schools and programs for students, and managerialism. In particular, it involves carrying out national tests and school inspections, as well as having different types of schools running core curriculum programs while specializing in some areas of their election, which offering a wider variety of schools and the consumer having real power over their school choice.

In other words, performativity means that the effective use of allocated resources is the “determinant measure of true value” (Tolofari, 2005, p. 86). This is akin to a business focus on the value for shareholders, and the imperative to perform is paramount; “performance is the *raison d’être* of educational institutions, so that the school leader’s job is to manage performance” (Tolofari, 2005, p. 86).

Two of performativity’s key components—devolution and diversity on the one hand and personnel flexibility on the other—are intended to provide greater autonomy and independence of action. Yet, Marginson and Considine (2000, p. 9) refer to “new methods of devolution,” a kind of devolution that is a “key mechanism of the new executive power, a part of centralised control and not its antithesis.” They claim that in the entrepreneurial university, “the new techniques of governance have been directed towards the exercise of better control of output, and the containment of difference” (Marginson & Considine, 2000, p. 249), which would seem to undermine the very flexibility that personnel purportedly have.

Institutions and methods of control brought about (perhaps unintentionally) by performativity in education include, but are not limited to, a new emphasis on appraisal (i.e., performance judged by output) and output-related pay (Reeves et al., 2002). Especially in the developing world, educational institutions are still dependent mainly on basic grants for their income. As Raab (2000, p. 28) showed, a school “may only be as autonomous and collegiate as it is allowed to be by the organs of the state that establish, finance and regulate it.” At the secondary-school level, grants are linked to student population, which—in an environment of greater choice—can be more influenced by the power of parents to enroll or withdraw their children.

Similarly, at the university level, financial allocation depends on the extent to which each university meets its admissions quotas, which are in turn determined outside the universities. Rewards for previous performativity offer yet another means through which

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<sup>25</sup> In RBM terms, this problem can be understood as favoring outputs instead of outcomes.

external control is exercised. Satisfactory performance becomes a condition to gain access to those very resources needed to perform satisfactorily (Marginson & Considine, 2000 p. 249; Tolofari, 2005, p. 87).

The dependence of recipients on funding and the increasing control exercised by funders in education has important implications, which reveal the essentially political nature of development cooperation, even as RBM offers the impression of a purely procedural and evidence-based model. Efficiency cannot be sought in an abstract, exclusively technical manner but must always and necessarily specify from whose viewpoint it is being claimed and who benefits. As pointed out in the UN (2008) evaluation, “the determination of development success does not lend itself to impartial, transparent and precise measurement.”

Tensions exist even between the various purposes of RBM, and stakeholders value these purposes differently. Empirical evidence supports the conclusion that there is little demand for using RBM for accountability and learning/planning purposes in recipient countries (Vähämäki, Schmidt, & Molander, 2011, p. 2). In several cases, there is considerable organizational resistance to RBM altogether, favoring alternative (i.e., prescriptive and process-oriented) management perspectives<sup>26</sup>.

Moreover, beneficiary country governments are much more accountable to the provider than to their own citizens. In other words, upward and external accountability to funders tends to override downward and internal accountability to locals. Indeed, since development cooperation is ultimately funded by taxpayers in provider countries, the results of this cooperation are mostly used for accountability to domestic audiences in these countries and to legitimise their government policies regarding development cooperation.

According to several critics, the Busan principle of focusing on results has thus led educational services to be benchmarked against private business: those who fund the services exert power, consumer choice is emphasised, institution justification is determined by its performance, and measures of performance and public accountability are adopted (Tolofari, 2005).

However, RBM’s incorporation in the development effectiveness agenda has implications beyond the technical adaptation of business models in the context of development cooperation. Indeed, critics point out that RBM may not be value-neutral but rather carry with it a set of values largely drawn from the private sector (Nytting, 2021, p. 6). The idea behind such a principle is that “government should be run like a business” and thus adopt not only management techniques but also the values prevalent in the private sector. RBM is therefore also a normative model for public administration and public management (Denhardt & Denhardt, 2000).

RBM has arguably led education in particular to be treated not as a public good but rather as a marketplace commodity that can be delivered more efficiently and effectively by adopting business standards of performance (Grace, 1994, p. 126). In order to assure provider-country taxpayers of the quality of the educational service provided and obtain funding, such services came to be conceived as products, attainment targets had to be introduced, and students underwent testing at various stages (Morris, 1994, p. 23).

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<sup>26</sup> Strikingly, while RBM emphasises adaptation to local conditions and an analytical and critical approach to development, it has been challenged even by more traditional Western aid policies, which still pursue their own objectives (Vähämäki, Schmidt, & Molander, 2011, p. 14).

Accordingly, critics such as Tolofari (2005, p. 85) argue that there is a clear divergence between “the social and cultural values of schooling and managerialism.” The impact of managerialism is that the emphasis on performance/output measures and resource management has diminished the traditional collegiality within the teaching profession. Similarly, Lynch (2014) argues that RBM creates a culture of carelessness, weakening teaching’s pastoral aspects and values such as solidarity.

Yet, in theory, RBM frameworks that foster desirable values in education can also be developed. While RBM’s application in certain cases may have adverse normative consequences, there is nothing in RBM that is intrinsically antithetical to the values that the development community agrees should be promoted in education. Accordingly, RBM is a tool which in and of itself says nothing about normative goals.

### 4.3 Agriculture

The sector of agriculture has direct and significant implications for numerous SDGs. Impact assessment in this sector currently focuses on achieving people-related objectives, such as reducing poverty, hunger, and food insecurity. However, research on how agricultural development interventions affect targeted populations’ food security using indicators that measure “food security” directly rather than by proxies was unusual in the 1970s and 1980s; even today, impact assessments rarely include an explicit “food security” indicator. Instead, most studies measure food security impacts through changes in outcome indicators related to consumption or imply this impact through changes in outcomes related to production, income, and prices (Maredia, 2009, p. 19).

The results chain or logical model in agriculture is more simple and straightforward than that in education. In particular, as the first node in the results chain, interventions (agricultural programs, projects, policies, and activities) seek to bring about changes in the use of farm- and community-level resources and assets (land, labor, capital, entrepreneurship) to increase per-unit production or marketing of outputs, products, and services or decrease per-unit costs at the farm household level. These in turn affect four main indicators closely associated to the objective of enhancing food security: production, income, consumption, and food prices (Maredia, 2009, pp. 1, 4).

Yet, sorting out any outcome’s net impact on food security is a complex task, as food production affects both supply- and demand-side indicators related to income, consumption, and food prices. For example, an increase in production may, on the one hand, increase producers’ income and consequently consumption. However, on the other hand, it may also reduce prices and thus producers’ income. Reduced prices may in turn raise real wages in the economy and hence increase the consumption of net food buyers (Maredia, 2009, p. 1).

Maredia (2009, p. 5) identifies two broad categories of impact assessments relevant to agricultural development. First, macro-level aggregate studies focus on assessing the contribution of past investments in a specific agricultural development category (infrastructure, research, extension, etc.) or subsector (crop, livestock, agro-forestry) to achieved macro-level goals. These kinds of assessments provide evidence in relation to the long-term effectiveness of broad, sector-level investments. However, they cannot provide information on a specific project/program/intervention’s contribution to or effectiveness for a developmental goal.

Second, micro-level impact assessments are intervention-specific and trace the inputs-outputs-outcomes-impacts relationship left to right along the results chain for a specific

activity or a group of activities. They establish the causal link between inputs-outputs-outcomes-impacts in order to attribute the estimated/observed impacts to a specific intervention. Thus, they are best suited to providing evidence of the effectiveness of a specific intervention in achieving medium-term outcomes and development goals at the beneficiary level or a long-term goal aggregated across groups of beneficiaries.

The expanding research agenda on impact assessments in agriculture has shifted away from the relatively narrow focus of the 1970s and 1980s on adoption and assessments of improved germplasm and crop management technologies. Along the 1980s, studies addressed formal rates of return, benefit distribution, and spillover and intersectoral impacts; while in the late 1990s and 2000s, assessment expanded to include gender, health, and natural resource management impacts, as well as policy research, poverty, social, and environmental impacts (Pingali, 2001; Kelley, Ryan, & Gregersen, 2008).

Agriculture impact assessment has thus expanded from offering evidence of development effectiveness only in terms of economic rates of return to measuring such effectiveness in much broader terms. This broadening scope of impact assessment has resulted not only from methodological advancements but also from changing normative and political developmental objectives or, more precisely, from “the evolution of development paradigms and ideas that have shifted away from the one-dimensional (economic), top-down view of development to a multi-dimensional, participatory and people-focused development” (Maredia, 2009, p. 12). Accordingly, investors increasingly demand accountability on achievement of goals such as poverty alleviation, environmental sustainability, and gender equity, which have come to the forefront of the agricultural development agenda<sup>27</sup>.

The emergence of extended cost-benefit analysis represents a response to this growing demand for accountability, highlighting conflicts in different objectives, particularly in the ambit of the SDGs. For instance, environmental costs may be unacceptable even when those same results are quite satisfactory in terms of food security and social benefits.

Yet, despite recognition of the merits of cost-benefit analysis as a complement to impact evaluations, these analyses are still rarely employed. This may be in part because of the lack of baseline data, which limits the accurate estimation of costs, benefits, and impacts. There may also be a lack of partner country and/or evaluator interest in undertaking cost-benefit methods, as well as a lack of skills for employing such methods (IEG, 2011, p. 12).

In theory, there is an expanding recognition that impact assessment of the social value of any agricultural project must include intended (planned) and unintended (externalities, spillovers), short-term and longer-term costs and benefits in social, economic and environmental dimensions. In practice, however, such comprehensive and multidimensional assessments of an intervention’s impacts are rare due to the lack of data, methodological limitations, and limited resources (Maredia, 2009, p. 12; IEG, 2011 p. 11).

Accordingly, few evaluations examine distributional impacts on various important dimensions, such as poor and less poor or female- and male-headed households. Rather, most evaluations report average impacts on the overall targeted group rather than subgroups based on a given socioeconomic characteristic. This limits what can be learned from the evaluation and may be of particular concern when the average results show no

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<sup>27</sup> This also suggests that, at least in the view of investors, RBM can be applied to more meaningful, comprehensive, and sustainable goals rather than simply cherry-picking measurable but less impactful interventions.

impact, because the intervention may be discarded without a thorough assessment of the impacts on each subgroup (IEG, 2011, p. 12).

The call for applying rigorous quantitative impact assessment based on experimental designs in agriculture has been largely unheeded. Indeed, most studies that have evaluated interventions in this sector are observational rather than experimental (IEG, 2011, p. 12). A relatively broad review of the literature and meta-analysis of impact evaluation of agricultural interventions found that only six out of 83 such interventions, carried out since 2000, used randomised designs (IEG, 2009). This may be explained by the high costs of such research designs, its focus on short-term effects, and the difficulty of maintaining ongoing treatment and control groups in a real-world setting. Moreover, although funders usually require that results be measured, they typically do not impose the method to be used, nor do they often ask for two approaches (IEG, 2011, p. 12).

Additionally, experimental methods generally assess impacts too quickly—as a rule, immediately after the project or program ends—which undercuts a longer-term perspective of assessing impacts on targeted beneficiaries and beyond, including positive and negative spillover effects and externalities. Consequently, experiments tend to lead to a greater risk of precipitately applying lessons learned from the intervention. This is problematic because, as in education, in a wide range of development projects in agriculture impact-level results may take many years to become visible and are often influenced by unpredictable environments. Hence, analysts may need impact data from a number of time periods to adequately assess performance trends<sup>28</sup>.

On the other end of the methodological spectrum, qualitative research designs—not usually favored by RBM—have also been used in impact assessments of agricultural interventions. Shifting development paradigms and goals encouraged extended participation in the 1980s and 1990s, leading to participatory methods of appraisal and monitoring of development projects and, accordingly, to the use of qualitative data. Such qualitative assessments are based on the principles of participation and interpretation of information documented throughout the evaluation process (Gebremedhin, Getachew, & Amha, 2010, pp. 22-27).

Qualitative assessments have several advantages: they are flexible, customizable to the evaluation's specific needs using open-ended approaches, able to be carried out quickly, and can significantly enhance the findings of an impact assessment by providing a better understanding of stakeholders' perceptions and priorities and the conditions and processes that may have affected program impact. Thus, in the context of food security objectives, these methods are appropriate for asking the "why" and "how" questions related to intra-household patterns of food consumption, nutrition, and distribution (Binnedjikt, 2000, p. 16). In addition, Jackson (1998) argues that participatory evaluation is not only compatible with, but can actually further the objectives of RBM.

An example of a grain storage project in Myanmar demonstrates the importance of flexibility afforded by participatory monitoring and of stakeholder input. During project implementation, policy decisions regarding currency exchange rates and direct access by privately owned rice mills to overseas buyers adversely affected the profitability of these mills. Management would have been alerted to the deteriorating situation had relevant

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<sup>28</sup> As per Kumar (1995): "Even a simple trend in crop production attributable to an intervention may take years before it can be measured. Casley and Kumar constructed a table that shows the number of years of high quality data required to determine a distinct trend with a given level of accuracy and statistical confidence. Their calculations demonstrate that in order to detect a rising trend in production of 4% per time point, with an accuracy of 25% either side for 95% confidence, twenty-one points are required – equivalent to twenty-one years of data for annual cropping."

indicators of the enabling environment that matter to locals been carefully monitored. Instead, a narrow focus on input and process indicators missed the fundamental change in the assumptions behind the project (World Bank, 1996).

Among the main shortcomings of qualitative assessments, however, are the subjectivity involved in data collection, the lack of a comparison group and statistical robustness—given usually small sample sizes—all of which undermine generalization to a larger, more representative sample. In addition, the validity and reliability of qualitative data are highly dependent on the methodological skill, sensitivity, contextual knowledge, and training of the researchers. If they are not sensitive to specific social and cultural norms and practices and to nonverbal messages, the data collected may be misinterpreted (Maredia, 2009, p. 14). In general, these kinds of data gathering and assessments require empowering researchers in the field (Vähämäki & Verger, 2019, p. 6).

The principle of focusing on results requires, however, not just conducting adequate impact assessment studies but also assuring that such studies themselves impact development cooperation activities. Lilja and Dixon (2008) find that impact assessment studies largely fail to make an impact because of the following shortcomings: no accountability with internal learning, no developed scaling out, the overlap of monitoring and evaluation and impact assessment, the intrinsic nature of functional and empowering farmer participation, the persistent lack of widespread attention to gender, and the operational and political complexity of multistakeholder impact assessment.

#### **4.4 Social Protection**

While there is a growing literature on social protection and consensus on its importance as a poverty alleviation strategy, the range of programs and policies that count as social protection is wide, undermining conceptual clarity as well as measurement of what is delivered in practice (Barrientos & Hulme, 2008; Gentilini & Omamo, 2011). In addition, there is greater regional variability of interventions and approaches that offer social protection to vulnerable populations (Norton, Conway, & Foster, 2002, p. 543) than those in the education and agriculture sectors. Therefore, the focus on results and impact assessments in this sector are much less straightforward, and different stakeholders may mean different things when referring to “social protection.”

Norton, Conway, and Foster (2002, p. 543) define social protection as “the public actions taken in response to levels of vulnerability, risk and deprivation which are deemed socially unacceptable within a given polity or society.” Hence, there is overlap between the development cooperation which aims to promote social protection and that of other sectors, such as education, health, and even agriculture, insofar as it is concerned with food security. Social protection covers policies such as social insurance, offering protection against risk and adversity throughout life; social assistance, offering payments and in-kind transfers to support and enable the poor; and social inclusion efforts that enhance the capability of marginalised groups to participate fully in economic and social life and to access social services (HLPE, 2012, p. 11).

Perhaps the main challenge to focusing on results in the social protection sector is determining whether and to what extent development cooperation activities and spending are reaching the poor and left-behind groups in various contexts. This may be particularly challenging because often the poorest and most neglected groups are invisible and hard to reach for several reasons, including previous negative experiences with authorities and/or public institutions, geographical constraints, or informality and exclusion from markets.

It is critical that poor and vulnerable groups be actively involved and included in data collection processes. For such purposes, participatory approaches may be highly desirable. For ethical as well as methodological reasons, it is especially important that respective target groups and stakeholders accept and approve data collection instruments and respective indicators. Ideally, target groups should be included even in the formulation of such indicators (UNDP, 2006, p. 8; GIZ, 2014a, p. 18).

As in agriculture, the shift away from single-axis definitions based on purely economic or monetary terms and toward multidimensional definitions and their respective indicators is widely accepted in theory. However, multidimensionality is still not sufficiently applied in practice in development projects: “Indicators based on one dimensional measurements are a lot more common and aspects of social exclusion are often not reflected in the large number of existing approaches and indicators. Due to limited resources (time and money), a compromise between specific, but still measurable indicators must be found in practice” (GIZ, 2021, p. 14).

The multidimensional approach (as opposed to a single dimensional approach) is manifested most commonly in the application of the Multidimensional Poverty Index (MPI), developed by the Oxford Poverty and Human Development Initiative (OPHI) (UNDP/OPHI, 2019). This index captures multiple and overlapping deprivations and their intensity (covering three dimensions: health, education, and standard of living). Besides its systemic approach, one of the MPI’s most important strengths is its flexibility in allowing national adaptations of the tool (GIZ, 2021, p. 14).

Recently, there have been promising improvements in the availability of household survey data. Yet, low-income countries in particular face several constraints in meeting their leave-no-one-behind (LNOB) commitments within their data collection (Chattopadhyay & Manea, 2019). Disaggregated data are often unavailable in the very contexts where they would be most relevant. In many cases, available datasets and official statistics cannot be disaggregated because respective (horizontal) categories (e.g., characteristics of poor and/or left-behind groups) were not included in data collection. In some cases, disaggregated data collection can be opposed by political leaders (GIZ, 2021, p. 18)<sup>29</sup>.

While gender has often been marginalised within mainstream development, it is well known that different genders experience poverty and inequality differently. For this reason, any intervention that aims to reduce poverty and/or inequality and also successfully apply the LNOB principle<sup>30</sup> must take note of gender differences. Indeed, “[t]he minimum requirement in terms of disaggregation of pro-poor, inequality, and LNOB indicators is gender sensitivity” (GIZ, 2021, p. 11).

Social protection policies and cooperation often involve emergency relief and are humanitarian in nature, as in cases of starvation, for instance. Traditionally, however, there has been a clear-cut distinction between humanitarian cooperation or aid, which is associated with short-term relief, and longer-term development cooperation<sup>31</sup>. Yet, the

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<sup>29</sup> Yet, this can also be seen as an opportunity for the application of RBM in social protection, as a vast increase in the volume of digital data can potentially enhance the evidence base for development policy and programming and ultimately support development impact on the ground (Vähämäki & Verger, 2019, p. 25).

<sup>30</sup> Remarkably, LNOB has no targets, deadlines, indicators, or data in the SDG framework.

<sup>31</sup> Stakeholders disagree on whether humanitarian goals and SDGs should be treated as one and the same. On the one hand, the UN Secretary General’s report “One Humanity: Shared Responsibility” (2016) prescribed transcending “humanitarian-development divides” and asserted that humanitarian goals and SDGs should be treated as a single global challenge. On the other hand, NGO critics maintain the particularity of humanitarian cooperation and the risks of politicization involved

growing complexity of both development and humanitarian crises tends to blur the distinction, making it increasingly unclear when cooperation ceases to be strictly humanitarian and becomes aimed at development (Medinilla & Cangas, 2016, pp. 1, 4).

In any case, the very nature of humanitarian cooperation and emergency relief, which typically requires immediate, urgent responses to usually unexpected occurrences, precludes the application of the RBM model. Indeed, if monitoring and impact assessment are to be possible, let alone successfully carried out, it is necessary to ensure that the methodological requirements for such purposes are met from the outset of the cooperation initiatives. Most notably, data requirements need to be satisfied even before these initiatives begin to be implemented, as many crucial measurements and observations cannot be made in an ad hoc fashion.

Nevertheless, other social protection policies and cooperation are very amenable to RBM. Perhaps the most scrutinised of these have been conditional cash transfers programs pioneered by Mexico and Brazil, which provide money to poor families conditional on investments in human capital, such as school or health center attendance by children. This “approach is both an alternative to more traditional social assistance programmes and a demand-side complement to the supply of health and education services” (Rawlings & Rubio, 2005).

Such conditional cash transfer programs have been subject to rigorous evaluations of their effectiveness using experimental or quasi-experimental methods. Assessment results for programs implemented in Colombia, Honduras, Jamaica, Nicaragua, and Turkey reveal successes in overcoming many of the failures in delivering social assistance, such as weak poverty targeting, disincentive effects, and limited welfare impacts. Moreover, there is clear evidence of success from the first generation of programs in Brazil, Colombia, Mexico, and Nicaragua in increasing enrollment rates, improving preventive health care, and raising household consumption (Rawlings & Rubio, 2005). The success of conditional cash transfer programs has led to adaptations in almost 20 countries, even in the developed world. For instance, New York City announced the “Opportunity NYC” conditional cash transfer program, modeled on Brazil’s “Bolsa Família” and Mexico’s “Progres/Oportunidades.”

## 4.5 Conclusions and Recommendations

The development effectiveness agenda, and particularly the Busan principle of focusing on results, is largely based on the RBM model. It has the undeniable merit of seeking more efficient and cost-effective use of scarce resources in development cooperation by monitoring and adapting interventions and measuring their results. Ideally, RBM should lead not only to accountability and better-informed decision-making but also to learning.

Yet, RBM is originally a business model, and its replication in development cooperation is often problematic because the public sector does not operate like private firms and because

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in merging it with a broader development agenda. Whereas it is imperative that humanitarian cooperation be based on needs-based operations, sustainable development would be inevitably more responsive to internal and foreign political objectives (Medinilla & Cangas, 2016, p. 4). Accordingly, transnational NGOs in general follow, in practice as well as discourse, a humanitarian logic in opposition to a developmentalist one in allocating their resources for international cooperation (Büthe, Major, & de Mello e Souza, 2012). The NGO Doctors without Borders most notably pulled out completely from the World Humanitarian Summit because its “focus would seem to be an incorporation of humanitarian assistance into a broader development and resilience agenda” rather than addressing “the weaknesses in the humanitarian action and emergency response” (Médecins Sans Frontières, 2016).

development initiatives in other countries face many additional challenges. In this paper, obstacles to the effective application of a focus on results principle were discussed particularly in the sectors of education, agriculture, and social protection. These sectors represent central components of social development, and hence the contrast with business goals becomes even more accentuated.

In all three sectors, unintended and counterproductive effects of RBM generally result from distorted incentives faced by stakeholders as well as competing values associated with profit-seeking and developmental pursuits. RBM is also impractical in many contexts because of the bureaucracy, technical expertise and, above all, financial costs it involves, especially relative to development interventions' total costs. Finally, more in-depth, long-term, and transformational interventions are usually not well-suited to showcasing fast results nor to experimental impact assessments. The rigid procedural requirements of RBM, its assumption of linear theories of change and methodologies, and the high complexity of more comprehensive and long-term interventions in these sectors call for adaptations to implementing the focus on results principle if it is truly to increase development effectiveness.

In education, despite the availability of indicators afforded by the EFA framework, their application in many parts of the developing world is undermined by cultural as well as economic factors. In general, the emphasis on performativity leads to instructors concentrating on outputs, especially test results, and neglect other objectives of education, to risk-averse and conservative approaches, and to selection biases that may exclude those interventions that are in fact most cost-effective. Accordingly, interventions also tend to be more specific and amenable to quantitative measurements, disregarding opportunity costs and more structural, institutional, creative, and innovative projects. Performativity in education also compounds the power imbalance between partners, favoring upward accountability and the preferences of those who finance interventions to the detriment of local beneficiaries. Finally, RBM may—in some concrete cases, even if not in principle—also promote the commodification of educational services and values that are arguably antithetical to those that educators prize.

Agriculture is key for many of the SDGs, and food security has gained more attention in agricultural impact assessment, though it is still largely measured by proxies. RBM in agriculture has recently broadened its scope from a single economic dimension to aim at multidimensionality, which takes into account social, economic, gender, and environmental impacts and is linked to participatory and people-focused views of development. Accordingly, participatory methods of and approaches to evaluation have emerged as alternatives to costly and generally unviable experimental ones. Yet, the adoption of multidimensionality requires resources often unavailable. Participatory models, in turn, are typically treated as less rigorous and require methodologically skilled and contextually knowledgeable and sensitive researchers. Lastly, impact assessment studies need to be impactful in agricultural practice and cooperation for RBM to be beneficial.

Finally, social protection as a sector still lacks conceptual clarity and overlaps with both education and agriculture. As in agriculture, a consensus has emerged on moving beyond exclusively economic or monetary definitions and indicators toward multidimensional ones, but this shift is likewise still limited by lack of resources. The main challenge in measuring and achieving results is targeting the poorest and most vulnerable portions of the population, which are frequently absent from formal governmental or market registries and geographically isolated. It is paramount that beneficiaries accept and approve data collection instruments and respective indicators, which, as in agriculture, can be achieved by means of participatory methods and approaches. Greater disaggregated household data is necessary. Social protection often involves humanitarian cooperation or emergency relief

that, by its very nature, largely precludes the application of RBM. Yet, conditional cash transfer programs constitute a case in point of successful monitoring, evaluation, and international replication of a social protection policy.

These problems with focusing on results notwithstanding, not all is lost. RBM can and should be adapted into richer, more inclusive, and complexity-friendly models, which arguably are already being tested and refined. To enhance development cooperation effectiveness through the focus on results principle and thus fulfill the promise of the Busan agenda in education, agriculture, and social protection, a few general recommendations should be followed.

First, it is necessary to be mindful that incentives for achieving narrowly conceived targets and good performance on a few specific indicators may override other unrelated—but equally or more important—development purposes, as is most evident in education. Hence, evaluations need to be themselves constantly monitored, improved and comprehensive. This recommendation should also bring a greater appreciation of the complexity of interventions in education, agriculture, and social protection, qualifying the typically linear view of development implicit in RBM.

A second and related lesson is that monitoring and impact evaluations need to be multidimensional and not solely focus on economic or monetary results (which are clearly easier to measure and quantify). For instance, income variations are not the only intervention results that matter in agriculture and social protection; environmental impacts and those for other aspects of well-being also need to be taken into account. Multidimensional monitoring and evaluation evidently requires greater resources and methodological sophistication but is nonetheless necessary to avoid misleading results and ensure policy coherence and development effectiveness, especially in the ambit of the SDGs.

For such purposes, the third recommendation is that RBM can be adapted to include more participatory approaches—and their corresponding qualitative methodologies—for indicator formulation, data collection, monitoring, and evaluation. These approaches, while at first glance less rigorous and incompatible with RBM, may actually improve targeting, local ownership, legitimacy, and overall intervention effectiveness within international development cooperation. They may also help preserve values cherished by local stakeholders in each of the sectors that are arguably challenged by RBM. Participatory and qualitative data collection and analysis should be complementary to, rather than replace, experimental or quasi-experimental quantitative alternatives.

Last but not least, there is a need when applying RBM to structure incentives in such a way that stakeholders are encouraged to be ambitious and creative and pursue longer-term, deeper, and more innovative and transformational interventions. Indicators, data collection, and evaluation methods need to be adapted for such purposes. Evidently, this is not an easy task, especially in interventions in education or agriculture that may impact development for years to come. However, it would certainly be worthwhile to increase RBM's sensitivity to impacts of this kind, which are, after all, those that hold the greatest promise for development and should therefore be most valued by all development cooperation stakeholders.

Fortunately, promising applications of such recommendations can already be found, and the testing and refinement of new approaches is ongoing. For instance, problem-driven iterative adaptation (PDIA) offers a framework and a method for the development community to act differently. It rests on four principles:

- (1) local solutions for local problems (transitioning from promoting predetermined solutions to allowing the local nomination, articulation, and prioritization of concrete problems to be solved);
- (2) pushing problem-driven positive deviance (creating and protecting environments within and across organizations that encourage experimentation and positive deviance);
- (3) try, learn, iterate, adapt (promoting active experiential and experimental learning with evidence-driven feedback built into regular management that allows for real-time adaptation); and
- (4) scale through diffusion (engaging champions across sectors and organizations who ensure reforms are viable, legitimate, and relevant).

PDIA thus calls for organizations that generate, test, and refine context-specific solutions in response to locally nominated and prioritised problems as well as systems that tolerate (and even encourage) failure as the necessary price of success (Andrews, 2015).

Another prominent example is adaptive management, which has been applied in international development cooperation primarily by USAID. It is a structured, iterative process of robust decision-making for coping with and reducing uncertainty by means of system monitoring. Within this system, decision-making simultaneously meets one or more resource management objectives and, either passively or actively, accrues information needed to improve future management. Crucially, adaptive management is a tool that should be used both to change a system and learn about it. Because adaptive management is based on a learning process, it improves long-term management outcomes. The challenge in using this approach lies in finding the correct balance between gaining knowledge to improve future management and achieving the best short-term outcome based on current knowledge (Allan & Stankey, 2009).

The 2030 Sustainable Development Agenda and the LNOB pledge increased the pressure on providers to work in fragile contexts: “From an RBM perspective, it is generally harder to achieve and demonstrate development results in fragile contexts, since the external environment is unpredictable and institutions are unstable.” This favors adaptive management insofar as it emphasises managing uncertainty and complexity (Vähämäki & Verger, 2019, p. 25).

Finally, monitoring, evaluation, and learning (MEL) is a system or cycle wherein its three components are jointly employed and underlie all project and program phases, from early design through implementation and completion. MEL urges organizations to clarify intentions, collect fundamental data to assess effectiveness toward impact goals, and monitor levers for change. Ideally, MEL processes should also include the realistic evaluation of internal and external capacity across the intervention landscape to respond and adapt quickly in real time. Because it is “a continuously reinforcing and multiphase process, an effective MEL framework draws on user-centered design at multiple entry points. In addition, it bridges the gap between a development plan or impact program and the local environment—the people being impacted by an initiative. And that process should be ongoing” (Gadkari, 2022).

While these and other similar examples are sometimes presented as alternatives to RBM, learning, ownership, and adaptation were key features of RBM models in development cooperation from the outset, particularly because they were developed at the time of the Paris Declaration (Vähämäki & Verger, 2019, p. 6). Indeed, RBM was originally meant to allow research teams the flexibility to experiment, adapt, and learn and is hence based on an appreciation that there may not be clear knowledge on how to best achieve an outcome.

Accordingly, most RBM challenges in development cooperation can be understood as problems that arise in practice (Hummelbrunner & Jones, 2013). In practice, outputs (and not outcomes or impact) often become the focus of efforts, learning and innovation are discouraged, and procedural regulations add rules and rigidities rather than provide learning opportunities. Therefore, “[m]any of the problems with RBM could thus be explained by the everlasting difficulty in changing the way organisations work and fully aligning theory to practice” (Vähämäki & Verger, 2019, p. 29). The aforementioned recommendations and examples are thus more accurately understood as promising paths for *practical* improvements in RBM, with the aim of rendering it better equipped to deal with the challenges and needs of global development.

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## Chapter 5: Good Governance and Effective Development Cooperation at the sector-level

*Artemy Izmetiev  
Prosun Chowdhury  
Madhubanti Anashua  
Ronald Kimuli  
Lyn Angelica Pano*

### 5.1 Introduction

A wave of coup d'états (and attempted coups) sweeping across Africa since 2021 has taken many by surprise. While research in response to the coups has largely focused on the future of democracy and the role of external parties in the geopolitical scramble, some commonly cited reasons behind the rising instability also included insecurity and poor governance (Maclean 2022). As African leaders referred to the coups being 'contagious' (Akinworu, 2022), President Kagame of Rwanda captured the zeitgeist in his statement to the African Union-European Union Summit in Brussels, where he said, "Where governance is compromised, it is like having a weak immune system which is vulnerable to all kinds of opportunistic infections or attacks" (Ashimwe, 2022).

The return of the coups in Africa also alarmed development partners (DPs) and encouraged their self-reflection. Koji Sakane, Chief Representative of the Japan International Cooperation Agency in Sudan, points that, "The government often fails to provide sufficient services that would satisfy people's demands. This causes further dissatisfaction with the government, leading to the rise of political tensions" (Sakane, 2022).

While the ongoing political instability in the region has various causes, the enduring governance challenges that are well-documented by the development community are acknowledged as one of them. The 2019 study by World Bank shows that despite significant spending on social safety nets in Burkina Faso (2.7% of GDP in 2018), less than 3% of the population was covered, with many people receiving the benefits even after being relatively well-off (Vandeninden, Semlali, and Grun, 2020). A study by Transparency International (Bak, 2020) documents, for instance, systematic corruption experienced by the pastoralists in Mali contributing to tensions and instability. It is clear that DPs have not paid sufficient attention to the governance issues in the region. A study on the European Union (EU) strategy in Sahel (Schmauder et al, 2020<sup>32</sup>) shows that practitioners and policymakers of development cooperation often approach governance challenges merely as a lack of capacity and political will, requiring technical solutions or a set of conditionalities and sanctions, respectively. Such an approach falls short of addressing governance problems since technical solutions alone fail to deliver the required transformation, while the use of conditionality is limited in the absence of national ownership.

The ongoing reflections on the approach of DPs in Africa are particularly important because many countries affected by the recent coups have long enjoyed the status of "donor darlings". Most countries were members of the Global Partnership for Effective Development Co-operation (GPEDC) and were regularly under the purview of its monitoring. While official development assistance (ODA) remains an important source of development finance in many countries of the region, it has failed to address the fundamental concerns of the people and, in some cases, might

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<sup>32</sup> The paper by Schmauder, Soto-Mayor, and Goxho (2020) includes security and development cooperation as a part of the broader EU strategy in Sahel.

have even exacerbated the vulnerability of the countries (for example, see the case of Mali discussed by Bergamaschi, 2014).

In recent years, numerous initiatives in the academic and development practitioner community, including Thinking and Working Politically Community of Practice, Work with the Grain, and Do Development Differently, have suggested ways of incorporating complex governance issues in development partnerships. These initiatives offer analytical tools that DPs can use to inform programming at the national, sector, and local levels. In practice, the uptake in DPs' programming has been patchy and limited to some development agencies. In such contexts, there is little evidence that these approaches can be directly linked to the improvement of development outcomes (Laws and Marquette, 2018). At the same time, there is a lack of studies analyzing various approaches to good governance in the context of multi-stakeholder partnerships.

## **5.2 Objectives and Scope of the Study**

This study is a part of a broader research initiative named "Exploring Development Effectiveness at the Sectoral Level in Southern Countries". As the commitment to the principles of effective development cooperation has been declining, the research considers their role in a dynamic context. This study aims to examine the role of good governance in the context of the implementation of the principles of effective development cooperation at the sector level. In accordance with the methodology of the research initiative, good governance is considered one of the "moderators" affecting the application of the principles of effective development cooperation within the sector. The limitations should be noted: the study is based on several cases and aims at understanding general trends. More in-depth studies at country and sector level can help better analysis of the role of good governance in attaining development results.

## **5.3 Methodological approach**

The current study builds on an extensive literature review to explore the evolution of the concept of good governance, its use by DPs, and its use within the discourse on effective development cooperation. Further, the study analyzes the role of good governance in the attainment of sector-level development goals within the context of several countries. Cases of the education sector in Rwanda and Bangladesh were selected for an initial examination of the role of good governance in attaining development outcomes. In addition, a case of social protection in the Philippines was evaluated to identify the role of good governance in the context of relatively low dependence on development cooperation.

## **5.4 Good governance and its use by development partners**

To examine the role of good governance in the attainment of sector-level development goals, it is important to develop a working definition of the term. However, the definition of good governance is still a subject of debate both in academia and among practitioners in development cooperation agencies. While it is generally accepted that good governance is related to political processes, there is no agreement on whether it is associated with a particular type of political system. While Fukuyama defines governance as "a government's ability to make and enforce rules, and to deliver services, regardless of whether that government is democratic or not" (Fukuyama, 2013), Unsworth notes that "good governance" broadly equates to more democratic political systems...but with less emphasis on formal organizational structures than on how they actually work" (Unsworth, 2015). Issues of democracy and good governance started gaining the focus of the development research community toward the end of the 1980s and the early 1990s.

Mkandawire noted how contributions by African scholars<sup>33</sup> that provided background papers for a 1989 World Bank report analyzing governance issues in Sub-Saharan Africa, focused on state-society relations and served as an intellectual basis for conceptualizing good governance (Mkandawire, 2007).

Since the introduction of the concept, development cooperation agencies have continued to define good governance in accordance with their respective focus areas. As a result, multiple definitions of the concept have emerged. According to Carothers and De Gramont, “every major aid organization asserts some political goals alongside its socioeconomic ones. Most frame such goals with an emphasis on democratic governance or democracy and human rights” (Carothers and De Gramont, 2013). Multiple definitions used by development cooperation agencies instrumentalised the concept, effectively denoting “a set of procedural tools to guarantee the efficacious improvement of the donor-identified subject” (Chowdhury and Skartstedt, 2005).

Both the definitional conundrum and the subjective use of the concept by development cooperation agencies have attracted significant criticism. Gisselquist notes that “while donors purport to support governance reforms as a means of promoting development and purport to condition aid on the quality of governance, their fuzzy thinking on the concept of good governance affects their ability to do both” (Gisselquist, 2012). Some scholars consider the term obsolete, for instance, Mbembe notes that “...the fields of intervention under ‘governance’ have multiplied to such an extent that today, the notion covers everything and its opposite. For example, the foreign policy objectives of the EU and its development programs are increasingly merging with its anti-migration policy, and the containment of migratory movements is now part of the objectives of good governance” (Mbembe, 2022). Carroll describes how the programmatic focus on good governance objectives supports “embedding market-centered norms and practices” driving forward neoliberal agenda (Carroll, 2009). The failure of development cooperation to promote good governance has opened conversations about “good enough governance”, shifting the discussion from “best practices” to a more instrumental “good fit” (Grindle, 2007).

Whereas the good governance discourse is traditionally associated with Western DPs (Doornbos, 2003), it is increasingly being adopted by providers outside the Development Assistance Committee (DAC), which introduces additional dimensions to the concept. The 2007 national aid strategy concept “Russia’s Participation in International Development Assistance” presented the risks associated with development cooperation “of ‘nurturing’ corruption, non-eligible use of allocated funds, and even creating dependency or encouraging inefficient public administration” (MoF 2007). The subsequent concept of 2014 identified governance<sup>34</sup> issues as one of the priorities for Russia’s development cooperation (Kremlin, 2014). In 2019, good governance was acknowledged in the Outcome Document of the 2<sup>nd</sup> United Nations Conference on South-South Cooperation (United Nations, 2019). China’s 2021 White Paper on International Development Cooperation mentions “improving governance” as one of the priority areas, focusing on providing support to partner countries in public administration, policymaking, and capacity building (CSIO, 2021). Although according to some Chinese scholars, the understanding of governance expressed in the White Paper is more technocratic, its inclusion still represents a significant shift.

The controversy surrounding the concept of good governance has practical implications for development cooperation at the national level as well as for the analysis of good governance as a ‘moderator’. Poorly defined governance goals can be interpreted in different ways. The lack of agreement on the term and stark differences in assessments emphasise the need for a more

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<sup>33</sup> Mkandawire mentions contributions by Ali Mazrui, Claude Ake, and Nakhtar Diouf who prepared background papers for the report. He illustrates how the broad focus on state-society relations shifted toward a technocratic approach advocated by development cooperation agencies.

<sup>34</sup> The words “governance” and “public administration” are usually translated in the same way in the Russian language.

granular analysis of the various components of good governance at the sector level. A good initial point is offered by the World Governance Indicators (WGI) that include data under the following categories: voice and accountability, political stability and absence of violence/terrorism, government effectiveness, regulatory quality, rule of law, and control of corruption. As the database covers a considerable period, it can be used as a starting point for formulating relevant hypotheses on governance trends.

## **5.5 Good governance and development effectiveness agenda**

The discussion on good governance emerged, to a large extent, because of dissatisfaction with the effectiveness of development cooperation. There was a growing realization of technocratic approaches by development agencies failing to achieve results in view of the institutional issues in partner countries (Nunnenkamp, 1994). While developing separately, the discourses on good governance and development effectiveness were found to be deeply interrelated.

The use of good governance criteria for determining the selectivity of aid allocation has been discussed for a long time and its results have been largely criticised (see, for instance, Nanda, 2006; Santiso, 2001). Discussion on aid effectiveness gradually shifted its focus to the national level. In 2003, the Rome Declaration on Harmonization emphasised “country ownership” and recognised diverse aid modalities (projects, sector approach, and budget or balance of payments support) (OECD, 2003). The introduction of the principle of ownership automatically raised the importance of a good governance agenda among development cooperation agencies. The rise in the share of direct budget support (Knoll, 2008) after the Rome Declaration in many partner countries elevated attention to governance issues even further.

The Paris Declaration on Aid Effectiveness included an explicit commitment to “support partner country efforts to strengthen governance and improve development performance”. The Declaration also called for adopting development cooperation based on the country’s situation, paying attention to the “environments of weak governance and capacity”. In relation to development cooperation in situations of fragility, partner countries committed to “make progress towards building institutions and establishing governance structures that deliver effective governance...” while DPs pledged to “conduct joint assessments of governance and capacity” (OECD, 2008). The Busan Partnership Agreement, the outcome document of the Fourth High Level Forum on Aid Effectiveness, took the previous commitments forward by adding important points, where DPs committed to using country systems “as a default option” (Busan Partnership for Effective Development Co-operation, 2011).

The GPEDC, established in 2011, monitors the implementation of the principles of effective development cooperation (country ownership, focus on results, inclusive partnerships, and transparency and mutual accountability). According to the latest Monitoring Report, the results have been mixed. The principles guided efforts in developing policies and strategies on development cooperation at the national level, guiding management of ODA and beyond at the national, sector, and local levels. However, even though many countries have strengthened their public financial management systems, it did not result in a significant increase in their use by DPs. The enabling environment for civil society deteriorated in many parts of the world (OECD/UNDP, 2019). These examples indicate that development effectiveness and good governance at the national level are mutually dependent.

The above process also included a number of work streams directly relevant to the sector level. For example, following the Paris Declaration, a task team on Health as a Tracer Sector investigated the application of the principles of development cooperation at the sector level. In the context of the GPEDC, the ongoing work on data in development promotes evidence-based dialogue at different levels.

The following section includes several case studies analyzing the role of the different components of good governance in the attainment of development results.

## **5.6 Good governance and development outcomes at sector level**

### **5.6.1 Education Sector in Rwanda**

Even though Rwanda is a least developed country (LDC), over the years, it has been gradually reducing its dependence on ODA. However, in 2020, its net ODA as a percentage of gross national income (GNI) rose to 16.3%. Rwanda was one of the first countries to launch a comprehensive national Aid Policy that defines its national development cooperation architecture. In the past several years, ODA to the education sector showed a significant increase of over USD 90 million (MinEconFin, 2020). Although Rwanda's strategic orientation to reduce aid dependency (Lumu, 2016) has not translated into the reduction of development cooperation, it has an impact on the government approach, including on education sector governance.

“Good governance” is a term widely used in Rwanda's government strategies, high-level official statements, and sector plans. Takeuchi notes that despite a relatively wide definition of good governance used officially, efficiency in bureaucracy has been, in practice, the central tenet of this concept (Takeuchi, 2019). The current Education Sector Strategic Plan states the importance of Rwanda's strong record of good governance and emphasises strengthening sector governance among strategic priorities (MinEduc, 2017). Within the past decade, Rwanda has made notable advancements in the education sector. The education sector was given significant attention in the context of the National Strategy for Transformation (NST1), based on the government's belief in knowledge as an essential factor for addressing social-economic challenges and as a key driver for growth and competitiveness. For example, in 2015, Rwanda implemented a competency-based curriculum (CBC) in accordance with Vision 2020 and the Education Sector Strategic Plan to promote a skill-based economy. Since 2016, the Ministry of Education and the Rwanda Education Board have collaborated to provide P1–P3 learners with books and ensure teacher training. A significant part of these efforts has been financed by DPs, notably the United States Agency for International Development (USAID). The implementation of specific initiatives such as Special Educational Needs, Inclusive Education Policy, and Sports Policy also received support from DPs.

#### ***Sector Coordination in Education***

The Education Sector Working Group (ESWG) of Rwanda is a platform for sector discussion that holds quarterly sessions and is co-chaired by the Permanent Secretary of the Ministry of Education (MINEDUC), Department for International Development (DfID), and United Nations International Children's Emergency Fund (UNICEF). It meets bi-annually (once a year for a forward-looking review and once a year for a backward-looking review,) bringing together almost 200 participants, including senior officials from the MINEDUC and the Rwanda Education Board, key DP organizations, all district directors of education, representatives of teacher training institutions and representatives of civil society. The various partners play an important role in horizontal accountability alongside Rwandan government officials (Honeyman, 2017). ESWG meetings assess the progress of sector targets, selected NST1 indicator targets and corresponding policy measures, formulate catch-up strategies for lagging areas, and discuss budget execution.

The Joint Education Sector Review (JESR) is an important tool for ensuring accountability within the education sector. The JESR brings on board all stakeholders in a joint review of the education sector. Even though the review mostly focuses on sector-specific indicators, it also includes governance-related considerations such as procurement. In addition, the JESR includes a series of analytical studies, some funded by DPs; the work plan includes information on how the studies will be used (MinEduc, 2020).

Project activities supported by DPs in MINEDUC are coordinated, managed, and implemented by the newly established Single Project Implementation Unit.

### ***Key governance factors related to sector performance***

Effective implementation systems and a culture of accountability played an important role in reaching sector outcomes. While in recent years, despite the improvement of governance systems, including procurement, their use by DPs did not increase. However, the reforms helped build trust between the government and other stakeholders.

Overall, Rwanda has demonstrated a strong level of ownership, reflected in the GPEDC monitoring, which has improved over the years (Hasselskog, 2019). In addition to the sector vision laid out in the Strategic Plan, Rwanda has specific features supporting implementation. The Imihigo performance-based management tool introduced across the public sector to improve the performance of civil servants reflects successful public sector innovation in terms of political leadership, incentives, and transparency. The Imihigo (Performance Contracts) program has several ambitious goals such as ensuring stakeholder ownership of national development agendas, promotion of accountability and transparency, and ensuring stakeholder participation and engagement in policy formulation and evaluation. The introduction of the Imihigo within the public service improved Rwanda's performance on many fronts. The performance contracts include targets that require commitment toward implementation, personal responsibility, reciprocity of obligations, and mutual respect between higher and lower ranks (Klingebiel et al., 2019).

The mutual accountability system between the government and DPs, while implemented at the central and not sector level, plays an important role in ensuring the effectiveness of sector coordination. DPs are subject to the Donor Performance Assessment Framework, the results of which are reported in the annual External Development Finance Report. This framework is complemented by government accountability at the sector level, including through Joint sector reviews.

Rwanda has a well-functioning Public Financial Management (PFM) system, which leads to low levels of corruption (Keijzer, Klingebiel, Scholtes. 2020). Although the use of the PFM and procurement systems by DPs have not been increasing, the recognised improvements were an important factor in building trust. For example, the E-procurement system in Rwanda, developed with the support of the World Bank, has a clearly defined procurement process. Rwanda became the first country in Africa to implement a system of this kind. The system is named *Umucyo*, a Kinyarwanda word meaning 'transparency'.

Based on the Methodology for Assessing Procurement Systems (MAPS), Rwanda ranks ahead of its regional peers in terms of the quality of its procurement system and is comparable to the public procurement system of Norway (Uwingeneye et al., 2020). The use of e-procurement in the education sector included, for instance, the delivery of goods under the Quality Basic Education for Human Capital Development project, such as classroom furniture, books, tables, and seats. Tendering procedures for these resources are done using *Umucyo*. As such, the quality of procurement systems has played a significant role in delivering the sector outcomes.

One of the challenges faced by the Rwandan education sector is related to the hidden expenditures that parents incur to educate their children, particularly in rural areas. Such costs may include additional school levies (registration fees, Parents Association fees, coaching fees, transport, and watchmen fees). According to some studies (Kagabo. 2018), dropout rates in Rwandan schools are a result of excess school fees and a shortage of fundamental needs. Schoolchildren opt to seek part-time jobs in agriculture to help their families financially.

Effective sector governance provides an enabling environment for sector coordination and is important for the attainment of development outcomes in Rwanda. High levels of political stability, government effectiveness, and regulatory quality translated to a strong sense of ownership at the sector level and enabled effective sector coordination. At the same time, the issues of quality of education (Williams, 2017) and gender balance remain a challenge. The approach focusing on the technical aspects of sector governance makes it easier to set quantitative objectives. In addition, the experience of Rwanda indicates that while DPs may impose conditions on the projects, a strong culture of mutual accountability allows effective sector dialogue directing common action toward mutually agreed goals.

## **5.6.2 Education Sector in Bangladesh**

The primary education sector in Bangladesh governs the largest centrally managed education system in the world consisting of 17 million primary school students. Development assistance in the primary education sector of Bangladesh is channeled through a (sub) sector-wide approach (SWAp) consisting of the primary, secondary, and higher education sub-sectors under the education sector (GoB, 2020). The SWAp aims to develop and coordinate sectoral assistance through increased national ownership of programs and effective government leadership.

The trajectory of the increase in primary education enrollment in Bangladesh has been impressive. In the 2000s, the net enrollment at the primary level was 80%. This increased to 120% in 2020 (JBIC, 2002). The dropout rate has also reduced, with approximately 80% of enrolled students graduating from primary school. In addition, more than 90% of schools receive free textbooks within the first month of the school year.

The success of the primary education sector has been attributed to the adoption of Primary Education Development Programmes (PEDPs). The first PEDP (PEDP1) was a set of separate projects supported by eight DPs. Eventually, the DPs and the government prioritised a coordinated approach, which was reflected in the PEDP2 and PEDP3 that adopted the sector-wide approach (Ahmed & Douse, 2019). The PEDPs were heavily influenced by the DPs, who provided strategic and secretarial support to the programs built around the Millennium Development Goals. Subsequently, the DPs have influenced the PEDPs to be more inclusive and participatory. Some examples of the efforts toward participatory coordination include the establishment of the Education Local Consultative sub-Group (ELCG), as well as a programmatic focus on gender and diversity inclusion.

### ***Challenges***

An overview of the primary education sector in Bangladesh reveals some challenges. According to the National Student Assessment of 2015, the learning outcomes of the education system are low. These challenges are often linked to the challenges of governance in the education sector.

Some issues that have been pointed out include corruption in public procurement and lack of monitoring of both teachers and procurement. Procurement in the education sector and all government ministries and agencies is primarily carried out centrally through an e-procurement platform called the National e-Government Procurement (e-GP) portal. It is operated by the Central Procurement Technical Unit (CPTU) and Implementation Monitoring and Evaluation (IME) Division of the Ministry of Planning. All tenders on the e-GP platform, as well as information on the awards are available, for public access.

However, corruption in procurement still exists so as the option to carry out direct procurement, particularly in cases of International Competitive Bidding and where stringent requirements are put in place by DPs on qualifying companies.

**Civic participation and inclusiveness:** Overall, several strategies have been adopted by the Bangladesh government to increase civic participation and inclusiveness in policymaking and program planning in the primary education sector. Plans and policies such as Annual Work Plans and Perspective Plan, among others, have been developed through a consultative process. Bangladesh has in place a government-DPs' joint framework called Local Consultative Group (LCG), which is supported by sectoral working groups and co-chaired by representatives of the DPs, civil society organizations (CSOs), and the government. The Education Local Consultative Group (ELCG) is co-chaired by the Ministry of Primary and Mass Education (MoPME) and a DP, consists of members of civil society and sectoral DPs, and meets quarterly (Magee & Diwakar, 2020).

According to the representative of the Ministry of Education interviewed, the ELCG as a platform and framework was highly effective in terms of policy planning, however, it later became inactive. Many stakeholders find ELCG to be effective for achieving increased responsiveness in policymaking. While the government supports an inclusive approach that leaves no one behind, a few challenges were identified in terms of increasing civic participation in the sector.

- Civic participation needs to be further improved while being mindful that too many stakeholders and mechanisms can lead to a lack of coordination between parties and their agendas. While there are multiple dialogue platforms, the meetings are held irregularly and sometimes discontinued due changes in leadership. Conflicts regarding which government bodies will chair and attend the meetings, particularly between MoPME and other sub-sectoral bodies, are present. This conflict is more visible in cases of cross-cutting issues such as technical and vocational education and training (TVET). In addition, the frequent transfer of government officials leads to frequent changes in leadership in the development cooperation platforms and the difficulty in onboarding new leadership leads to the discontinuation of functional dialogue platforms. Rather than developing new dialogue platforms, the strengthening of existing platforms and regularizing their use is necessary to ensure the coordinated achievement of development goals.

**Government Effectiveness and Fight Against Corruption:** Government representatives interviewed expressed a positive correlation between good governance and achieving development effectiveness. Bangladesh has witnessed consistent improvement over time in the area of rule of law, and the country's political stability has increased. Institutional mechanisms to ensure the rule of law and strong regulations, such as an independent Anti-Corruption Commission, are in place. The effectiveness is demonstrated by the sustainability of the achieved development results in Bangladesh. Government representatives underlined that though there is corruption at the sectoral level, the government has taken on a zero-tolerance approach to corruption, which is reflected in its programs. In order to improve rule of law to ensure aid effectiveness, it is necessary to digitalise the aid monitoring and reporting systems. The government has implemented anti-corruption measures within the education sector, such as the adoption of an Education Management Information System (EMIS), the establishment of School Management Committees to monitor and ensure transparency in fund management, as well as anti-corruption programs such as the Justice Reform and Corruption Prevention (JRCP) Project under the Ministry of Law, Justice and Parliamentary Affairs, funded by the German Development Cooperation (GIZ) (Mulcahy, 2015). The EMIS stores and manages data on institutions and student performance and contains public records of all court cases filed involving reporting institutions as well as expense-related information. Such a system ensures transparency and helps mitigate institutional-level corrupt practices. However, there is scope for anti-corruption programming in the education sector in the following areas. The key challenge in addressing corruption in the education sector is the difficulty of monitoring public procurement and the allocation of resources. Some measures to contain the challenge include expanding the EMIS system to include more governance-related indicators and including a flagging mechanism for issues within institutions.

**Transparency and Accountability:** The SWAp approach in the education sector ensures a joint results framework. However, according to the representative of the Ministry of Education, there is a need to expand the framework and include joint budgets, planning, and missions. Coordinated joint involvement between DPs and the government at every level will ensure an effective partnership. At present, there are multiple mechanisms for ensuring transparency in the education sector. Some examples include digital monitoring systems such as the Aid Information Management System (AIMS), where DPs can also incorporate information, and CRS (Creditor Reporting System), among others.

Some of the challenges identified are:

- Existing online monitoring systems such as AIMS are often not operational. The use of the EMIS remains fragmented and the system suffers from a lack of capacity. Increased capacity training with effective monitoring can ensure that online monitoring systems are properly utilised.
- At present, there are too many monitoring and reporting systems and no coordination or crossover in terms of data sharing.
- Proper reporting is not enforced and there are missing values in the systems. A lack of reporting culture on the parts of both DPs and the government has been reported.
- Uncoordinated reporting requirements suggest that government employees are overburdened with multiple joint review missions which take up their time and capacity.

**Responsiveness to Present and Future Needs:** The primary education sector is particularly responsive to present and future needs as a result of it being dominated by untied aid. The government can provide direct aid to its priority areas based on the needs of the country. High national ownership in policymaking in this sector has helped achieve responsive policies. However, the policies could benefit from an increase in responsiveness.

According to the government, the following challenges remain in the area of responsiveness:

- It is difficult for the government to allocate its own resources in response without clear information on the allocation of resources by its DPs. This hampers responsiveness in terms of localities and areas covered. The incorporation of a unified procurement and reporting system wherein DPs share timely information with the government will help increase responsiveness in the sector.
- There is also an issue of internal policy coherence, since some sub-sectors have too many stakeholders, thereby decreasing policy responsiveness. In the case of TVET education in Bangladesh, multiple stakeholders have taken up initiatives such as the Bangladesh Madrasah Education Board, Ministry of Foreign Affairs, and Ministry of Finance, causing a conflict of agendas. For example, most TVET programs focus on urban populations, leaving behind the rural poor. If the TVET programs by different ministries can be brought under a common platform where they can coordinate approaches and share information, resources can be allocated equally among all population groups.

**Conclusion:** Rwanda and Bangladesh both receive significant ODA in their education sectors. The achievements of the education sector in both countries are linked to a high degree of national ownership and prioritization of education in national policies. The aid-enabling environment is well-developed in both countries, with sector-specific plans and coordination mechanisms, and multiple tools and platforms for effective civic participation, monitoring transparency and accountability, and ensuring inclusiveness (e.g., management audits in Rwanda, AIMS in Bangladesh, e-procurement in both countries). The key difference between the education sector aid experience in both countries lies in the level of centralised coordination linking the elements

to form a functional and transparent process. In Rwanda, a central mutual accountability system between DPs and the government results in public reports such as the External Development Finance Report. In addition, public sector innovations, such as the Imihigo performance contracts, have led to greater accountability.

In the case of Bangladesh, financial management tools and e-procurement systems are often not functional or operational due to a lack of capacity and accountability in reporting their usage, unlike in Rwanda. Although there are mechanisms for ensuring civic participation and participatory planning, including local consultative groups, sector working groups, country frameworks, and steering committees, they do not result in significant system-wide change due to the lack of concerted effort toward a common goal. To reduce corruption by ensuring transparency in Bangladesh, existing mechanisms need to be strengthened, increasing the capacity at the local government level, improving coordination between the government and DPs, maintaining regularity in organising consultative meetings, and developing strong mandates and governance structures. Overall, the tools for good governance must be effectively utilised, otherwise, corruption will persist and government policies will suffer from a lack of responsiveness and inclusivity, as witnessed in the primary education sector of Bangladesh.

### **5.6.3 Social Protection Sector in the Philippines**

The social protection sector of the Philippines aims to “contribute to better and improved quality of life for the citizenry ...through a substantial reduction in poverty, inequality, and vulnerability and the inclusion of the marginalised in the development process” (DSWD 2019). It has four main components (Valenica, 2017), namely: labor market interventions, social insurance, social welfare, and social safety nets. Many government agencies are involved in the social protection sector with the Department of Social Welfare and Development (DSWD) in the lead. Despite multiple social protection components and programs, the numerous agencies involved, and the increased ODA<sup>35</sup>, the grassroots stakeholders interviewed (organizations of workers, and migrant workers and families) complained of exclusion from both development processes and actual social protection benefits/services, as well as repression.

The conditional cash transfers (CCT) program called Pantawid Pamilyang Pilipino Program (4Ps) is DSWD’s flagship social protection program. It provides cash grants to approximately 4.3 million beneficiary households who must comply with requirements such as regular health checkups for pregnant women and children, enrollment of children from daycare through high school, attendance in family development sessions, and operation of their preferred livelihood projects. The program was piloted in 2007 with funding and technical assistance from the World Bank and the Asian Development Bank. It has been fully implemented since 2008 and institutionalised via law in 2020. The program is funded by loans from the World Bank (USD 450 million) and the Asian Development Bank (USD 400 million) approved in 2016. Addressing governance issues in the 4Ps and the social protection sector as a whole, DPs incorporated the Integrity Development Review to minimise the risk of corruption in the relevant government institutions, putting in place control and accountability mechanisms, for instance, the Management Information System, and enhancing community capacity to oversee the implementation through public information campaigns and a grievance redress system (Arulpragasam et al., 2011).

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<sup>35</sup> ODA in the Philippines represents less than 1% of the GNI; nevertheless, it significantly increased in 2020. Traditionally, a significant part of ODA in the Philippines had been provided to infrastructure. However, more recently, there has been a growing share of ODA allocated to the social reform and community development (SRCD) sector (31%) and the governance and institutions development sector. With the Philippines being disaster-prone, a large part of assistance comes in the form of humanitarian aid and is not included in the ODA figures (Rosser, 2020).

In 2016, Prof. Judy Taguiwalo was appointed as the Secretary of DSWD whose transparent and compassionate governance was lauded and as well as criticised by many. She was in office for 14 months with many of her team members leaving office shortly after.

**Inclusiveness and participation.** Recognizing the effectiveness of civic participation, Prof. Taguiwalo organised a State of the Department Address, which helped manage the department's thrust, address people's concerns, and report the outcomes of her field visits.

In addition, Prof. Taguiwalo understood that government accreditation requirements for various groups, especially NGOs, hamper inclusion. Thus, she simplified or removed the "requirements" that perpetuate patronage politics (i.e. requiring an indigent to secure a recommendation letter from a district congressman before approaching and availing the services of DSWD).

Her Undersecretary in charge of 4Ps, Malou Jarabe, set aside prior judgment and conducted an inclusive study of the program from different, and even conflicting, perspectives. She liaised with program implementers, beneficiaries, the World Bank, and Asian Development Bank, as well as organised two policy forums. The immediate result was the identification of the limitations of the existing system. More significant outcomes, however, could not be assessed given the short implementation period (she was in office for only two years).

Outside of the 4Ps, Taguiwalo strongly campaigned for the cause of single parents by crafting a House Bill to expand their benefits (DSWD, 2016), thus resulting in well-grounded, stakeholder-owned legislation. The impact of positive development on inclusiveness and participation was also achieved in the area of disaster response.

### ***Country ownership***

Country ownership of the 4Ps, meanwhile, remains in question, considering that it was, to a large extent, initiated and driven by DPs. Both the World Bank and Asian Development Bank played major roles in the adoption of CCT in the Philippines, especially in the process of setting up and consolidating the poverty targeting system used to identify beneficiaries. Consultants for capacity building and institutional development were hired through technical assistance from the World Bank, Asian Development Bank, Japan International Cooperation Agency (JICA), and Australia's Department of Foreign Affairs and Trade (DFAT), among others. In addition, the World Bank funded study trips abroad. Success narratives were often produced by staff/consultants commissioned by the funders and/or the DSWD and were focused on building evidence on the merits of CCTs and on improving program implementation (e.g. refining targeting mechanisms to reduce errors instead of asking whether poverty targeting actually works) (Dadap-Cantal, Fischer, & Ramos, 2021). Monitoring and evaluation (M&E) and research are highly technical and likewise conducted by the DPs. Prof. Taguiwalo also noted from her stakeholder interactions the preference for sustainable jobs and livelihoods over dole-outs.

Regarding the 4Ps, there was not much that their efficiency efforts could do over a short period. The government's performance audit from 2008 to 2021 showed that 90% of the 4.3 million active household beneficiaries of the total program budget of P780.71 billion (total cash grant of P537.39 billion) remained below the poverty threshold even after being a part of the program for seven to 13 years. As of March 2020, approximately 2.6 million or 33% of 4Ps student-beneficiaries were still below Grade 6 (COA, 2022). The Commission on Audit points to the faulty beneficiary database and IT system. Prof. Taguiwalo, in citing hesitations about expanding 4Ps, said the program employs contractual workers who are overworked. On the political side, she

points to the program being a Band-Aid solution, which does not address the need for long-term jobs and livelihoods and quality basic social services that are free.

Throughout the ten years of GPEDC's existence, it has advocated for inclusive multi-stakeholder partnerships at the national level, aware that civil society systematically faces shrinking space for effective participation. But what needs to be done is to recognise and support the meaningful participation of the citizens in shaping development plans and implementing them since their criticisms are essential in achieving development outcomes.

1. Good governance can yield positive results at the sector level, however, reforms often need to be implemented over a long period and anchored on genuine development agendas to be able to lead to significant long-term development outcomes. For DPs, this refers to supporting development programs, more via grants and not loans, that are rooted in the aspirations and long-term needs of the beneficiaries and addressing the causes of their vulnerabilities and poverty. Social protection should include immediate relief alongside programs supporting sustainable agriculture and industries aimed at creating sustainable livelihoods and jobs. Consequently, DPs supporting good governance mechanisms should pay attention not just to the technical but also to the socio-political aspects of the programs.
2. The stakeholders interviewed in this study deem civic inclusion and participation to be the most important element of good governance as it raises their chance to directly and immediately access information, influence processes, demand accountability, and direct focus on their present and future needs. At the very least, civic participation should engage members of the public in meaningful dialogues and consider their recommendations.

Civic inclusion and participation can have positive results essential for long-term development outcomes as in the case of the Expanded Solo Parents Act. Lack of participation wastes human resources that could have been mobilised for project conceptualization, implementation, monitoring, assessment, and improvement. In addition, it breeds resistance and social unrest.

## **5.7 Conclusions and recommendations**

After the implementation of the High Level Forum on Aid Effectiveness in Accra, Ghana, Kaufmann emphasised that governance and anti-corruption were important factors contributing to the effectiveness of development cooperation, along with the fulfillment of fundamental principles, such as ownership, transparency, and mutual accountability. Kaufman called on both partner-country governments and DPs to face up to the new world realities after the 2007-2008 financial crisis and stated, "The low priority given nowadays to the governance and corruption challenge is not the only indicator that part of the "aid effectiveness" field appears to be behind the curve" (Kaufmann, 2009).

There is evidence to suggest that the development community agreed with the above observation to a certain degree. Development cooperation agencies have increasingly integrated good governance strategies into their national programs according to some observers. There are examples of impactful interventions addressing complex governance challenges outside formal coordination arrangements in the sector or where such arrangements do not exist, for example, reform coalitions (Sidel and Faustino, 2019).

Despite various approaches involving "thinking and acting politically" coming into vogue in development policymaking, the political dimension of governance is often absent from the program agendas or sector coordination of DPs. According to interviewees of government

representatives and DPs, governance remains a sensitive subject. Hence, many interventions remain technocratic, thereby providing effective capacity only in selected areas<sup>36</sup>.

The level of governance has a significant impact on the development outcomes at the sector level, however, the factors differ depending on the specific sector. The case study of the Philippines suggests significant reforms to enhance inclusion and participation conducted in the context of shrinking civic space. Research on the effectiveness of governance demonstrates how priority sectors develop in complex governance settings (Hickey, 2019). In addition, the level of governance can depend on the proactive strategy adopted by DPs (Ohashi, 2022). According to Betcher, “islands of good governance” allow building on “what works” (Betcher, 2017).

Conditionalities based on the cooperation of DPs remain one of the common ways of addressing governance issues, despite being largely discredited as a tool for effective development cooperation (Kharas et al., 2011). The use of conditions and their nature depends on the modality of development cooperation among other factors. The Paris Declaration on Aid Effectiveness included commitments aiming at limiting the use of conditions; the Accra Agenda for Action called for “transforming the nature of conditionality to support ownership”, while the Busan Partnership agreement called for transparency of conditions. Direct budget support negotiations often involve lengthy and non-inclusive negotiations. Despite the rhetoric, the Paris Declaration effectively unites the DPs under the Organisation for Economic Co-operation and Development (OECD) behind policy conditionalities, thereby ensuring accountability (Bissio, 2013). In Ghana, the introduction of the government approach to social protection involved the use of hard conditionalities, and their eventual re-branding as “partnership commitments” did not change their nature (Abdulai, 2021). The use of governance conditionalities continues to provoke clashes in Ghana. In 2017, the Duterte government in the Philippines rejected EU grants on the basis of human rights-related conditionalities that it saw as interfering in internal affairs. The issue was resolved by re-wording the agreement; the EU justified its position by stating that the conditions were part of the underlying Partnership and Cooperation Agreement (Rosser, 2020). Furthermore, conditionalities were one of the factors behind continuous disagreements between DPs and the government of Tanzania. To address the issue, the government engaged a high-level independent team for a series of consultations. The outcome, widely referred to as the Kaberuka Report, provided a series of recommendations on how to deal with unacceptable conditions. At the same time, there is no universal agreement on the use of conditionalities with examples of certain conditions welcomed by government officials (sometimes at the sector level) because they created enabling conditions for reform (Ordóñez, 2019).

DPs provided significant support to data collection by enabling the establishment and management of management information systems for the sector or a program within the sector. Various respondents, however, indicated continuous challenges related to data transparency and timeliness of financing by DPs. One of the consequences is a lack of predictability, which can adversely affect governance in partner countries (Kangoye, 2011).

DPs generally emphasise the importance of inclusive outcomes and stakeholder participation. Many aspects of the programs related to inclusion are financed by DPs (e.g. inclusive education). While participation is generally recognised as valuable and necessary for better sector outcomes, many of the concrete measures for participation are tokenistic.

The recent United Nations Development Programme (UNDP) Human Development Report highlights investment in governance as critical for addressing the multiple challenges it faces.

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<sup>36</sup> Some authors (e.g. Venugopal, 2022) describe development as an “anti-politics machine”, noting its potential limitations in mitigating technocratic excess.

*“Investment is... essential in complex governance systems (governmental and beyond) that can experiment, respond quickly, draw on all relevant knowledge and account for heterogeneity of societies, while overcoming the power imbalances that entrench vested interests. Investing in governance also means crafting systems that can redress inequality and provide individual and group recognition to enable dignity by, among other things, strengthening social policies and fostering civic (re)engagement and participation” (UNDP, 2022).*

Past crises have brought attention to critical issues in governance, although, have not necessarily changed the modus operandi of development cooperation stakeholders. The ongoing crises related to health, food, energy, climate, and cost of living reiterate the importance of mitigating the governance issues discussed in this study. From the point of view of development cooperation, effective, contextualised, politically smart, integrated approaches are required at all levels of governance.

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## **PART C: CASE STUDIES**

## Chapter 6: Exploring "Development Effectiveness" at the Sectoral Level in Southern Countries: The crop production sector in El Salvador

*Margarita Beneke de Sanfeliú*<sup>37</sup>

*Carlos Gómez*<sup>38</sup>

*Gloria Hernández*<sup>39</sup>

*Yessica Sánchez*<sup>40</sup>

### 6.1 Introduction

Over the past decade, we have witnessed a shift in the discourse of effective development policy. This followed the traditional commitments of the 2003 Rome Declaration that established the five principles of development cooperation effectiveness through the 2005 Paris Declaration and the 2008 Agenda for Action declared in Accra (OECD, n.d.). In 2011, these evolved into the four Busan principles on effective development cooperation (ownership and local leadership; focus on results; inclusive participation; transparency, and mutual accountability).

The Busan principles have been prominent in subsequent policy discussions on international development cooperation governance. However, the Global Partnership for Effective Development Cooperation (GPEDC) asserts that commitment to the Busan principles has steadily declined for both international development partners (IDPs) and southern countries (OECD/UNDP, 2019), as is the case in El Salvador, from as early as 2016 (El Salvador Ministry of Foreign Affairs, 2017).

It is uncertain how adherence to effectiveness principles affects development impacts against the background of recent global development cooperation trends; the question arises whether the principles need to be revised, reinforced, or both. This issue is explored by the global research project conducted by the Centre for Policy Dialogue (CPD) and the Group for the Analysis of Development (GRADE)—as the Secretariat of the Southern Voice (CPD-SV/GRADE, 2022). The case study presented here is part of that project.

Development effectiveness principles' effects are best experienced and understood at a sectoral level, where policies are made, resources are allocated, and development programmes and investments are delivered. It is also the level at which the government, IDPs, and other stakeholders interact in a regular, operational, and practical manner—often under sectoral dialogue platforms (CPD-SV/GRADE, 2022).

This study focuses on El Salvador's crop production sector and aims to identify whether applying the Busan principles leads to more effective cooperation for achieving and maintaining impact, and accelerates progress towards agriculture sector development. This is primarily related to the objectives set in national agricultural policies: increasing crop production and yields; increasing sector contribution to GDP; reducing rural poverty; and increasing women's and the younger population's involvement in agriculture. The study focus is not the cooperation itself, or particular

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<sup>37</sup> Director, Center for Research and Statistics, FUSADES

<sup>38</sup> Chief of Operations, Center for Research and Statistics, FUSADES

<sup>39</sup> Monitoring and Evaluation Coordinator, FUSADES

<sup>40</sup> Statistics Specialists, Center for Research and Statistics, FUSADES

projects or interventions; rather, the study examines how implementing the four Busan principles has contributed to the expected outcomes. The overall case study objective is to identify action points that could increase the principles' effectiveness.

We explore a) factors that facilitated or limited applying the effective development cooperation principles to El Salvador's agriculture sector; b) country-specific factors that facilitated or limited the principles' ability to improve results; and c) how the principles led to achieving (or not) the proposed development goals.

A literature review (Hatie, Cissé, Ly, & Tall, 2022) found mixed results regarding the link between international development cooperation and the agricultural sector; although some studies show that cooperation has a positive effect on economic growth, agricultural productivity, and income inequality, other sources point to less favourable results. These studies focused on outcomes, and referred mainly to Africa at the regional or continental level. We did not find literature on Latin America. In addition, there is a void in the literature regarding effective development cooperation's role in helping recipient countries achieve their expected agriculture outcomes. This case study's contribution is in generating evidence regarding the extent to which sectoral-level adherence to the effective development agenda positively influences development results in El Salvador.

## 6.2 Analytical Framework

This case study applies an analytical framework developed to guide the global research project (CPD-SV/GRADE, 2022). Applying Busan's principles of development effectiveness as the framing issue and sector as the analysis focus, the research employed a moderator-mediator model to guide the theory of change.

We explored crop production projects with support from funding partners (including international private organisations), implementing partners (usually international organisations), and institutional arrangements.

To achieve the objectives, the methods used to implement the case study included analysing a mix of secondary data sources and primary qualitative data:

- We conducted a desk-based review of relevant policy documents and reports, relevant literature in the respective sector, and data mining. We reviewed:
  - National documents related to development cooperation, including the National Biennial Review of Progress towards implementing the Principles (2016 and 2018, the only two available)
  - Sector documents: National Development Plans; Agriculture policy documents; the Ministry of Agriculture (MAG) five-year Strategic Institutional Plans (PEI), Public Accountability Reports (2011–2018)
  - Development partners' documents: five-year strategic framework documents; development partners annual El Salvador Country Reports; project documents and reports
  - UNDP and GPEDC documents
  - Documents analysing the sector, research papers

Cooperation documents and data from the Cooperation for the Development System of El Salvador (SICDES) portal (SICDES, n.d.); data compiled by the International Aid Transparency Initiative (IATI) (D-Portal, n.d.); statistics (MAG, FAOSTAT, World Development Indicators, El Salvador Central Reserve Bank); Ministry of Finance's Fiscal Transparency Portal (Datos Abiertos, n.d.).

- One-on-one interviews with selected experts relevant to the agriculture sector and its development, especially with institutional memory currently employed within the sector at present or not. We included representatives from:
  - International agencies/IDPs involved in sector funding
  - International agencies/IDPs aware of the sectoral strategy and funding but not actively involved
  - Government officials overseeing sectoral strategy execution
  - Government officials involved in cooperation-funded project implementation
  - Representatives from international and local NGOs implementing development projects
  - Policy-oriented civil society think-tanks
  - Sector development experts
- A workshop<sup>41</sup> with key informants to validate preliminary results and identify action points

## 6.3 Recent agriculture development in El Salvador

### 6.3.1 The crop production sector

El Salvador is a lower-middle-income country with a population of 6.7 million and area of 21,000 km<sup>2</sup>. The agricultural sector has gradually lost importance in El Salvador's economy; in 1990, agriculture represented 17% of GDP, which fell to 7% by 2010; crop production decreased from 11.1% to 4.2% in the same period<sup>42</sup>. Since then, agricultural GDP has remained relatively stable. However, the sector performed weaker than the other economic sectors in 2019, with the agriculture share in GDP falling to 5.1% and crop production to 2.6% (Figure 2).

**Figure 6.1: Value added and contribution to GDP of Agriculture in El Salvador, millions of US\$ (bar, left axis) and % (line, right axis)**



**Source:** Authors' calculation with data from the El Salvador Central Reserve Bank.

According to the 2019 EHPM<sup>43</sup>, the country's rural population is 2.5 million or 38% of total population. Just as agriculture reduced its GDP contribution, the proportion of the national labour

<sup>41</sup> The validation workshop was held on August 10, 2022, with the participation of 11 key informants.

<sup>42</sup> Authors' calculation with data from El Salvador's Central Reserve Bank.

<sup>43</sup> Authors' calculation with data from Ministry of Economics, DIGESTYC, National Household Survey, several years.

force employed in the agricultural sector (crop production and other) decreased from 22.1% in 2011 to 15.9% in 2019.

In rural areas, agriculture employment represented 49% of total employment in 2011, and 36% in 2019. Almost nine out of ten agricultural workers are men, nearly one in four are producers, almost 45% are salaried workers, and 15% are unpaid contributing family workers (three times the proportion of unpaid workers in other sectors).

Poverty in households whose labour income is exclusively from agriculture is 31%, vs 3% of households with only non-agricultural income<sup>44</sup>. According to data from the Ministry of Agriculture, 80% of producers are subsistence farmers.

El Salvador's agriculture sector produces basic grains (maize, sorghum, beans, and rice), traditional export products (coffee and sugar), and other crops (cocoa, fruits, and vegetables) as well as livestock products, such as milk and poultry. However, this case study focused on crop production. As shown in Table 1, almost 60% of the cultivated area is dedicated to basic grains, primarily grown by subsistence farmers; export products comprise less than 40%, and the rest is dedicated to fruits and vegetables. Coffee and sugar are net export goods, while the demand exceeds the domestic supply for the rest, so they are net import goods.

**Table 6.1: Cultivated area by crop, hectares**

Crop	Area (ha)			Distribution	
	2010/2011	2019/2010	Change	2010/2011	2019/2010
<b>Total</b>	<b>599,360</b>	<b>584,529</b>	<b>-2.5%</b>	<b>100.0%</b>	<b>100.0%</b>
Export	215,370	226,801	5.3%	35.9%	38.8%
Coffee	152,340	140,000	-8.1%	25.4%	24.0%
Sugar cane	63,031	79,569	26.2%	10.5%	13.6%
Cocoa	n.a.	7,232	n.a.	n.a.	1.2%
Basic grains <sup>1/</sup>	362,218	331,804	-8.4%	60.4%	56.8%
Maize	261,890	264,510	1.0%	43.7%	45.3%
Beans	104,166	98,078	-5.8%	17.4%	16.8%
Sorghum	95,642	63,838	-33.3%	16.0%	10.9%
Rice	4,686	3,456	-26.2%	0.8%	0.6%
Other	21,772	25,924	19.1%	3.6%	4.4%
Vegetables	10,655	11,202	5.1%	1.8%	1.9%
Fruits	11,117	14,722	32.4%	1.9%	2.5%

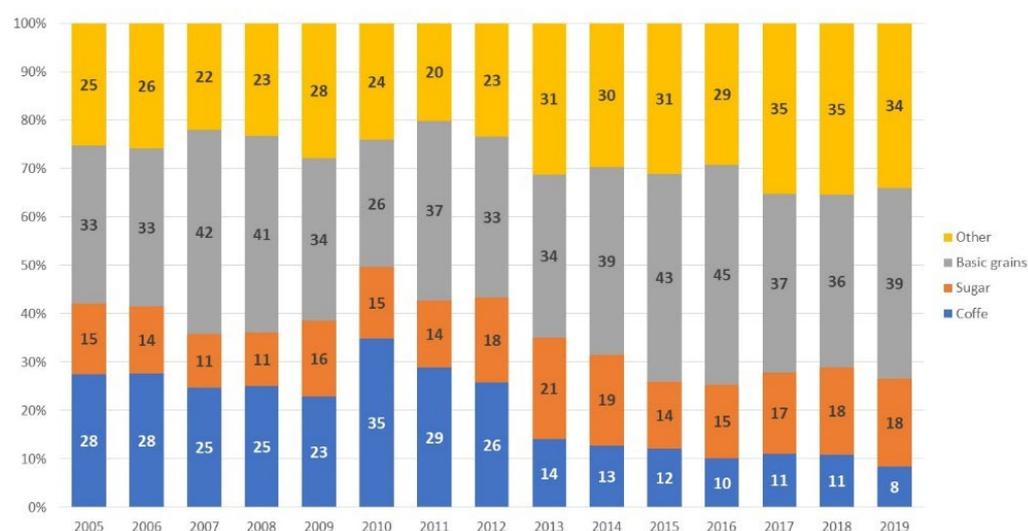
1/ The area cultivated with beans is not totalled because this crop is generally cultivated in the same land as maize when that crop ends.

**Source:** Authors' calculation with data from Agriculture Statistics Yearbook, several years (El Salvador Ministry of Agriculture).

Coffee was once the main crop, but coffee production has declined since the 1990s. Although it remains a relevant crop (24% of the cultivated area), its production has dropped by half since the 2010/2011 cycle. As shown in Figure 3, the relative importance in the sector value added has decreased to 8% of the total. Conversely, sugar cane production has increased by 40%, following an increase in area and productivity. Sugar cane has received substantial credit support, compared to other crops, and increased 24% between 2016 and 2019.

<sup>44</sup> Authors' calculation with data from National Household Survey, 2019. Proportion of households with per capita income less than \$3.65 ppp<sub>2017</sub>; national poverty rate 6.7%. At \$5.5 ppp<sub>2017</sub>, poverty rates are: 21.8% nationwide, 56.7% households with only agricultural labor income; 30.9% income from agriculture and non-agro; 14% only non-agro income.

**Figure 6.2: Relative participation of crops in value added (% of value added)**



**Source:** Authors' calculation with data from the El Salvador Central Reserve Bank.

Traditional subsistence products (basic grains) have low productivity and reduced area. Despite using nearly 60% of total land, credit to their production represents only 22% of the total credit for crop production (Table 6.2).

However, other crops (cocoa, fruits, and vegetables), with approximately 6% of total cultivated land, have increased their value added contribution. These products represents 11% of credit going to crops in recent years (Table 6.2). Furthermore, projects that promote higher value added market-oriented products are progressing. For example, some fruits and vegetables have doubled their productivity (tomatoes, green peppers, and cabbage), and dependence on imports has decreased. Ten years ago, the cocoa cultivated area was marginal, but it has significantly increased in recent years, with production expected to become relevant by 2023.

**Table 6.2: Credit to the Agriculture Sector, in thousands of US\$**

Sub-sector	2016	2017	2018	2019	Total 2016-2019	Proportion of sector	Proportion of crops	Change 2019/2016
<b>Agriculture sector</b>	<b>249,663</b>	<b>247,400</b>	<b>263,081</b>	<b>279,761</b>	<b>1,039,905</b>	<b>100%</b>		<b>12.1%</b>
<b>1. Crop production</b>	<b>169,748</b>	<b>173,848</b>	<b>185,388</b>	<b>190,013</b>	<b>718,997</b>	<b>69%</b>	<b>100%</b>	<b>11.9%</b>
<b>Export products</b>	<b>110,636</b>	<b>114,155</b>	<b>126,526</b>	<b>131,130</b>	<b>482,447</b>	<b>46%</b>	<b>67%</b>	<b>18.5%</b>
Coffee	44,689	48,711	43,817	48,749	185,966	18%	26%	9.1%
Sugar cane	65,947	65,444	82,709	82,381	296,481	29%	41%	24.9%
<b>Basic Grains</b>	<b>40,233</b>	<b>40,507</b>	<b>38,593</b>	<b>37,627</b>	<b>156,960</b>	<b>15%</b>	<b>22%</b>	<b>-6.5%</b>
Maize	31,400	32,333	32,405	32,373	128,511	12%	18%	3.1%
Beans	3,243	3,456	2,361	2,727	11,787	1%	2%	-15.9%
Rice	5,590	4,718	3,827	2,527	16,662	2%	2%	-54.8%
<b>Other crops</b>	<b>18,879</b>	<b>19,186</b>	<b>20,269</b>	<b>21,256</b>	<b>79,590</b>	<b>8%</b>	<b>11%</b>	<b>12.6%</b>
<b>2. Livestock</b>	<b>25,526</b>	<b>27,003</b>	<b>26,468</b>	<b>32,696</b>	<b>111,693</b>	<b>11%</b>		<b>28.1%</b>
<b>3. Poultry</b>	<b>18,843</b>	<b>14,086</b>	<b>20,887</b>	<b>16,267</b>	<b>70,083</b>	<b>7%</b>		<b>-13.7%</b>
<b>4. Fishing, beekeeping, others</b>	<b>8,371</b>	<b>6,069</b>	<b>9,880</b>	<b>16,984</b>	<b>41,304</b>	<b>4%</b>		<b>102.9%</b>
<b>5. Refinancing</b>	<b>27,175</b>	<b>26,394</b>	<b>20,458</b>	<b>23,801</b>	<b>97,828</b>	<b>9%</b>		<b>-12.4%</b>

**Source:** Superintendence of the Financial System, in *National Agricultural Policy 2019–2024* (El Salvador Ministry of Agriculture, 2021, p. 19)

This case study explores how strategies, policies, and interventions have addressed subsistence and commercial products.

### 6.3.2. Institutions responsible for agriculture

El Salvador's Ministry of Agriculture and Livestock (MAG) (Ministerio De Agricultura Y Ganaderia , n.d.) is responsible for formulating and implementing policies to promote sustainable development of crop production, livestock, and animal production, along with forestry; fishing and aquaculture; and food security and sovereignty. Different offices within the Ministry have responsibility over each of these areas.

According to the MAG's webpage, crop production subsector objectives are to: a) diversify and increase agricultural production and productivity through technical assistance, training, and incentives for producers to increase food availability, employment, and income to reduce rural poverty and increase the country's food sovereignty and security, with emphasis on support for family farming; and b) guarantee the supply of basic grains, mainly corn and beans, by delivering in-kind subsidies to subsistence farmers, known as 'agricultural packages', which include enough maize seed and fertiliser to cover 0.7 hectares, and bean seed to cover one-third of that area (subsistence farmers have an average of 2.1 ha).

The General Directorate of Rural Development (DGDR) is responsible for crop production, and the General Directorate of Agricultural Economy (DGEA) is responsible for the agricultural package programme and sector statistics. Among the MAG's decentralised institutions, the National Center for Agricultural and Forestry Technology (CENTA) is responsible for planning, coordinating, and executing research and extension, and the Salvadoran Coffee Council is responsible for formulating and directing national policy on coffee matters.

Regionally, the Central American Agricultural Council (CAC) is a body of the Central American Integration System (SICA), comprising the Ministers Responsible for Agriculture of Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama, and the Dominican Republic.

### 6.3.3. International cooperation in the sector

International cooperation is relevant to the sector, as shown in Table 6.3. Between 2010 and 2019, almost 2% of the national government budget went to agriculture, but the sector received 8.1% of international cooperation funds. About 23% of the Ministry of Agriculture's budget was from international cooperation (almost exclusively from loans). The proportion is higher when considering only the Ministry's dependencies in charge of crop production, 39%. As a reference, in the same period, approximately 4.1% of total government expenditures came from these sources (El Salvador Ministry of Finance, nd).

**Table 6. 3: International cooperation in agriculture in MAG's budget (2010-2019), in US\$**

Sector	Total National Budget (2010-2019)	International cooperation	Cooperation as % of total
1. National total	46,987,033,725	1,915,517,723	4.1%
2. Agriculture Sector <sup>1/</sup>	879,935,943	155,511,870	17.7%
3. Ministry of Agriculture <sup>2/</sup>	661,901,703	151,652,328	22.9%
4. Areas related to crops <sup>3/</sup>	323,178,632	125,280,460	38.8%
Agriculture as % of national budget (2/1)	1.9%	8.1%	

1/ Includes Ministry of Agriculture and its decentralised institutions

2/ Excludes the decentralised institutions

3/ Includes areas in MAG directly related to crop production.

**Source:** Authors' calculation based on data from the Fiscal Transparency Portal (El Salvador Ministry of Finance, nd).

Between 2010 and 2019, about 56% of total cooperation funds came from multilateral banks (Central American Integration Bank, InterAmerican Development Bank, and the International Bank for Reconstruction and Development); 32% came from the International Fund for Agricultural Development (most going to the Rural Development Directorate); and the rest from the Organization of the Petroleum Exporting Countries, the European Union, and Luxemburg. These funds were used for agricultural development and extension, including agricultural policy, administrative management, and research.

However, not all of El Salvador's cooperation funds are received by the government; data compiled by the International Aid Transparency Initiative (IATI) (IATI, n.d.) show that the government received 68.5% of total cooperation funds from 2010 to 2019. For agriculture, it received 70%.

The sector receives almost all funds for project-type interventions; therefore, most of the funds going to the Ministry of Agriculture are of this type (Table 6.4). Half the funds are from bilateral sources, 46% from multilateral organisations, and the rest from others.

**Table 6.4: Distribution of cooperation funds disbursed between 2010-2019**

Description	Disbursement 2010-2019		Distribution	
	TOTAL	Agriculture 1/	TOTAL	Agriculture 1/
Total disbursements	3,846,963,967	163,492,128	100.0%	100.0%
<b>Aid type</b>				
A01 - General budget support	10,488,822	-	0.3%	-
A02 - Sector budget support	1,216,816,418	-	31.6%	-
B01 - Core support to NGOs, other private bodies, PPPs and research institutes	3,361,638	-	0.1%	-
B03 - Contributions to specific-purpose programmes and funds/ implementing partners	14,277,177	2,010,519	0.4%	1.2%
C01 - Project-type interventions	2,404,737,041	159,458,955	62.5%	97.5%
D01/D02 - Donor country personnel/ other technical assistance	11,221,876	840,033	0.3%	0.5%
E01/ E02 - Scholarships-training in donor country/ Imputed student costs	1,615,317	37,790	0.04%	0.02%
G01 - Administrative costs not included elsewhere	150,320,595	-	3.9%	0.0%
H01/H02 Development awareness/ Refugees-asylum seekers	95,221	-	0.002%	-
No data	34,029,863	1,144,831	0.9%	0.7%
<b>Finance type</b>				
110 - Standard grant	1,160,130,648	45,529,057	30.2%	27.8%
410 - Aid loan excluding debt reorganisation	1,880,110,596	-	48.9%	-
421 - Standard loan	146,550,785	59,913,078	3.8%	36.6%
No data	660,171,938	58,049,992	17.2%	35.5%
<b>Provider type</b>				
10 - Government	1,523,227,940	82,614,040	39.6%	50.5%
11 - Local Government	523,007	-	0.01%	-
15 - Other Public Sector	234,263,263	3,500,604	6.1%	2.1%
21 - International NGO	3,469,001	415,906	0.1%	0.3%
22 - National NGO (in donor country)	4,571,153	1,212,005	0.1%	0.7%
30 - Public Private Partnership	81,084,322	-	2.1%	0.0%
40 - Multilateral	1,983,185,868	75,738,861	51.6%	46.3%
60 - Foundation	9,925,387	-	0.3%	0.0%
72 - Private Sector in Aid Recipient Country	10,712	10,712	0.0003%	0.007%
90 - Other + No data	6,703,315	-	0.2%	-
No data	17,017,962	-	0.4%	-
<b>Recipient type</b>				
10 - Government	2,634,990,120	116,565,329	68.5%	71.3%
15 - Other Public Sector	24,438,883	948,247	0.64%	0.01
21 - International NGO	8,769,625	530,466	0.2%	0.3%
22 - National NGO (in donor country)	119,465,904	35,437,002	3.1%	21.7%
23 - Regional NGO	66,534,352	523,616	1.7%	0.3%
24 - National NGO (El Salvador)	2,733,848	2,299,444	0.1%	1.4%
40 - Multilateral	37,318,645	2,013,742	1.0%	1.2%
60 - Foundation	498,369	251,076	0.0%	0.2%
70/71 - Private Sector/ Private sector in provider country	236,593,220	4,018,702	6.2%	2.5%
80 - Academic, Training and Research	3,272,397	-	0.1%	0.0%
90 - Other / and No Data	712,348,605	904,503	18.5%	0.6%

**Source:** Authors' calculations based on data compiled by the International Aid Transparency Initiative (IATI).

Based on data compiled by the International Aid Transparency Initiative (IATI), 46% of cooperation funds in the agricultural sector come from the International Fund for Agricultural Development (IFAD); 24% from the Millennium Challenge Corporation (MCC); with an additional 17% from other branches of the US government; 4% from the Spanish government; and 9% from other partners. These totals are approximate, because reporting to the IATI is voluntary; some partners reported in the Ministry of Agriculture expenditure data do not appear in this table (for example, the multilateral banks).

**Table 6. 5: Provider organisations: Agriculture sector. 2010-2019**

Organization type (IATI)	Provider organization	Amount disbursed - IATI	
		(2010-2019)	% of total
TOTAL		163,492,128	100.0%
40 - Multilateral	International Fund for Agricultural Development (IFAD)	75,738,861	46.3%
10 - Government	Millennium Challenge Corporation	38,538,396	23.6%
10 - Government	United States	27,735,970	17.0%
10 - Government	Spain - Ministry of Foreign Affairs and Cooperation	6,819,153	4.2%
10 - Government	UK - Department for Environment, Food and Rural Affairs	3,934,427	2.4%
15 - Other Public Sector	European Commission - International Partnerships	3,500,604	2.1%
10 - Government	Japan International Cooperation Agency (JICA)	2,242,165	1.4%
10 - Government	Italian Agency for Cooperation and Development (AICS)	1,720,094	1.1%
22 - National NGO	Trias	1,212,005	0.7%
10 - Government	Global Affairs Canada	1,144,831	0.7%
21 - International NGO	Catholic Agency For Overseas Development (CAFOD)	415,906	0.3%
10 - Government	Swedish International Development Cooperation Agency (Sida)	299,802	0.2%
10 - Government	Spanish Agency for International Development Cooperation (AECID)	104,258	0.1%
10 - Government	Netherlands - Ministry of Foreign Affairs	41,105	0.0%
10 - Government	Australia - Department of Foreign Affairs and Trade	31,536	0.0%
72 - Private Sector	Stichting Agriterra	10,712	0.0%
10 - Government	Netherlands Enterprise Agency (RVO)	2,303	0.0%

**Source:** Own calculations based on data compiled by the International Aid Transparency Initiative (IATI).

Of the funds going to the government, not all go to the Ministry of Agriculture. The government created a dedicated public institution, FOMILENIO, to implement the project with funds from the MCC. The US government funds projects through US-based NGOs working with local institutions. Likewise, the other provider organisations fund local projects. Additionally, funds implemented by the MAG's Rural Development Directorate support small, medium, and large producers in their efforts to diversify production and increase productivity.

## 6.4 The Busan Principles

This section describes how El Salvador adopted the four principles in general, and specifically in the agriculture sector, with emphasis on crop production.

### 6.4.1 Country ownership and local leadership

*Partnerships for development can only succeed if they are led by developing countries, implementing approaches tailored to country-specific situations and needs.*  
(OECD, 2011)

The OCDE (2006) considers national ownership as the effective exercise of a government's authority over development policies and activities, including those that rely—entirely or partially—on external resources. For governments, this means articulating the national development agenda and establishing authoritative policies and strategies. For IDPs, it means

aligning their programmes with government policies and building on government systems and processes to manage and coordinate aid, rather than creating parallel systems to meet their requirements.

Development cooperation initiatives' ownership may be considered adequate if programmes align with the country's national or sectoral plans through meaningful engagement of key stakeholders (CPD-SV/GRADE, 2022). Local priorities have a central role in cooperation processes' selection and implementation, including identifying key actors (partners for development, national and local governments, NGOs, civil society organisations, potential beneficiaries, and others), and engaging them in meaningful consultations to determine national, sectoral, and local development priorities.

### **Strategies at the national level**

The process of articulating national development priorities and IDPs programmes started when—after lengthy discussions in the Foreign Affairs Committee in Congress—El Salvador signed the Paris Declaration on Aid Effectiveness in May 2009, one month before the new 2009–2014<sup>45</sup> government administration took office. The Foreign Affairs Committee president became the new Minister of Foreign Affairs in June 2009. Under his leadership, a Vice-Ministry for Development Cooperation (VMCD) was created to lead, coordinate, and align cooperation initiatives to national strategic priorities. As part of this structure, the Directorate for Decentralised Cooperation was created to coordinate development partnerships that involved partners that were not national government agencies. The VMCD was in charge of coordinating political and diplomatic cooperation, with technical support from the Technical Secretariat of the Presidency (STP).

Different initiatives that coordinated cooperation around government programmes existed at that time; for example, a coordination mechanism was in place among IDPs (*Mesa de Cooperantes*) without government participation. In 2010, the VMCD created<sup>46</sup> a Common National Agenda for Development Cooperation, which involved 29 public sector institutions, 24 local civil society organisations from different sectors, 20 international non-government organisations, and 10<sup>47</sup> international development partners (IDPs) (El Salvador Ministry of Foreign Affairs, 2010). Each stakeholder group identified their respective roles and commitment to the agreement to ensure cooperation efficacy.

The process involved a continued effort with a broad representation of actors, including a three-party permanent dialogue commission (*Mesa Tripartita*), with government representative and national<sup>48</sup> (MODES, n.d.) and international<sup>49</sup> civil society participation. The process produced the National Plan for the Efficacy of Development Cooperation in El Salvador (El Salvador Ministry of Foreign Affairs, 2012) and the National Strategy for Decentralized Cooperation (El Salvador Ministry of Foreign Affairs, 2013).

IDPs aligned their programmes with government policies, which is reflected in the five-year strategic framework documents agreed upon with the government.

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<sup>45</sup> There was a change in the Political Party in Government

<sup>46</sup> The process had the support of the Spanish Agency for International Development Cooperation (AECID)

<sup>47</sup> Counting as one all agencies of the United Nations System operating in the country

<sup>48</sup> Movimiento de Organizaciones No Gubernamentales para el Desarrollo Solidario de El Salvador (MODES), integrated by approximately 55 local NGOs. Please see [www.modeselsalvador.org](http://www.modeselsalvador.org)

<sup>49</sup> Foro de Organizaciones de Cooperación Internacional Solidaria (FOCIS), integrated by 30 International Civil Society NGOs with representation in El Salvador.

During the 2011–2014 period, El Salvador had a strong position and actively participated in the international agenda, in which the most important issues concerning international cooperation were discussed at the highest political level. Similarly, authorities participated in the Fourth High-Level Forum on Aid Effectiveness, held in Busan, South Korea in November 2011, and the annual General Assembly of the United Nations, among others. In addition, in 2012, El Salvador was a leader in organising the regional event ‘Latin America in the New Global Partnership for Development’ to continue the momentum of adopting Busan’s principles. In 2011, El Salvador initiated a process to implement the UN System Delivering as One (DaO) approach in the country.

The 2014–2019 government administration, which was from the same political party as the previous administration, continued with the Cooperation for Development vision. There was continuity in the political and technical approaches, with combined coordination of the VMCD and the STP; most staff in charge remained in office. However, key informants interviewed for this case study indicated that there appeared to be a ‘loss of energy’ in the process, as new authorities, who were not involved in establishing the National Agenda, took office in different ministries and public institutions.

Then the 2019–2024 government administration, which is from a different political party, changed how cooperation is envisioned. As soon as it took office in June 2019, the Technical Secretariat of the Presidency, in charge of the technical coordination with IDPs, was dissolved. In 2020, the Vice Minister for Development Cooperation was also dissolved. All its functions were transferred to a new institution, the El Salvador Cooperation Agency (ESCO), attached to the Presidency of the Republic. Unfortunately, the government did not discuss this strategic change with the permanent three-party dialogue commission (MODES, 2020). Consequently, there is a shared perception that stakeholder participation is becoming more limited.

The ESCO coordinates bilateral and multilateral cooperation, but according to interviewed key experts, it does not include decentralised cooperation in its actions.

### **Policies and strategies for agriculture and rural development**

El Salvador has five-year presidential periods; each government administration formulates a National Development Plan, which then guides the different ministries’ five-year Institutional Strategic Plans (PEI). For the agriculture sector, three major policies have been adopted since 2011.

In 2010, the Minister of Agriculture requested FAO to provide technical support to develop a strategy for agricultural sector development; the process was participatory and comprehensive (FAO, 2010). The result was the Family Agricultural Plan (PAF), adopted in 2011, with four priority areas: food security, productive chains, agro-industry, and innovation; it was then incorporated into a modified 2009–2014 National Development Plan and the Ministry of Agriculture’s Institutional Strategic Plan (PEI).

The FAO has supported its implementation, consultation, and dialogue mechanisms. Since 2011, different IDPs and other institutions aligned their programmes and projects, new or in progress when the policies were adopted, with the sectoral policies in either the food security objective or the commercial value chain development. The next presidential administration, which was from the same political party, maintained the policy and incorporated its objectives in the National Development Plan 2014–2019<sup>50</sup>.

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<sup>50</sup> The NDP was called ‘Agriculture for the good living’, or *Agricultura para el Buen Vivir*

The new 2019–2024 government’s National Development Plan outlined new strategic priorities for agriculture development. The Ministry of Agriculture (MAG) initiated consultations<sup>51</sup> that involved its dependencies in identifying strategic lines of action. Then, it created dialogue mechanisms (or ‘tables’) for each subsector—women producers, young people, and environmental sustainability. The dialogue mechanisms identified subsectors’ problems, and defined priorities and actions for each strategic axis. Finally, the MAG held a workshop with IDPs and other government institutions related to the sector to apprise them of policy priorities and possible lines of cooperation and joint work.

The result was a high-level agricultural policy, the ‘Política Nacional Agropecuaria 2019–2014’, presented in 2021 (El Salvador Ministry of Agriculture, 2021). This policy included seven lines of work; the first two were improving commercial agricultural value chains’ competitiveness and food and nutritional security.

In December 2021, the MAG presented the Master Plan for the Rescue of Agriculture (El Salvador Ministry of Agriculture, 2021)<sup>52</sup>. It comprises two strategic pillars: a) agricultural transformation for food security (basic grains, vegetables, fruits, livestock, aquaculture fishing), which includes, among other actions, efficient delivery of inputs to the agricultural sector; and b) a sustainable take-off for coffee.

At the regional level, the Central American Agricultural Council (CAC)<sup>53</sup> specified that sector initiatives must have a comprehensive and broad vision, and actions taken to achieve objectives must be coordinated and articulated. That effort resulted in the Central American Agricultural Policy 2008–2017 and the Agricultural Policy of the SICA Region 2019–2030 (CAC, 2018).

In general, and despite their differences, since 2011, agricultural policies have aimed to promote innovation and technological development, increase productivity, and promote adaptation to climate change. They have also sought to increase the sectoral contribution to GDP, reduce poverty, and increase women’s and youth’s participation. These policies address two distinct groups of producers: subsistence farmers and commercial producers.

#### **6.4.2 Inclusive development partnerships**

*Openness, trust, mutual respect and learning lie at the core of effective partnerships in support of development goals, recognising the different and complementary roles of all actors.*  
(OECD, 2011)

For this study, the principle encompasses the importance of reinforcing the role of central and local governments and other relevant actors to ensure both a democratic and sustainable process of setting and attaining development goals.

Lack of coordination and failure to include all groups, especially traditionally excluded groups and IDP actors, may lead to fragmentation and duplication of efforts within the sector. Thus, the project recognises the government’s role in facilitating coordination, including all groups, and supporting partnerships among key stakeholders to increase the potential for effective development cooperation.

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<sup>51</sup> The consultations had technical and financial support from the International Center for Tropical Agriculture (CIAT), FAO, Catholic Relief Services (CRS) and the Interamerican Institute of Agriculture Cooperation (IICA)

<sup>52</sup> To this date, only a PowerPoint presentation version of this plan could be identified.

<sup>53</sup> CAC is the body of the Central American Integration System (SICA), comprising the Ministers Responsible for the Agriculture of Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama and the Dominican Republic.

As discussed in the previous section, the government promoted diverse stakeholders' participation in permanent high-level dialogue platforms; at the government's request, these spaces are usually facilitated and moderated by IDPs<sup>54</sup>.

In addition, the *Mesa de Cooperantes* continues to meet to coordinate action and share lessons learned and other concerns.

Stakeholder participation is more common during the policy formulation phase than in later processes, such as intervention design, implementation monitoring, and results evaluation.

According to an IDP representative, ensuring cooperation initiatives' alignment with national priorities is less complicated when public institutions are involved. Cooperation going to non-state actors usually involves lower funding levels and a more limited scope of action; IDPs face the challenge of how to articulate different projects to achieve a higher-level objective and avoid duplication of efforts.

### 6.4.3 Focus on results

*Our investments and efforts must have a lasting impact on eradicating poverty and reducing inequality, sustainable development, and enhancing developing countries' capacities, aligned with the priorities and policies set out by developing countries themselves. (OECD, 2011)*

This research used a results orientation concept that employed a participatory and coordinated framework to monitor and evaluate development interventions by assessing efficiency, effectiveness, and sustainability (CPD-SV/GRADE, 2022).

The Millennium Development Goals and, later, with more emphasis, the Sustainable Development Goals served facilitated alignment of national and international interests. Hence, most plans, programmes, and projects reference the SDGs as a shared framework.

As one expert interviewed for this study said, 'the focus on results is a weak element, is an outstanding debt'. There is the perception that 'anything fits' in the 2030 agenda, which is then used to justify planned activities and expected outputs without explicitly linking them to the desired development outcomes through a well-developed theory of change.

There is a need to increase stakeholders' capacity to generate a coherent theory of change and create a unified conceptual framework. A clear understanding of the required path to the desired goals and articulating policies gives programmes and projects a better chance of advancing towards a common goal.

### 6.4.4 Transparency and mutual accountability

*Mutual accountability and accountability to the intended beneficiaries of our cooperation, as well as to our respective citizens, organisations, constituents and shareholders, is critical to delivering results. Transparent practices form the basis for enhanced accountability. (OECD, 2011)*

A transparent system that reinforces mutual accountability regularly tracks, collects, processes, and disseminates relevant data and information to stakeholders; this includes real-time information on interventions and expenses. It simultaneously fosters a participatory monitoring and review system (CPD-SV/GRADE, 2022).

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<sup>54</sup> For example, AECID, UNDP, FAO and IICA.

Information on policies and strategies is available online, as discussed in previous sections. We reviewed all documents, except for the Master Plan for the Recovery of Agriculture. Documents for most IDP funded projects and programmes are also available online and easily downloadable.

The information compiled by the International Aid Transparency Initiative (IATI) and the detailed budget data provided by the Minister of Finance provide detailed financial information, which is also online and downloadable. However, their format is difficult to process by non-technical interested individuals.

The web portal<sup>55</sup> El Salvador Information System about Development Cooperation (SICDES), launched in 2014 by the VMCD (El Salvador Ministry of Foreign Affairs, n.d.), provides information about events, developments, and downloadable documents, and includes detailed information about projects, financing providers and receivers (government and other), transaction values, and a link to available project documents (SICDES, n.d.). However, the SICDES portal was last updated in May 2019. In August 2022, the El Salvador Cooperation Agency (ESCO) launched a new portal, but to date, it has very little information, and provides no details about projects, providers, or recipient entities<sup>56</sup>.

In addition, the UNDP El Salvador web portal has current information on many projects associated with development cooperation; IFAD, the MCC, and other development partners also have project information and reports (El Salvador Proyectos, n.d.). Some projects have evaluation reports, but there is no evidence that the results feed into public policy.

The MAG publishes data on sector outcomes through the Agricultural Statistics Yearbooks, which are available online in pdf format (Estadísticas Agropecuarias, n.d.). In addition, the institution conducts an annual Producers' Multi-Purpose survey to collect information about farmers and their households, but the results are not publicly available.

In summary, information on financing, outputs, and some outcomes is available, but fragmented. Local information about the agro-ecological conditions and results is essential to the crop production sector; however, available information does not include the required territorial disaggregation. There is no information on what and how much is invested in different regions.

Key informants interviewed for this case study agreed that the application of this principle is the least developed. Although a results framework might have been developed during the programme definition phase, accountability is generally understood as reporting to the IDP about how the budget has been executed (purchases of goods and services) and the activities performed (outputs).

## 6.5 Mediators

The GPEDC recognises that six factors, or building blocks, constitute the practical application of the Busan principles of development effectiveness at the sector level and, therefore, are conditions for enduring effective cooperation. When successful, these may ultimately improve the impact of a development initiative (GPEDC, 2021).

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<sup>55</sup> This portal, while still accessible via link <http://cooperacion.rree.gob.sv/> is no longer updated.

<sup>56</sup> This portal, previously accessible via link <https://esco.gob.sv/servicios/servicio-2-2/>, is no longer accessible online.

This research considers these six building blocks as mediator variables that relate the Busan principles to sustainable development outcomes; this assumes that when established, they facilitate development outcomes (CPD-SV/GRADE, 2022).

### 6.5.1 Inclusive Dialogues

*Inclusive dialogue means involving all relevant stakeholders to ensure broad national ownership.*  
(GPEDC, 2021)

Dialogue is defined as structured discussions regarding an area of concern attended by all relevant stakeholders to ensure national ownership. In this context, relevant stakeholders are either affected by the development intervention or are themselves implementers of the development intervention (CPD-SV/GRADE, 2022). Therefore, the stakeholder combination and participation quality could determine the dialogue's true inclusiveness and add to ownership of a development cooperation initiative (AddaDontoh, 2017; Biekart & Fowler, 2018, in (CPD-SV/GRADE, 2022)).

The agriculture sector has a history of unofficial stakeholder participation. For example, in the early 2000s, the Environment Program of El Salvador (PAES) created several dialogue spaces along the territory, with local government, civil society organisation, and IDP participation. At first, IDPs promoted or pressured these processes, but with time, no pressure was necessary. Likewise, the various projects supported by IFAD promoted the generation of strategic alliances with different public and private entities, which allow co-financed projects and create conditions for initiatives' sustainability (IFAD, 2013a). These diverse actors formed a dialogue platform, the *mesa agrícola*, in which they articulate their actions.

Starting with the Family Agriculture Plan in 2010, these stakeholder groups, such as local associations and civil society groups, as well as the *mesa agrícola*, were incorporated into the official consultation space, as discussed in the previous section.

Several experts interviewed for this case study mentioned that they participated in sectoral consultations with different government administrations for different policies and programmes. However, in most cases, the government sets the agenda, presents previously defined priorities and programmes already designed, and requests 'comments and inputs', but they may or may not include the suggestions in policy design. The consultation process seems like a 'check the box' exercise. A few interviewees mentioned that they did not know that there was an agriculture policy, despite participating in the consultation process.

Some subsectors have institutionalised public-private permanent dialogue mechanisms; these sectors have a higher probability of achieving their proposed outcomes than other sectors. For example, the Salvadoran Sugar Agroindustry Council (CONSAA), with members from the government, sugar cane producers, and sugar mill representatives, continually interact with MAG.

The Central America and Dominican Republic Cocoa Committee (SICACAO) integrated by private and public sector representatives of the seven SICA region countries, promotes consensus and articulating initiatives for competitive and resilient development of the regional cocoa sector (SICACAO, n.d.). They were actively involved in defining the Regional Cocoa Strategy for the SICA countries 2022–2032. This effort is facilitated by SICA and Rikolto, an International NGO.

## 6.5.2 Joint policy-making and review processes

*Policy-making and review process: based on joint analysis to provide evidence-based decision-making and consensus-building.*  
(GPEDC, 2021)

In an ideal situation, development policy formulation would be based on factual evidence and the society's contextual realities, and involve key domestic stakeholders beyond the recipient government. However, this would require the public sector to already be well-endowed with skills for evidence-based policy-making and assessing the source, robustness, and relevance of collected data and evidence (OECD, 2018 in (CPD-SV/GRADE, 2022)).

Bilateral and multilateral IDPs develop cooperation frameworks to guide a country's strategies and approaches; their content stems from an agreement between the El Salvador government and the IDP. Since 2010, the frameworks have responded to government priorities as presented in the five-year National Development Plans (PND), the Sectoral Institutional Strategic Plans, and local priorities.

All the corresponding documents we reviewed mentioned that the cooperation frameworks are jointly produced with national institutions and in consultation with other development partners and different sectors of Salvadoran society. Furthermore, all currently active agreements focus on contributing to the 2030 Agenda for Sustainable Development.

IFAD's 2015–2019 Country Strategic Opportunities Program (COSOP) was a framework for strategic decision-making about IFAD's operations in a country, identifying fund financing opportunities and facilitating management to produce results. IFAD is now part of the United Nations Cooperation Framework for Sustainable Development (UNSDCF), El Salvador 2022–2026, which provides a comprehensive, coordinated, and coherent contribution to the principles of the 2030 Sustainable Development Agenda; its content is the product of an agreement between the El Salvador government (GOES) that was jointly produced with national institutions and in consultation with different sectors of Salvadoran society (UNSDG, 2021).

## 6.5.3 Results Framework

*Results framework: shared theory of change and set priorities, milestones and targets.*  
(GPEDC, 2021)

A results framework oriented towards sustainable impact has two important elements: identifying development initiatives' outcomes, output indicators, and their monitoring; and supporting the country's statistical capacity development with the assistance of the international development community to ensure results' sustainability (OECD, 2011).

An effective results framework design leads to achievement of sustainable results. A well-constructed sector level results framework shows how the expected outputs will lead to immediate outcomes and how these immediate outcomes will lead to a longer-term impact aligned with the recipient country's sectoral development priorities.

The central government implemented the National Planning System at the Technical Secretariat of the Presidency (STP), which included strengthening the STP's and sectoral ministries' planning capacity development. Simultaneous efforts strengthened the institutions' monitoring and evaluation capacities to use a results-based approach. However, this system was halted when the 2019–2024 administration took office and eliminated the STP (ECLAC, n.d.)

All reviewed agriculture sector project documents mentioned strengthening planning, monitoring, and evaluation capacities. Accordingly, the IDPs supported creating and strengthening the institutional conditions to conduct results-oriented planning, management, and evaluation, and linked their programming to those plans; fulfilling these objectives is a condition for disbursement.

Within the MAG, the projects' results framework was determined jointly by the Office of Cooperation for Agricultural Development (OCDA), the IDPs, and the Agriculture Statistical Division (DEA). Once the framework was determined, if technical assistance was needed to generate required data, it was provided to the DEA technical staff by the IDPs. For example, the yearly National Multi-Purpose Agriculture Survey (ENAP) was established to collect data for calculating indicators to evaluate whether proposed project activities contributed to the expected development outcomes beyond production productivity. Unfortunately, according to several interviewed informants, in some cases, higher-level officials did not authorise results publication, so the information was unused.

Each MAG dependency develops an Annual Operation Plan (POA) that responds to the ministries' five-year Institutional Strategic Plans (PEI). The POA enumerates the activities planned for the year (including projects supported by IDPs) and outlines targets regarding budget execution and results, which will be monitored. At MAG, the POA includes indicators about activities, but does not include development outcomes.

#### **6.5.4 Joint planning and budgeting**

*Joint planning and budgeting: to ensure that the stakeholders' actions are complementary, coherent and mutually supportive through avoiding duplication of effort or resourcing gaps in critical areas.*  
(GPEDC, 2021)

A well-integrated planning process involves establishing a framework of national, sectoral, and sub-national government goals, policies, and targets. Joint planning potentially involves relevant key stakeholders (such as government bodies, NGOs, and CSOs, among others) in drafting these goals, policies, and targets. This requires that the budgeting process place these policies into a fiscal space, where they receive allocated funding from development partners in a timely manner (Allen, Betley, Renteria, & Singh, 2020 in (CPD-SV/GRADE, 2022)).

When cooperation funds go to different recipients, results can dissipate projects that are not articulated. However, if the objective is clear, different projects can have the same objective, increasing the probability of success. The joint policy-making and review process, plus the focus on the SDG, facilitates coordinating key stakeholders towards agreed priorities, especially when IDPs support non-government implementers.

There is a current need for a more intentional strategy to include beneficiaries in policy design, because there is more emphasis on consultation than on co-creation. Local social and productive organisations' participation is decisive in a project's success or failure. Therefore, project design and execution must reflect local and regional differences and promote local social and productive organisations' participation in all project cycle phases. Projects should also strengthen existing organisations, and promote development where organisations do not exist or have limited capacities (IFAD, 2015).

### 6.5.5 Transparent monitoring and review process

*Transparent monitoring and review process informed by real-time results data that adjust implementation to maximise performance and impact, ensuring accountability, flexibility and efficiency of policy delivery.*  
(GPEDC, 2021)

Transparent monitoring and review processes are integral to joint planning, policy-making, and budget processes. Establishing transparent monitoring and reviewing processes within a country helps ensure more effective and efficient development cooperation and the national development processes it supports, and helps to hold officials and institutions accountable (OECD/UNDP, 2019 in (CPD-SV/GRADE, 2022)).

Effective and transparent monitoring and reviewing processes must ensure that development cooperation information is equally disseminated and accessible by all relevant stakeholders, and that the data are disaggregated to differentiate what has been disbursed and what has been allocated, and how much intended beneficiaries have received (Pollen & Seshamani, 2011 in (CPD-SV/GRADE, 2022)).

As mentioned earlier, information on budget execution, activities, and outputs are publicly available, although not always in a readily usable form. What is missing is evaluation as an official mechanism. As a standard policy, IDPs require projects and programmes to conduct evaluations, which are published and available online. However, key informants agreed that what is learned from the cooperation projects is not shared; consequently, the opportunity to achieve better outcomes is lost. There is a need to include evidence regarding what has worked and what has not in new project design. As one informant said, ‘we do not know how to share’. Evaluation results rarely feed into public policies.

Another critical and rarely evaluated aspect is results sustainability beyond programme closure. As an informant mentioned: ‘Continuity, monitoring, evaluation are easy to say, but it is difficult’, especially when funds are unavailable, even though the benefit would be higher than the costs.

### 6.5.6 Implementation modalities

*Implementing modalities: that strengthen, support and increasingly use country systems to build systemic capacity, ensure sustainability and reduce dependence.* (GPEDC, 2021)

Ideally, external support would be implemented through modalities that strengthen and support a country’s own system. This would help to build the country’s capacity and ensure intervention results’ sustainability. Recent decades have seen shifts away from structural adjustment programme modalities towards programme-based approaches, general budget support, and sector-wide approaches. These modalities emphasise national ownership and partnerships between stakeholders while increasing IDPs harmonisation and alignment (Bartholomew, 2005, in (CPD-SV/GRADE, 2022)). As discussed in Section 3, nearly all agriculture sector cooperation financing in El Salvador is in the form of projects.

For over 20 years, IFAD projects have generally been implemented through units explicitly created for each project and attached to MAG, with the support of international organisations for resource management. In all cases, responsibility for the programmes resides in a programme management unit (PMU, or *unidad ejecutora*) that has functional autonomy, but reports to MAG. Implementation is through the Rural Development Directorate (DGDR), and administration and supervision are conducted by a governing body with MAG participation through the Office of

Cooperation for Agricultural Development (OCDA) and an agency representing the IDPs. Recently, the UNDP has been administering resources and specialised service providers.

One difficulty that arises from this modality is that staff usually have short-term contracts; this generates instability and high staff rotation, and limits capacity building among technical staff, as was reported by several experts interviewed for the study. Conversely, higher-level DGDR staffing has been permanent, strengthening their institutional capacity to manage programmes (IFAD, 2016).

Another implementation modality of IDP supported projects involves creating dedicated public institutions. FOMILENIO, a public institution, was created exclusively to execute funds from the Millennium Challenge Corporation (MCC, N.D.); its Board of Directors included government and MCC representatives, but also included private sector and civil society members. FOMILENIO attracted other IDPs to work in synergy in the same regions, which included USAID, local and US-based NGOs, and private companies.

## **6.6 Moderators**

Moderators are factors specific to a recipient country's sector that may affect application of Busan's principles of effectiveness, or development outcomes achieved at the sector level.

### **6.6.1 Political context**

As conventionally understood, certain recipient countries' political contexts better facilitate inclusive stakeholder participation and transparent monitoring and review processes than do the political contexts of other countries. Political changes influence both development outcomes and the application of Busan's principles.

As mentioned earlier, El Salvador's government administrations change every five years. These changes tend to generate uncertainty, because election results can rapidly change external and internal environments, which affects project implementation and expected outcomes (IFAD, 2013c). Therefore, most IDPs' Country Yearly Reviews account for the current social, economic, and political context.

Transitions between presidential periods can impact projects in different ways, such as staff changes when new authorities take office, especially when the new administration represents a different political party. As IFAD reported (2013c, p. 4): 'On the less positive side, during 2010 the Programme suffered from funds' shortage, as well as there were 4 directors in charge of the PREMODER and 8 Programme's officials left the Programme, due to decisions taken at MAG higher level'.

Changing policy priorities also effect projects. Programmes operate autonomously but follow MAG's policy priorities; therefore, programmes must adapt their activities to comply. For example, IFAD's project PRODEMOR CENTRAL became part of MAG's Family Farming Program in 2012, which caused the project to enter a stage of uncertainty regarding the possibilities of fulfilling the original logical framework goals (IFAD, 2013b).

Experts interviewed for this study pointed out that maintaining policy coherence is challenging when high-level authorities change, and policy priorities change with them. This has been particularly hard on El Salvador's agriculture initiatives, which have experienced seven different Ministers of Agriculture over the last ten years.

In addition, changes in the political context can limit inclusive dialogues and participatory processes. For example, civic space has been reduced in recent years, which has limited civil society’s participation in policy processes (Figure 6.4).

**Figure 6. 3: Rating of civic space**

**A. Civicus Monitor Ratings**

Year	El Salvador	Costa Rica	Nicaragua
2016	Narrowed	Narrowed	Obstructed
2017	Obstructed	Narrowed	Obstructed
2018	Obstructed	Open	Repressed
2019	Obstructed	Open	Repressed
2020	Obstructed	Narrowed	Repressed
2021	Obstructed	Narrowed	Closed

Source: CIVICUS.org.

**B. Freedom in the World Ratings – Civic Space**

Year	EL SALVADOR	COSTA RICA	NICARAGUA
2012	Free	Free	Partially free
2013	Free	Free	Partially free
2014	Free	Free	Partially free
2015	Free	Free	Partially free
2016	Free	Free	Partially free
2017	Free	Free	Partially free
2018	Free	Free	Partially free
2019	Free	Free	Not free
2020	Partially free	Free	Not free
2021	Partially free	Free	Not free

Source: Freedom House.

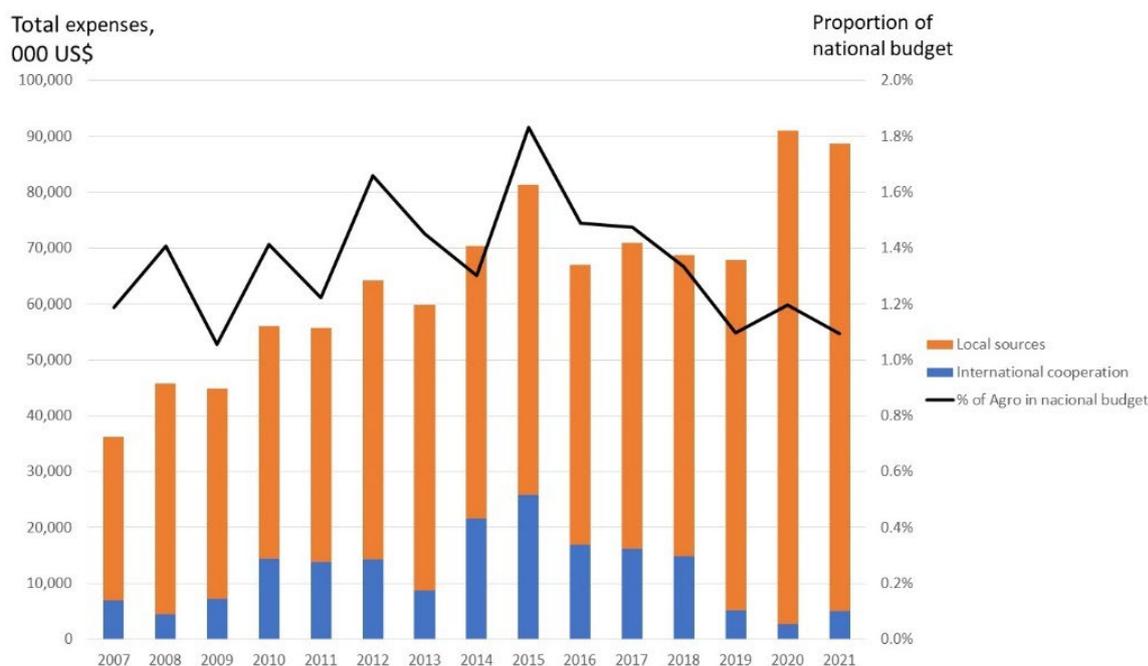
Notes: In the Civicus Monitor Index, an obstructed state is one where legal and practical restrictions are placed on the enjoyment of fundamental rights; civil society organisations are allowed to exist but are bureaucratically harassed by state authorities and subjected to demeaning public statements, reaching the point of promoting self-censorship

**6.6.2 Historical political commitments towards the sector**

Pre-existing political commitments and strong partnerships with non-state actors and international development partners can help transform and/or develop a sector. However, these commitments can span decades and may include factors that may or may not have evolved. This research attempts to determine whether a strong commitment by the recipient government to the particular sector historically affects development effectiveness principles’ implementation (CPD-SV/GRADE, 2022). We hypothesise that it is easier to implement the principles of effectiveness within sectors that have a significant political commitment and are characterised by historical path dependencies.

Despite relevant national policies geared to developing the agriculture sector, its relative importance has been reduced since 2014, with the national budget assigned to the MAG only 2% of total government expenses. This is noteworthy, given the agriculture sector’s importance in reducing poverty and inequality (Figure 6.5). Financing for MAG’s programmes to develop the sector has come almost exclusively from IFAD, which has provided continual support of successive projects from 1985 to the present.

**Figure 6.4: Budget executed by the Ministry of Agriculture and Attached Institutions. Total expenses per year and proportion of the national budget**



**Source:** Own calculation based on data from the Fiscal Transparency Portal (El Salvador Ministry of Finance, nd).

Through the years, the MAG structure has not changed. Even the agricultural packages programme has continued, despite evidence that it does not work. The current Master Plan explicitly includes it as a strategic line.

Evidence used for defining a policy is sometimes not used in the programme design or implementation. For example, the National Family Farming Plan of 2010 introduction states:

*The agricultural package program established in 1997 had a high level of investment, but there is no evidence of the impacts achieved for the benefit of the poorest families, nor in the increase in the country's productivity. For this reason, the efficiency of this program is in doubt. The program also became contentious, controversial and highly politicised due to its vulnerability to corruption and its lack of transparency (El Salvador Ministry of Agriculture, 2011).*

Despite this documented evidence, the agricultural package programme continued uninterrupted until 2022, and was a priority action in the Master Plan approved in 2021. The generalised opinion among experts interviewed for this study is that the production of basic grains by small-holder farmers project has failed to achieve results because of the over-reliance on the agricultural package programme.

### 6.6.3 Institutional arrangements

Support for producers was delivered by contracted INGOs, who in turn subcontracted other organisations, including national or international NGOs that were specialised in specific areas needed to execute the projects. For example, IICA supported the fruits value chain, and CLUSA supported the vegetable value chain, among others. The US government also funds projects directly through US-based NGOs working with local institutions. These other institutions are permanent, so in these cases, the staff is also permanent, at least during project execution, which

allows them to build capacity. As a representative of one of these organisations interviewed for the study said: ‘public officials come and go, the organisations remain’.

#### **6.6.4 Climate change and prices**

El Salvador is part of the Central American Dry Corridor, one of the world’s areas most vulnerable to climate change (BCIE, 2021). It is also the most vulnerable region within the country where a large portion of basic grains are produced. Even when the MAG supported subsectors related to basic grain production, their production decreased owing to low profitability and high risks associated with climate change (Derlagen, De Salvo, Pierre, & Egas, 2020).

Representatives of non-government programmes supporting maize producers who were interviewed for this study explained that small-holders are cultivating just enough area to produce sufficient quantities for their family consumption, taking advantage of the government-provided agricultural packages. However, low market prices do not compensate for production costs, especially with increased input prices.

Climate affects other products as well; crop production sector results would have been better if it had not been affected by persistent weather phenomena that significantly reduced profitability of some agricultural products (IFAD, 2016). Low international prices, pests, and diseases such as coffee rust explain the drastically reduced coffee production.

Despite not being a policy priority, sugar cane has grown and expanded its international market, driven by increased private investment in better varieties, irrigation systems, diversified energy production, new processing technologies, and continual development of new markets. In addition, this crop benefited from higher prices stemming from international market quotas and local market protection. The sector is regulated by the ‘sugar law’<sup>57</sup>, which limits government intervention in the sector, although a 40% import tariff protects the product. Market regulation is conducted through the Salvadoran Council of the Sugar Agroindustry (CONSAA). As a result of the fixed percentage of the sale price received by producers and the existing commercial policy that protects the sector, the total individual product transfer support to sugar producers remained stable at around 30% of gross income.

### **6.7 Conclusions**

El Salvador’s agricultural sector has gradually lost importance; still, it employs 16% of the workforce nationwide (nearly 40% in rural areas); poverty is higher among subsistence farmers. National agricultural policies adopted since 2011 include components to improve subsistence agriculture (geared to traditional production of basic grains and seeking to increase poor farmers’ food security and income) and commercial agriculture. International cooperation is relevant for the sector. Between 2010 and 2019, international cooperation (almost exclusively from loans) provided 23% of the Ministry of Agriculture’s budget and also funded projects and programs implemented by national and international organizations. This case study explored the four Busan principles’ impact and the factors that contributed to their implementation in the El Salvador agriculture sector (mediators) and factors that affected development outcomes (moderators).

#### **6.7.1. Ownership and local leadership**

Between 2010 and 2014, the government made a conscious and participatory effort to establish the Busan principles to improve cooperation effectiveness, but the enthusiasm was lost as time

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<sup>57</sup> *Ley de la Producción, Industrialización y Comercialización de la Agroindustria Azucarera de El Salvador*

passed. This was probably because institution leaders changed, and those who participated in establishing the National Agenda for Cooperation for Development and the National Plan 2012–2015 were no longer involved. Therefore, the parties were not as sensitive to the importance of principles.

Furthermore, high-level ministry representatives participated in setting the agenda, but dependencies directly related to implementing programmes and projects in the territory were not always involved. This was particularly relevant for El Salvador's agriculture sector, which had seven Ministers of Agriculture in the last ten years.

Since 2010, the Cooperation Framework has aligned with national priorities, as defined in each five-year NDP, and with sectoral policies. How the agriculture policies were established, which different actors were consulted, and that policies were validated with some level of consensus has facilitated continuity and coherence among programmes implemented by MAG, with resources from IFAD. This also holds for programmes implemented by other international or national NGOs or institutions financed by other IDPs. The continuity has begun to generate results, as in the case of fruits, vegetables, and cocoa.

However, some programmes have failed to achieve their objectives because the actors that participated in policy discussions did not have input in the matter. This was particularly the case of the agricultural packages, the MAG programme that provides to small-holder subsistence farmers, that is uniform for all, irrespective of the land's agroecological characteristics or the recipients' needs and preferences.

This case study's findings suggest the importance of promoting ownership for all relevant actors at the local level, and that participation by government representatives, IDPs, producers, civil society, and other implementing partners (international or national NGOs), academia, the private sector, and the public, is necessary to ***incorporate local and cultural contexts into policy design***, and more importantly, in the definition of programmes and projects.

### **6.7.2. Inclusive participation**

As previously discussed, since 2010 national agricultural policies have involved participation of a wide variety of actors and stakeholders. Participation was promoted by government institutions, with IDP support. However, involving different stakeholders in policy operationalisation by way of programmes is less frequent. Producers' and beneficiaries' participation in co-creating programmes was not identified; therefore, there is a need to involve beneficiaries in programme design to ensure that programmes respond to their needs and preferences.

However, in programme and project implementation, whether by MAG or other institutions, the staff in charge must promote dialogue and interactions among the various stakeholders working in the same territory. As mentioned by the interviewed experts, they are constantly in the same territory, they know each other, trust each other, and try to coordinate activities. Moreover, they have a long history of organisation, and even when recent governments limited participation by civil society and non-government stakeholders, the sectoral *mesas* continued to meet, without being convened by government officials.

Over the years, different projects and programmes have worked to ***strengthen producers' associations and local civil society***. Consequently, as reported in project documents, some projects were modified at participant request or, conversely, participants did not permit projects to deviate from the original plans when government administrations changed priorities. Strong participation facilitated sustained efforts, which increased the probability of achieving the desired objective.

In the context of reducing civic space, IDPs that finance the sector can ***promote articulation of different projects to generate synergies*** and avoid fragmented or duplicated programmes. There is a need to identify mechanisms to ***promote sustained participation of all actors*** working within the same territory throughout projects and programme execution, not just during policy formulation.

There is a current opportunity to support these spontaneous coordination mechanisms. They can become organised sectoral technical committees, or dialogue mesas, with different actors' representatives involved in different production value chains, including the private sector, local authorities, and government institutions, to address problems of common interest. Later, the results of these dialogue spaces can be incorporated into higher-level instances to produce more comprehensive and relevant policies.

### 6.7.3. Focus on results

Project documents and discussions with the experts interviewed for this study show that programme or project design involves establishing a theory of how the proposed activities contribute to a higher objective. A generalised version of at least one of the 2030 Agenda targets or objectives is mentioned, and a logical framework is then presented; activities and their outputs are set in the operational plan, assuming they will lead to results achievement and development objectives. However, the annual reviews evaluate the execution of activities, the immediate outputs, and how the budget is used, regardless of whether it is done through the MAG or through non-governmental actors. Results (activities, outputs, and budgets) may be shared with beneficiaries in some cases.

We identified that different actors, even within the same institutions, may have different understandings of 'development objectives'; there is no clarity on the difference between outputs and development results and how each contributes to the higher objective. There is a need ***to promote a culture of evaluative thinking***, that asks: Why do we think this policy will work? What are these assumptions based on? Do they apply in this particular context? Incorporating this kind of thinking can help detect and prevent potential implementation problems, or identify how various aspects or policies interact, compete with, or reinforce each other (e.g. identify synergies and trade-offs).

As discussed, projects and programmes are generally aligned with the national agricultural policy and thus with the National Development Plans. Therefore, ***monitoring results to verify progress towards achieving the proposed development objectives*** (not just activities and budget) should be encouraged. There is a need to develop a system that integrates the contribution of a particular project (whether through MAG or others) to the goals set for the sectoral strategic plan or the sectoral policy, and then to the higher-level national objectives.

### 6.7.4. Transparency and mutual accountability

Information on programme and project results is available, but not in user-friendly formats. There is a need to ensure that budget and results information and evaluation documents are easily accessible, to promote their use for diagnostics, and to design new projects based on evidence. There is a need ***to encourage sharing of lessons learned among stakeholders***.

Development objectives information (reduction of poverty, for example) is limited. There is a need for quality, timely, reliable, and sufficiently disaggregated data. This is essential to ensure that the limited resources are spent well, to achieve the results intended.

### 6.7.5. Final thoughts

In summary, one important lesson that can be drawn from this case study is that when ***meaningful participation*** is promoted at the regional or local level and **sustained for a sufficiently long time**, important results emerge, as in the case of fruit, vegetable, and cocoa production in El Salvador. By identifying specific problems in the territory and working with those in the territory to coordinate and find a solution, duplication of projects serving the same beneficiary can be avoided, maximising the chances of accelerating development objective achievement.

These ***permanent local dialogues and coordination spaces*** (sectoral mesas), government and local authorities, IDPs, producer associations, civil society, international and national NGOs, the private sector, academia, and research centres, could be vehicles for determining effective policies and programmes.

### 6.7.6. Study limitations

This study focuses on crop production; however, MAG's budget includes other sectors (livestock, and animal production, forestry, fishing and aquaculture), and so does IATI data. We made efforts to isolate funding for crop production, but it was not possible in all cases. In addition, 30% of cooperation funds for agriculture recorded by IATI is implemented through international or national non-government actors. However, most project documents available and reviewed correspond to cooperation implemented through MAG.

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## Chapter 7: Case of crop production sector in Senegal

*Ibrahima Hathie  
Ndiaya Cissé  
Ahmadou Ly  
Laure Tall and Alassane Seck<sup>58</sup>*

### Summary

After more than 15 years of existence, the Paris Declaration on Aid Effectiveness needs to demonstrate its relevance. Thus, a key question remains: to what extent does adherence to these principles achieve the desired results and increase the positive impact of development cooperation. Empirical research has not invested sufficiently in confirming the positive correlation between effectiveness and impact, nor in the determinants of this positive correlation. It is in this context that this research aims to explore "what works and what doesn't" to make development cooperation "effective" in the agricultural sector in Senegal.

The methodology used is a qualitative approach combining a review of existing literature and a series of interviews with key actors in the agricultural sector in Senegal. It uses the Busan Principles on Development Effectiveness as the framing issue, the "sector" as the focus of analysis, and the "moderator-mediator" model to guide the integrated theory of change.

Official development assistance plays an essential role in the implementation of projects and programmes in Senegal, particularly in the agricultural sector. Indeed, the share of expenditure in the sector supported by development partners has always represented more than 50%. It reached 70% of total agricultural expenditures in 2012.

The agricultural sector has recorded encouraging results over the past decade, with strong growth in the production of cereals and horticultural products. The public policies developed during the decade and implemented with the support of the IDPs have contributed significantly to these results. During the same period, the government made efforts to apply the Busan principles, in particular the organisation of inclusive dialogues and joint reviews with the majority of stakeholders. These changes must have positively influenced political and economic decisions and contributed to improved sector performance.

Senegal's status as a peaceful and democratic country, as well as the government's multi-faceted engagement with local stakeholders as well as through the CAADP, ECOWAS and WAEMU processes, and the strong involvement of IDPs in the implementation of the BUSAN principles, have played a positive role in increasing the space for exchange and dialogue on agricultural sector issues. However, the weak institutional capacity of the Ministry of Agriculture, as described by some stakeholders, as well as governance problems, particularly with regard to the management of subsidies for agricultural inputs and equipment, has greatly reduced the sector's performance.

This case study has highlighted the importance of the Busan principles, but the complexity of the environment in which they are applied shows that certain preconditions are indispensable. Quality human resources, strong leadership, effective coordination, and most importantly, a commitment to include all stakeholders, are the keys to progress. After years of implementing the mediators, the process seems to be running out of steam. For the past three years, joint reviews have not been held due to lack of resources. The recent WAEMU reform on programme

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<sup>58</sup> Affiliation: Initiative Prospective Agricole et Rurale (IPAR), Senegal

budgets provides a good opportunity to apply the Busan principles. Given the commitment of governments to apply the WAEMU guidelines, it is likely that significant improvements will be made in the coming years, particularly in budget transparency and mutual accountability.

## 7.1 Introduction

Agriculture is one of the priority areas of the Emerging Senegal Plan (PSE) and is responsible for ensuring food and nutritional security in Senegal. The majority (90%) of agricultural areas in Senegal are family farms that combine cash crops and subsistence food crops, with a few animals for extensive or semi-intensive livestock farming associated with crops (IFAD, 2020). Simultaneously, the country has seen a recent development in entrepreneurial or agribusiness-type farms supported by national and foreign investments in high value-added products such as horticultural produce (fruits and vegetables), primarily for export, but also increasingly in the rice, onion, and potato sectors for the national market (IFAD, 2020). As a result of this gradual modernization, certain crops (rice, onions, potatoes, and mangoes) have significantly increased over the last decade, related to investments in inputs and equipment.

Despite these significant investments, the goals of food security and hunger reduction are still far from being achieved. In 2020, the prevalence of household food insecurity was estimated at 17.1% (SECNSA, 2021). Efforts must be made to improve the conditions for implementing programmes and to promote the competitiveness of the agricultural sector to reduce imports. In Senegal, as in other countries in the sub-region, financing of the agricultural sector depends heavily on official development assistance. This external source of funding accounts for approximately 60 to 80% of total public spending on the agricultural sector (Ribier and Baris, 2014). Between 2009 and 2018, funding received by Senegal for the agricultural sector increased from US\$ 53.156 million to US\$ 114.43 million, equating to an increase of US\$ 61.27 million in absolute value and 115.3% in relative terms. This is a remarkable increase and shows the interest that development partners have in the agricultural sector in Senegal.

For several years, agricultural projects financed by official development assistance have been directed towards rural areas with the establishment of, among others, hydro-agricultural infrastructure, roads, and storage infrastructure. But the impact of these projects on food security and the socio-economic status of the population are not very well-documented. Newly-built infrastructure is often poorly maintained and underutilised while related practises are often unsustainable (Dione, 2015).

The Paris Declaration of the second Development Assistance Forum in 2005 and the Accra Agenda for action in 2008 played a major role in the development of the Busan Principles (OECD, 2005; OECD 2008). These principles argue that development assistance can be more effective if the following elements are adopted: i) country ownership of aid through inclusive policy formulation and coordination; ii) a focus on results in investments that promote, among other things, poverty eradication; iii) inclusive partnerships that promote mutual trust among all role players; and iv) mutual transparency and accountability among role players.

While partner interest results in increased funding for the agricultural sector, it is important to analyse the actual impact of this funding and to investigate the adoption of the related Busan principles. Within this context, the Southern Voice and the Centre for Policy Dialogue have coordinating a research project examining the effectiveness of development cooperation in the education, social protection, and agriculture sectors based on case studies from six countries (Bangladesh, Rwanda, Tanzania, El Salvador, Senegal, and Uganda). This research project analyses the relationship between the principles of "effective" development cooperation and results from performance indicators of the selected sectors. In Senegal, Initiative Prospective

Agricole et Rurale (IPAR) is the institution responsible for conducting the related case study on the local crop production sector.

This report is structured in seven parts. After the introduction, we describe the crop production sector in Senegal, the evolution of aid, and the methodology used in this study, before summarising the results of the study, related recommendations, and overall conclusions.

## **7.2 The crop production sector in Senegal**

In Senegal, crop production is very diversified, with cereal crops (millet, corn, rice), groundnuts, and horticultural crops (fruits and vegetables) being predominant. Over the period 2010-2020, cereal production increased from 1 502 517 to 3 640 545 tons, an increase of 142%. This large increase is attributable more to the increase in land area and only secondarily, to the improvement in yields. The increase in rice production is responsible for a large part of the changes noted in cereal production. Groundnut production increased from 1 286 856 tons in 2010 to 1 797 486 tons in 2020, a 40% increase. Unlike cereals, groundnut production can fluctuate greatly from one year to the next due to the combined effect of climatic variation and the effect of public policies on input supplies. Horticultural production has shown a dynamic evolution since 2010. Specifically, the production of vegetables increased by 111% from 640 000 tons in 2010 to 1 349 016 tons in 2019, while onion yield represented one third of production in 2019. Increases in Irish potato and sweet potato production have also been notable. Irish potato production tripled to 158875 tons in 2019. Fruit production has increased, with mango production representing at least half of all fruit production with 275440 tons in 2019.

### **7.2.1 Production systems**

Nearly 60% of Senegal's population lives in rural areas and is primarily engaged in the agricultural sector. The majority of the agricultural population lives on small family farms that cultivate small areas. These small units provide the bulk of agricultural production through the development of various production systems based on agro-ecological zones. These zones have varied agricultural potential in relation to climate, soil and vegetation, as well as socio-cultural and economic factors, each of which gives the zones a particular specificity. The zones include the Senegal River Valley, Niayes area, sylvopastoral area, the groundnut basin, eastern Senegal, and Casamance. Of the country's 19.7 million hectares, the arable area is estimated at 3.8 million hectares, of which approximately 2.4 million hectares are actually cultivated annually (Rioux et al., 2010).

The production systems of the groundnut basin, eastern Senegal, and eastern Casamance closely combine crop production and livestock production structured across various sub-systems with variable species and management methods (Dione et al., 2008). The Lower Casamance remains very heterogeneous in terms of production systems and their social organisation. Further south in Casamance, the primary production system is based on aquatic rice cultivation (Posner et al., 1988). In the Niayes area in the west of the country, market gardens and tree farming systems are predominant, with the coexistence of various livestock systems. In the north, the Senegal River valley is the domain of hydro-agricultural and irrigated systems.

Overall, rainfed systems are more prevalent than irrigated systems, and animal traction is widely used. Motorised systems are primarily found in irrigated areas, notably the Senegal River valley and the Anambé valley. Crop maintenance work (weeding of rice), harvesting operations (manual harvesting of rice in Casamance, hulling of groundnuts) and post-harvest work (threshing, winnowing), primarily carried out by women, has largely remained manual.

## 7.2.2. Policies and agricultural programmes

By adopting the Agro-Sylvo-Pastoral Orientation Law (LOASP) in 2004 as a framework for the development of agriculture over the following 20 years, the Senegalese government laid the foundation for a policy of reform and modernisation for Senegalese agriculture. Almost two decades later, significant results have been achieved but enormous challenges remain.

As of 2014, the agricultural sub-sector has become one of the drivers of the PSE, the reference framework for public policies over the 2014-2035 period. The main policies and programmes to achieve the development of the sector are as follows:

**The Sectoral Policy Letter for Agricultural Development (LPSDA) 2019-2023**, designed in application of the West African Economic and Monetary Union (WAEMU) programme budget guidelines, aims to make Senegalese agriculture productive, competitive, diversified, and sustainable, in order to provide stable farm incomes for stakeholders and to drive economic and social development.

**The Programme to accelerate the pace of Senegalese agriculture (PRACAS)** implemented between 2014 and 2017 aimed to build a competitive, diversified, and sustainable agricultural sector, represented the implementation of the agricultural component of the PSE. The PRACAS focused on the emergence of an agricultural sector capable of: (i) feeding the population in the best possible way and in a sustainable manner on an endogenous basis, (ii) taking advantage of the benefits of international trade, (iii) securing and increasing rural incomes, (iv) providing rural people with agricultural and non-agricultural jobs, (v) managing natural resources sustainably, and (vi) improving the nutritional status of the population. The second phase of PRACAS (2019-2023) was never officially validated due to institutional changes and the emergence of COVID-19.

**The National Agricultural Investment Programme for Food Security and Nutrition (PNIASAN, 2018-2022)** is an enhanced version of the National Agricultural Investment Programme (PNIA) that includes food security and nutrition. With an estimated cost of US\$ 3.65 billion, the PNIASAN is aligned with the Comprehensive Africa Agriculture Development Programme (CAADP), which describes the commitments made by the Heads of State in Maputo in 2003 and in Malabo in 2014. Drawing lessons from the difficulties in coordinating and steering the implementation of the first-generation PNIA, the evaluation recommended the following measures: (i) raising the level of political and technical leadership; (ii) improving the coherence of the monitoring-evaluation system of the PNIA with the Harmonized Monitoring-Evaluation Framework of the PSE; and (iii) consolidating and structuring the dialogue between different role players (government, civil society, private sector).

The recently developed **Agricultural Programme for Sustainable Food Sovereignty (PASAD)** for the period 2022-2026 is the agricultural component of the Adjusted and Accelerated Priority Action Plan (PAP2A), which aims to contain the negative impacts of the coronavirus pandemic, to revive socio-economic activities, and to keep the country on the path to emergence initially adopted. The cost of PASAD is estimated at 1.5 billion USD. The challenge of this programme is to accelerate Senegal's food sovereignty by strengthening its autonomy in basic products.

## 7.2.3. Policy instruments for public intervention

Over the past decade, the government has used a variety of instruments to increase agricultural production and productivity, reduce risk, and increase equity. These include public transfers, provision of goods and services, and various regulations.

**Subsidies:** These are primarily for seeds, fertilizers, and agricultural equipment, with annual increases in allocated amounts (IPAR, 2015). One of the major criticisms of subsidies is the lack of targeting and the lack of transparency in some segments of the process. In addition, inertia often delays any in-depth reform because of the financial stakes involving certain groups of role players.

**Other public transfers:** With the objectives of achieving self-sufficiency in rice by 2012 and then 2017, the Senegalese government has made significant efforts to reinstate hydro-agricultural facilities or build new irrigation schemes. These efforts have contributed to a notable improvement in producers' access to irrigated land as well as a significant increase in rice production (DAPSA, 2018).

Public policies to support agriculture also include the establishment of a fund to secure agricultural credit, with the following three components: (i) a subsidy fund that allows the national agricultural credit fund of Senegal (CNCAS) to grant rural credit at 7.5% instead of the 14% market rate of; (ii) a guarantee fund that covers the risk of non-repayment up to 75%; and (iii) a disaster fund to manage the effects of large-scale disasters. Agricultural insurance is also strongly supported through the creation of the national agricultural insurance company of Senegal (CNAAS) in 2009 in the form of a public-private partnership and the introduction of a 50% subsidy on index insurance premiums for certain major crops (rice, millet, and sorghum).

**Regulation policy:** The Government of Senegal has implemented a regulation strategy for targeted products such as rice, onions, and potatoes. To facilitate the sale of local rice, the government has used a marketing fund to develop a marketing platform. The freezing of onion and potato imports when local production arrives on the market has encouraged the development of these crops and increased the rate at which local production covers demand. Fiscal measures at the country's borders complete this range of public intervention instruments.

## 7.3 Evolution of aid in Senegal

### 7.3.1. Official Development Assistance (ODA): Overview

Although there is abundant literature on Official Development Assistance (ODA), few studies have focused on its impact or effectiveness on the agricultural sector. Notably, there is no consensus between studies on the impact of development aid on the performance of recipient countries. For example, Papanek (1973) indicates that some studies highlight a positive relationship between ODA and the performance of a given sector or country. In this case, aid tends to increase economic growth, sometimes much more than domestic savings. In a study on the impact of ODA on agricultural sector growth, Kaya et al. (2008) showed ODA to have a positive and statistically significant relationship with the agricultural sector and agricultural productivity and growth. According to their study, aid devoted to the agricultural sector could contribute to poverty reduction. A report by The World Bank (2008b) showed similar results. Specifically, countries that received agricultural support from the International Development Association/World Bank (IDA) experienced much faster overall economic growth and agricultural productivity growth per worker than countries that did not receive aid investment in agriculture. Furthermore, Alabi (2014) indicated that agricultural aid in Sub-Saharan Africa has a positive and significant impact on agricultural GDP and productivity at the 10% significance level. Thus, he showed that increasing the volume of aid in the agricultural sector can increase agricultural productivity and its contribution to the economy of Sub-Saharan Africa.

On the other hand, aid has often been perceived as having neutral or even negative effects in recipient countries. This observation is based on the assumption that aid cannot be effective in a context where recipients do not have well-regulated institutions or cannot implement relevant

policies (Burnside & Dollar, 2004). Notably, aid resources are likely to be diverted when, for example, the recipient country has a high rate of corruption or a weak rule of law. In a recent study, Babalola & Shittu (2020) showed that foreign aid does not significantly influence economic growth in West African countries, including Senegal, in both the short and long term. The quality of the political and institutional conditions in the recipient country explains the weak effects of aid on socioeconomic conditions. In addition, when institutional governance is introduced into the analysis, external aid seems to induce negative effects on the economic performance of recipient countries. This result suggests that there are crucial preconditions for improving the institutional environment (such as corruption control and government effectiveness) to make aid more effective. This finding is consistent with Mc Gilivray et al. (2006), who report that the effectiveness of aid is conditioned by the quality of the recipient countries' political regimes. In addition, other factors such as diminishing returns to aid or uncertainty of aid flows are barriers to aid effectiveness.

Thus, questioning the positive effect of aid on the agricultural sector in terms of agricultural growth and productivity, Griffon (2014) suggests that aid must play a marginal role in increasing productivity. He argues that Asian countries experienced the "Green Revolution" through the adoption of Western agronomic techniques and supportive policies. This allowed them to rapidly increase rice production, achieve food security, devote land to food diversification, lower food prices, and increase the consumption of other products. Thus, Griffon (2014) emphasises that ODA was indeed an initial catalyst for supporting infrastructure financing. However, it was private investment that boosted growth, with the state playing a strategic role in supporting the private sector and providing trade protection. Finally, Ndiaye and Diallo (2020) attempted to analyse the contribution of Chinese cooperation to food security in Senegal. Their results indicate that the approach adopted in the framework of Chinese cooperation is not appropriate to produce satisfactory results.

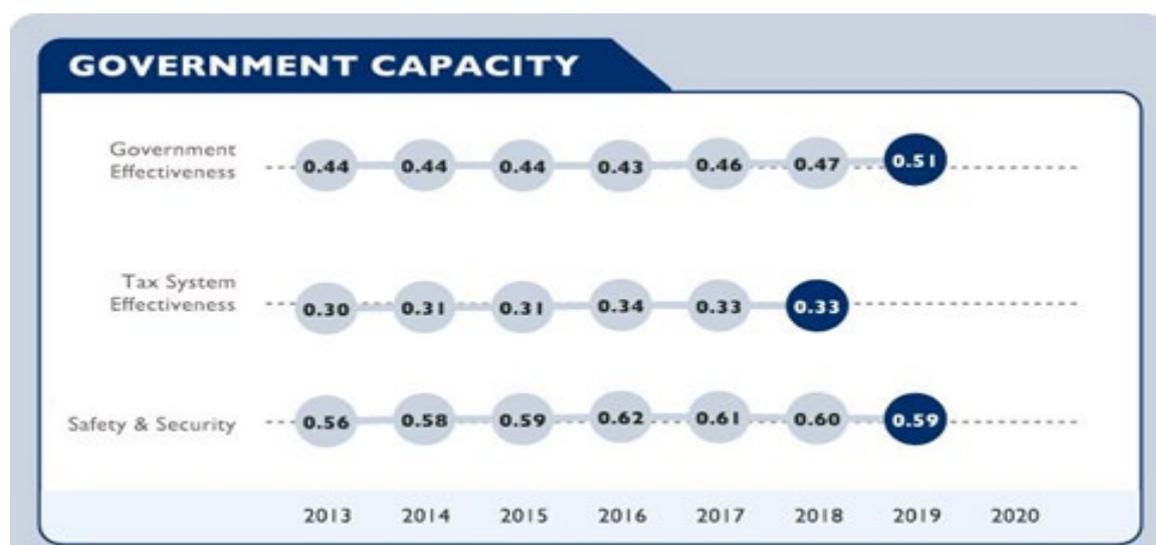
In summary, studies conducted on ODA to the agricultural sector generally indicate a positive relationship between aid and agricultural production with notable exceptions as underlined above. Specifically, a review of relevant literature indicates that agricultural aid has an impact on economic growth, agricultural productivity, and income inequality. However, the studies cited above have certain limitations. While the effectiveness of agricultural aid is typically studied at the macro level, results could differ significantly at a micro level. Moreover, these types of studies are generally conducted at a regional or continental scale and not at a national level. This discrepancy highlights the importance of case studies, which attempt to reduce the gap thus highlighted.

### **7.3.2. Contribution of development aid to Senegal in general and to the development of the crop production sector in particular**

For more than fifty years, public aid to Senegalese agriculture has increased annually. Specifically, from the agricultural programme of the post-independence years and the New Agricultural Policy in 1984 to the special programmes and the GOANA of the 2000s, the PRACAS, and the current PASAD, agricultural support has always been an important cog in the wheels of the agricultural sector.

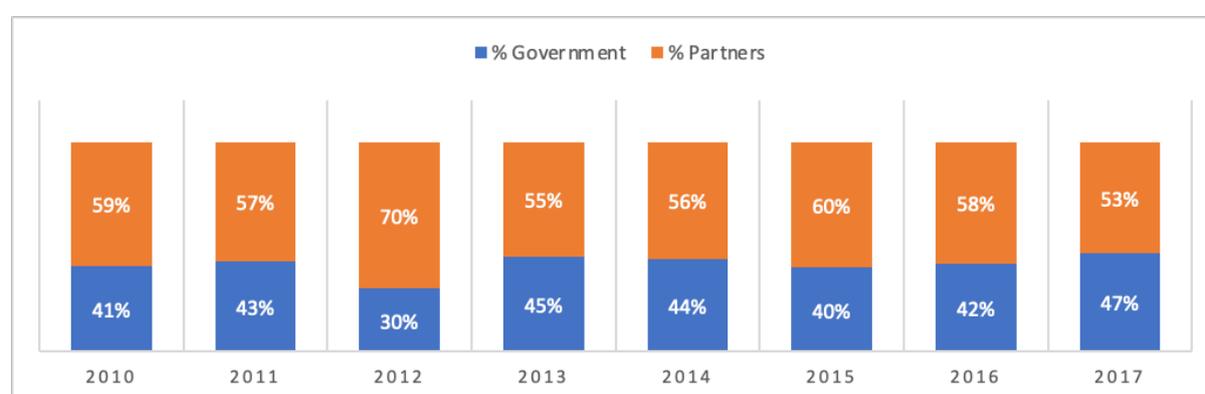
The infographic below (Figure 1) describes Senegal's progress on selected indicators related to the institutional capacity of the Senegalese state (USAID, 2022). Notably, government effectiveness has increased at a very low rate, from 0.44 to 0.51, between 2013 and 2019. The existence of multiple national agencies/institutional entities has created overlap with relatively ineffective results.

**Figure 7.1: Evolution of the institutional capacity of the Senegalese state**



Notably, ODA plays an essential role in agricultural projects and programmes implemented in Senegal. Since 2014, through the PSE, the country aims to reach an emergence status by 2035. Within this context, the PRACAS was developed to represent the agricultural component of the PSE. Given the scarcity of domestic resources, the country's strategy relied heavily on external financing. In 2018, ODA represented 21.8% of Senegal's public spending ([OECD database](#)). Education remains the main ODA-funded sector for Senegal, with 19% of total funds received in 2019-2020, followed by economic infrastructure and services with 17% ([OECD Database](#)). This dependence is even more pronounced in the agricultural sector (Figure 7.2). Specifically, the share of support by development partners on the agricultural sector has always been over 50%. In 2012, this share rose to 70% of expenditures, with the Senegalese government financing only 30%.

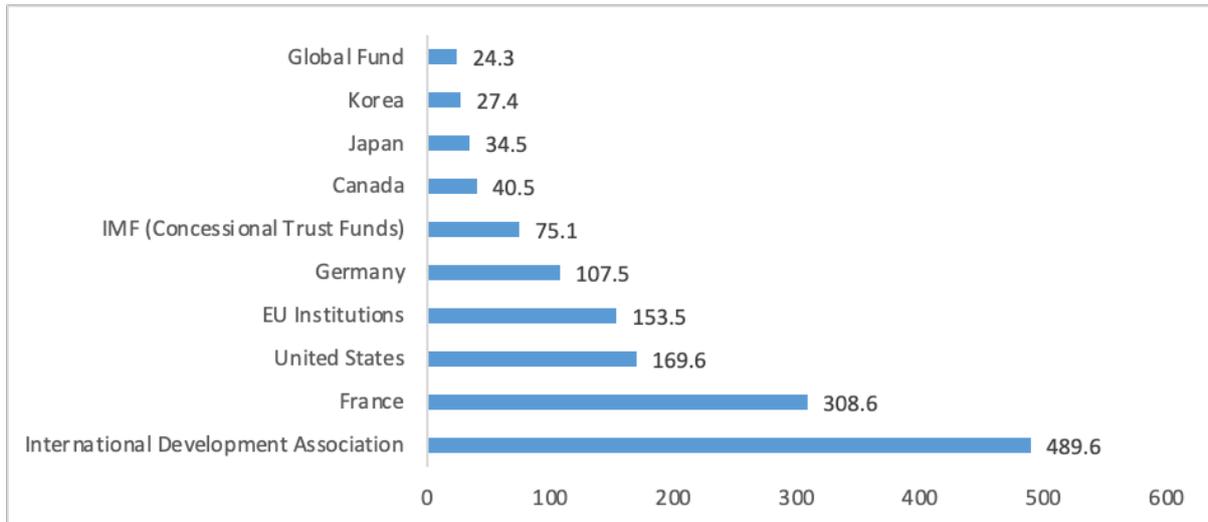
**Figure 7.2: Expenditures in the agricultural sub-sector of Senegal ([FAO MAFAP database](#))**



### 7.3.3. Senegal's main partners

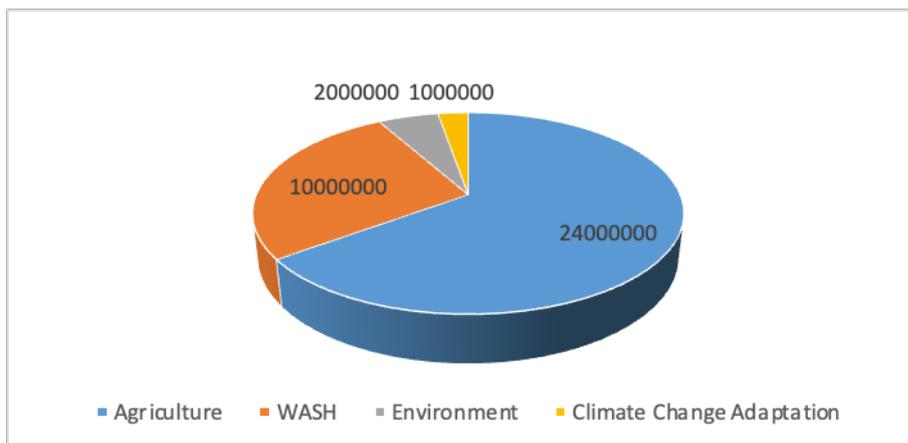
Many international development partners (IDPs) support Senegal in achieving the country's development priorities. Of these, the World Bank is the largest provider through the International Development Association (IDA), with an average input of US\$ 489.6 million over the 2019-2020 period (Figure 3). France and the United States are the second and third largest contributors with US\$ 308.6 million and 169.6 million, respectively, over the same period.

**Figure 7.3: Top ten official development assistance (ODA) providers to Senegal, from 2019-2020, in millions of US\$ (OECD database)**



A number of ODA partners have helped Senegal improve its agricultural sector performance and reduce food insecurity. The United States is one of the largest IDPs in the agricultural sector. The 73% of the US Agency for International Development (USAID) portfolio interventions are related to agriculture in Senegal, amounting to approximately US\$ 24 million (Figure 7.4).

**Figure 7.4 : USAID Operational Budget by Sector in Senegal in 2020 (in USD) (USAID, 2020)**



In Senegal, multilateral IDPs such as the World Bank and the European Union, as well as bilateral IDPs such as USAID, Canadian International Development Agency (CIDA), Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), and Agence Française de Développement (AFD) remain the most important technical and financial partners (TFP). Other IDPs are progressively becoming more important in the agricultural financing landscape, such as Japan, South Korea, as well as the Organization of the Petroleum Exporting Countries (OPEC) and other financial institutions. There is a clear diversification of funding sources and a diversity in the modes of intervention. IDPs such as AFD use a blended format that combines loans and grants in the same operation, while the European Union and Canada favour budgetary aid, and USAID provides grants by intervening directly in projects and offers guaranteed funds for private investments (Gabas et al., 2015).

## 7.4 Methodology

This section presents the conceptual and methodological framework and research questions for our case study.

### 7.4.1. Conceptual and methodological framework

To investigate the effectiveness of development aid in the agricultural sub-sector in Senegal, we apply the Busan Principles of Development Effectiveness as framing questions with the "agricultural sector" as the focus of analysis, using the "moderator-mediator" model to guide the integrated theory of change.

The methodology used in this case study consists of the following three main phases:

1) First, we analyse relevant policy documents and reports as well as relevant literature on the sub-sector in Senegal. This step makes it possible to examine the primary historical milestones of the sector but, more importantly, to identify the main stakeholders involved in Senegal's agricultural processes over time. The following document sources were used:

- Official policy documents and strategies analysing the agricultural sub-sector in Senegal including the Sectoral Policy Letter for Agricultural Development (LPSDA), the Programme to accelerate the pace of Senegalese agriculture (PRACAS), the National Agricultural Investment Programme for Food Security and Nutrition (PNIASAN), the Joint Sector review (RCSA), and biennial reviews of the Comprehensive African Agricultural Development Programme (CAADP).;
- Documents from the Statistical department of the Ministry of agriculture (DAPSA), FAOSTAT, and the National Statistical Office (ANSD), as well as data from the World Bank data;
- activity reports from various partners;
- scientific articles relevant to the case study.

It is crucial to explore a range of information sources, as the multi-sectoral nature of the agricultural sub-sector in Senegal results in relevant and related information often being dispersed across many sectors/ministries/agencies.

2) Secondly, we interviewed key stakeholders in the agricultural sub-sector in Senegal. Identified experts were interviewed using an interview guide developed for this purpose. Key experts have significant expertise and institutional memory of the agricultural sub-sector. Thus, our case study is based on a number of different role players operating in the sub-sector, including the following:

- a) International Agencies/IDPs involved in financing the sector such as IFAD, the World Bank, USAID, and the European Union;
- b) International agencies/IDPs that are aware of the strategies and funding of the agricultural sector, but not actively involved in the sector. For example, CIDA, Food and Agriculture Organization (FAO), and World Food Programme (WFP);
- c) Government officials overseeing the implementation of the sector's strategies such as the Ministry of Agriculture (DAPSA)
- d) Government officials involved in the implementation processes of IDP-funded projects in the sector such as the Ministry of Finance and Budget;
- e) Policy-oriented think tanks/civil society organisations and the private sector including IPAR, Conseil national de concertation et de cooperation des ruraux (CNCR), and Mamelles Jaboot;
- f) Sector development experts from the cotton industry (SODEFITEX) and the Senegalese Institute of Agricultural Research (ISRA).

3) Thirdly, we hosted a workshop on August 11, 2022 to present preliminary results with the participation of several key experts, as identified above. The overall objective of this workshop was as follows: (i) to present the results of the study; (ii) to discuss the results obtained; and (iii) to propose recommendations and an implementation framework to improve aid effectiveness in the agricultural sub-sector in Senegal.

#### **7.4.2. Research questions**

The research questions formulated for our case study are based on the proposed list of questions developed by the Southern Voice panel. We refined the questions somewhat using a review of relevant literature and the context of development aid in the agricultural sub-sector in Senegal. Therefore, the research questions are based on mediators and moderators as a central focus and the Busan principles to address the different dimensions of development cooperation effectiveness in the agricultural sector in Senegal. The research questions address the following main issues:

- 1) What factors influence the adoption and implementation of the Busan principles in the agricultural sub-sector in Senegal?
- 2) Has the adoption of these factors led to an improvement in the effectiveness of development assistance in the agricultural sub-sector in Senegal?
- 3) How has ODA influenced the key performance indicators (production, productivity, food security, job creation) of the agricultural sub-sector in Senegal?

#### **7.4.3. Limitations of the case study**

The IPAR research team encountered some difficulties in the implementation of this case study including the following:

- Difficulties in interviewing key experts, most of whom are actively involved in the sector with sometimes very busy schedules;
- The reluctance and administrative red tape, especially at the level of agents who must sometimes ask for authorization from their superiors before participating in this type of investigation.
- The retention of certain key information due to the confidential nature of certain data;
- The very short time frame of the case study.

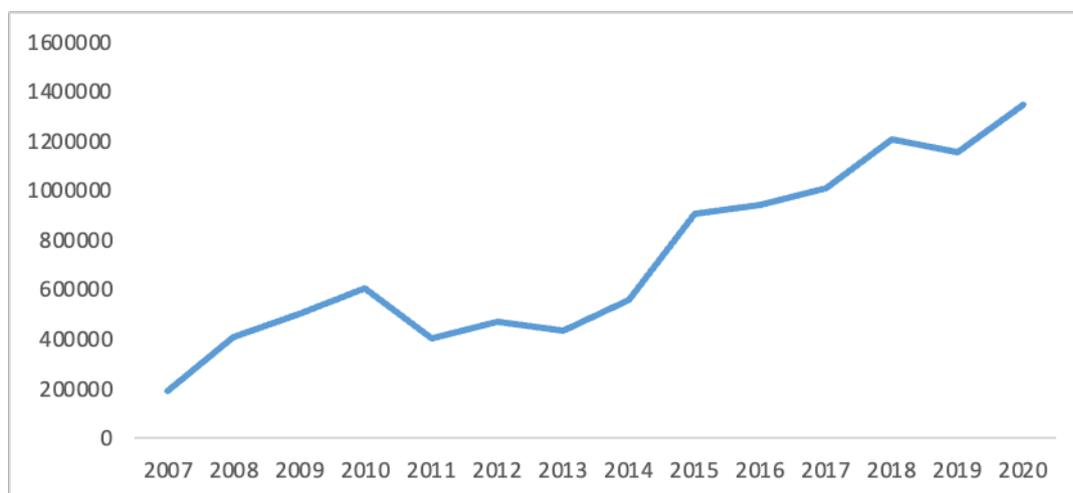
### **7.5 Results of the study**

#### **7.5.1. Performance of the agricultural sector**

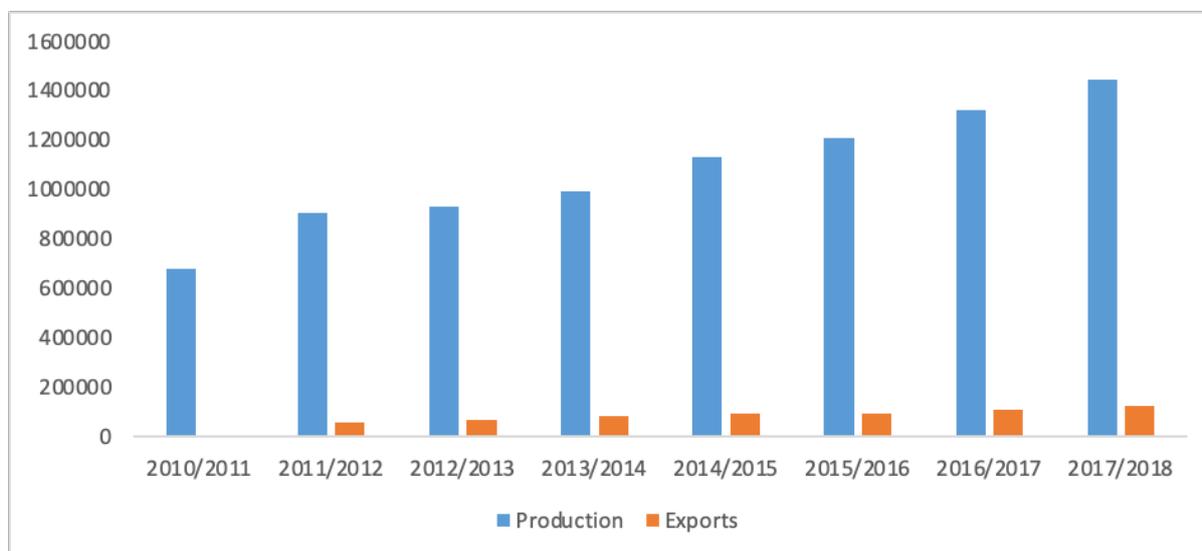
Senegal has achieved significant results in the agricultural sector during the 2010-2021 period, with a notable increase in agricultural production and, in some cases, an improvement in yields. The agricultural policies implemented over the past decade have contributed to these results. For example, the PRACAS was launched in 2014 with the aims of i) ensuring self-sufficiency in rice and onions; ii) optimizing the performance of the groundnut value chain; and iii) developing horticulture. Notably, the budget for the agricultural sector has increased from US\$ 161.6 million in 2011 to US\$ 289.8 million in 2019 (DAPSA). The government and its partners have made significant investments in input and equipment subsidies, access to and use of certified seeds, water management, construction of storage facilities, and producer organisation. As a result, cereal production has increased significantly. For rice in particular, production increased by 174% between 2014 and 2021 (FAOSTAT), and from 560,000 to 1,382,000 tons during the same period (Figure 7.5). In addition, groundnut production tripled between 2014 and 2021, reaching 1.8 million tons in 2021 (FAOSTAT). Horticulture has also seen an increase in volumes produced and volumes exported. Production increased from 680,000 tons in 2010/2011 to 1,446,000 tons

in 2017/2018. Exports also increased from 57,000 tons in 2011/2012 to 122,000 tons in 2017/2018 (Figure 6). Onions, potatoes, and mangoes showed the best results.

**Figure 7.5: Paddy rice production (tons) in Senegal from 2007-2021 (FAOSTAT data).**



**Figure 7.6: Fruit and vegetable production (tons) in Senegal between 2010 and 2017 (Horticulture Department data).**



A strong commitment on the part of public policy, reflected in massive investments aimed at increasing production, facilitated this progress in improving the sector’s performance. Growth in cereal production is largely attributed to agricultural programmes implemented by the government and its development partners. The National Rice Self-Sufficiency Programme (PNAR) is a good illustration of this, with a large number of investments. Notably, government interventions have focused on providing subsidies for the acquisition of inputs (seeds, fertilizers) and equipment (such as tractors, combine harvesters, power tillers, and hoes). In irrigated zones, the government has renovated hydro-agricultural facilities and increased the area under production. Annual subsidies of US\$ 60 million were increased to US\$ 90 million in 2020 and US\$ 105 million in 2021.

The contributions of development partners have complemented the actions of the government. For example, Spanish cooperation has led to the development of storage warehouses, Japanese cooperation has helped bring rice hulling factories up to standard, USAID projects have

strengthened the organisation of producers, supported contracts with various role players in the value chain, developed the quality of rice produced, and supported the production of certified seeds, while other partners have invested in hydro-agricultural development. Therefore, the combination of all these interventions has resulted in increases in rice production over the last decade. This support has made it possible to improve the structure of the value chain by allowing better integration of small rice producers into national markets. Although the PNAR did not achieve the 1,600,000 tons of paddy initially set for 2017, national rice production increased by 132% between 2013 and 2017 (Figure 7.5).

Less government support has been given for dry cereals (millet and maize) despite their importance and potential. Thus, the progress noted in the dry cereal sector has been driven primarily by development partners and specifically, by USAID and IFAD projects in support of millet and maize value chains. Even if the results are still in their early stages, we note a cluster of quality millet producers connected to the industry and the emergence of a strong producer organisation, the federation of maize producers, which is working to structure the sub-sector.

Unlike in cereals, increases in horticultural products are less related to support from development partners. Although Canada's support has been crucial in the Niayes area, an important horticultural basin, the excellent results achieved for onions, potatoes, and mangoes are more as a result of a proactive protection policy and an opening up to the international private sector. For several years now, the Senegalese government has restricted imports when onion production reaches maturity to promote the local sector. Thus, the harvest from three months of domestic production manages to cover the national demand for nine months of the year. In addition, the support of foreign investors in the production of potatoes and other horticultural products (tomatoes, melons, green beans) has significantly improved production and exports of these products.

For onions and potatoes, implemented policies have not sufficiently increased storage and preservation infrastructure. In 2018, storage capacity covered no more than 1% of total production (David-Benz & Seck, 2018). This infrastructure deficit makes it difficult to spread out production, resulting in crop harvests arriving on the markets at the same time. This situation leads to a collapse in prices that is unfavourable to producers.

Overall, most experts interviews perceive the performance of the agricultural sector during the period under review to be satisfactory. This performance is the result of a partnership between the government and development partners. By making agriculture a priority of the PSE and by developing the PRACAS for the operationalization of the PSE in the agricultural sector, the government has succeeded in mobilizing development partners around a common objective. The fact that PRACAS has defined priority agricultural value chains has also made it possible to concentrate efforts on these value chains.

Despite the positive outcomes, many stakeholders have expressed dissatisfaction with inefficiencies in public interventions and have sharply criticised government subsidy programmes for their ineffectiveness (IPAR, 2015). Even parliamentarians have expressed concern that subsidies do not reach their main targets, which are smallholder farmers. Instead, intermediaries with almost no impact on production capture these subsidies. Hence, we highlight the question of whether the results of the crop production sector would be higher if government interventions were more effective. Moreover, it is clear that the results of this question are not uniform. While progress in rice production is undeniable, particularly with the combined intervention of the government and IDPs, the same cannot be said for groundnuts, which are faced with cyclical crises, governance problems, and challenges related to the institutional evolution of the sector with the privatization and then nationalization of Société nationale de commercialisation des oléagineux du Sénégal (SONACOS), the main industry in the sub-sector. Both millet and maize have suffered from a lack of government interest and have only improved

slightly due to the support of development partners (USAID, USDA, and IFAD). Notably, horticultural production has received strong support from the government in terms of regulation and incentives for private foreign investors.

In the following sections, we will document how moderators and mediators have contributed to the performance of the agricultural sector, either by boosting it or by constituting impediments to its full expansion.

### **7.5.2. Implications of the adoption of aid effectiveness principles**

Role players within the crop production sector do not all value the importance of the Busan principles in the same way. For example, IDPs of the agricultural sub-sector in Senegal attest that, in theory, these principles have been adopted, but their implementation remains rather weak and in their early stages. Role players from civil society perceive Senegal to not currently be doing any specific work on the Busan principles. On the other hand, at the government level, role players interviewed in our study affirmed that these principles are being implemented at both national and sectoral levels.

Within our case study, we investigate and discuss the implications of adopting aid effectiveness principles through interviews and based on the following three concepts: (i) ownership of development priorities, (ii) inclusive partnerships, and (iii) transparency and mutual accountability.

#### ***Ownership of development priorities***

Development partnerships can only succeed if developing countries take the lead through the implementation of approaches adapted to the specific context and needs of target countries. In Senegal, development partners align their support with national priorities through the PSE and sector policy documents such as PRACAS and now, PASAD. However, despite this alignment, the principle of national ownership remains in its early stage due to pressure from assistance partners and the absence of a project bank at the level of the ministry in charge of agriculture. It is rare for a well-formulated project to be developed by the Ministry of Agriculture and submitted to the attention of aid or assistance organisations. On the contrary, IDPs most often take the initiative to propose and develop such projects.

In addition, each IDP has country programming documents with specific procedures. Even if these programming documents are aligned with the country's priorities, the development partner still makes choices according to its own needs and priorities. The multiplicity of IDP procedures and the lack of coordination weighs on the Ministry and causes costs and delays that are detrimental to the effectiveness of interventions. In Senegal, it is common to see projects suffering major delays in implementation because of these procedures, in particular the requirement to have the IDP's no-objection opinion for large amounts. In addition, the dual control of the national agency in charge of public procurement and the IDP creates unnecessary duplication.

A lack of ownership has consequences for the sustainability of project results. In fact, one official lamented that project results are short-lived. As soon as a project ends and IDP funding stops, everything stops, and the temporary results obtained disappear. In addition, the lack of ownership makes it difficult to upscale certain practices. In the context of value chain development, for instance, the innovations introduced by USAID projects may remain with the targeted role players, but due to a lack of ownership by the Ministry, there are no efforts to extend these innovations throughout the country.

### ***Inclusive development partnerships***

The principle of inclusive partnerships has found fertile ground in the Senegalese context where partnership dialogue is a fundamental value of society. The Ministry of Agriculture, through DAPSA, involves all role players including the private sector, civil society, producers' organisations, and all relevant stakeholders in the policy development process. Already in the late 1990s, the Agricultural Services and Producers' Organisations Programme in Senegal (PSAOP), financed by the World Bank, was built on a partnership between the government and farmers' organisations, notably the apex CNCR. These farmers' organisations were then responsible for directly managing certain components of the project. Likewise, the Agro-Sylvo-Pastoral Orientation Law (LOASP), adopted in 2004, called for the establishment of a multi-stakeholder steering committee comprising representatives of public institutions, civil society and private sector role players, as well as parliamentarians to discuss policy issues related to rural development.

The government of Senegal has therefore, made great strides in involving stakeholders in the design and formulation of policies based on joint exchange frameworks. The dialogue with development partners makes it possible to direct investments towards government's priorities while monitoring the implementation of conditions linked to funding in the form of budgetary aid. The involvement of civil society increases the concerns of this category and makes it possible to reorient priorities in favour of the most vulnerable populations.

Results of our interviews indicate that the private sector perceives that it is not involved in the entire process of developing and implementing projects and programmes. Role players from the sector criticise the quality of participation, arguing that stakeholders are frequently only invited to the last phase on the project, i.e., to restitution and validation workshops. In addition, these role players believe that their involvement would improve the sector's performance, as public authorities would be better informed about related priorities and could thus enact more impactful policies.

### ***Transparency and mutual accountability***

The government of Senegal has made great efforts to integrate the principles of transparency and mutual accountability into its procedures and activities, under the influence of the Busan principles and WAEMU guidelines. At the sectoral level, the CAADP guidelines also have a strong influence on the agricultural sub-sector in Senegal. However, from our interviews, the perceptions of the various stakeholders are sometimes at odds with those of government stakeholders.

In general, development aid partners ensure transparency, at least in some respects, through budgetary information. Specifically, an evaluation report is published at the end of development aid related projects. The memorandum of monitoring tasks are also accessible on the websites of the IDPs and on the website of the General Budget Directorate of the Ministry of Finance. In general, this information is not available at the Ministry of Agriculture level.

Civil society role players perceive the government of Senegal to not have the means and relevant tools to ensure the principle of transparency, despite the demands of development aid partners. In addition, these role players believe that civil society does not have the necessary capacity and tools to ensure a permanent transparency watch on the implementation of government agricultural programmes. On the other hand, Senegalese government officials interviewed in our study confirmed that the principles of transparency are consistently applied in the implementation of projects and programmes at the level of the various ministries.

In closing, there has been significant progress in transparency and mutual accountability (DAPSA, 2017). For example, the organisation of joint reviews from 2014, the accessibility of budget information, and meetings between the government and development partners through bilateral and multilateral mechanisms represent actual advances that have an impact on the sector's results by increasing efficiency. Furthermore, the recommendations of a 2016 joint review led to a tax reform on imported agricultural equipment with an actual impact on accessibility and the profitability of certain agricultural enterprises (DAPSA, 2017). However, there are important shortcomings that need to be addressed. For example, the implementation of joint reviews has suffered from a lack of follow-up to the recommendations. This has been discouraging for certain members, including the private sector, which has been less present in subsequent editions. Also, due to the limited impact of joint review meetings, USAID, the main IDP for these processes, has discontinued its support. As a result, no joint reviews have taken place over the last three years.

### **7.5.3. Mediators**

The innovations introduced at the end of the first decade of the 21st century, namely joint design and reviews together with inclusive dialogues, have had positive impacts on the results of the agricultural sub-sector, even if their scope has been diminished by certain factors such as the lack of follow-up on recommendations and the disengagement of certain key role players. However, elements such as joint planning and budgeting together with results frameworks have seen little progress in the early stages. The recent WAEMU reforms, particularly in terms of programme budgets, offer concrete opportunities for implementation. As a result, the positive impact that mediators should have on the sector's performance has been undermined by various shortcomings, detailed below.

#### ***Policy development and joint reviews***

Beginning in 2010, Senegal signed a series of agreements with its development aid partners to ensure mutual partnerships among stakeholders and to include a joint sector review. For example, in 2010, the government of Senegal and TFPs signed a pact aligned with the Paris Declaration to ensure mutual accountability in the National Agricultural Investment Programme (PNIA) (Republic of Senegal, 2014). This pact defines the commitments made by the government, Civil society organisations (CSOs), farmers' organisations, the private sector, and IDPs. The pact includes the following commitments:

- The government commits to dialogue, coordination, mutual review, and reporting mechanisms and modalities specified in its cooperation policy with development partners.
- The IDPs will provide aid and related technical assistance in accordance with the preferred modalities and principles set out in the policy on cooperation with development partners, including the principles and mechanisms of dialogue, coordination, mutual review, and reporting.
- Civil society and grassroots organisations have been tasked with ensuring the implementation of the action plans and recommendations of the pact.

In 2014, African heads of state adopted the Malabo Declaration on Accelerated Growth and Transformation in Agriculture for Shared Prosperity and Improved Livelihoods. This Declaration includes a set of commitments to achieve a vision of shared prosperity and improved livelihoods in 2025 articulated in the CAADP. Specifically, the declaration contains seven major commitments made by the African States. One of these commitments is to strengthen "mutual accountability, action, and results". Consequently, countries are urged to implement a joint sectoral review to examine the progress made in order to monitor and evaluate performance in relation to the Malabo targets. This self-assessment should be participatory and include all relevant stakeholders in the agricultural sector. Once effective, a country conference is then organised to

identify countries on track to meeting the Malabo targets and recommendations are made for countries that are off-track.

Senegal and its development aid partners signed a second Compact with the same intention, under the New Alliance for Food Security and Nutrition, committing to jointly reviewing the performance of the agricultural sector under the CAADP.

Under the leadership of the Ministry of Agriculture (DAPSA), Senegal conducted annual joint reviews between 2014 and 2018 and provided actionable recommendations to help the sector achieve its goals. This initiative has benefited from a good level of stakeholder participation. The initiative has also provided an opportunity to better listen to non-state role players, such as civil society organisations, and to break down silos between stakeholder groups. As a result, the Social and Policy Dialogue Group (GDSP) emerged as an entity that prepares CSO contributions to the joint review and makes recommendations for effective implementation of the PNIA. Within this context, the GDSP gained credibility and government support in 2017 to jointly validate the 2018-2025 PNIASAN.

The various joint reviews produced between 2014 and 2018 have seen moments of inclusive dialogue among relevant stakeholders. Nevertheless, several obstacles have limited stakeholder input in the reviews. The mechanisms for monitoring and implementing the recommendations of the Global Monitoring Report have never been operational in Senegal. This absence has considerably reduced the interest of stakeholders, particularly that of IDPs and the private sector, which have remained underrepresented in recent editions. Among the 115 participants, only six private sector role players attended the 2018 edition of the review (Table 7.1).

The low degree to which recommendations are taken into account in the implementation of agricultural policies has greatly contributed to reducing stakeholder input in the reviews. For example, essential recommendations addressed in the various joint reviews regularly focus on improving transparency and equity in the distribution of subsidised inputs. The private sector has also insisted on a transparent bidding process for the supply of agricultural inputs and equipment. However, despite some initiatives to increase transparency, the distribution of subsidies is still inefficient, owing to targeting issues and lack of transparency. Indeed, the inefficiency of subsidies in targeting small-scale producers is considered one of the main obstacles to rapid improvements in agricultural productivity (IPAR, 2015). Recommendations concerning the horticultural sectors, in particular the establishment of storage and safeguarding infrastructure that could facilitate year-round production have often remained without action (DAPSA, 2017).

Furthermore, the conduct of the joint reviews revealed the limited capacity of role players in critically analysing the review process and make related recommendations based on relevant data and evidence. Reviews ultimately appear to simply be activities carried out as a commitment of the African Union. Role players at the national level rely on these principles to meet the requirements of these processes but often do not go beyond them. This implicitly suggests a lack of ownership on the part of national role players, including the Ministry of Agriculture.

All of these shortcomings have undermined the significance of the joint reviews as a coherent approach to assessing sector performance. The reviews have not been able to break down the silos between the various stakeholders in the sub-sector and, as a result, the expected effects have been limited even though all stakeholders agree on their relevance and usefulness.

**Table 7.1: Participants in the 2018 Joint Agricultural Sector Review (AUDA-NEPAD, 2020).**

Category of Participants	2018	%
Ministers, local government (political and technical), staff of sectorial ministries and their agencies	66	52
Members of parliament	1	0,8
Non-state role players (non-governmental and civil society organizations, farmers' groups, and organizations)	27	21,3
Development partners and international organizations	21	16,5
Research and training institutions	6	4,7
Private sector	6	4,7
<b>Total</b>	<b>115</b>	<b>100%</b>

### ***Inclusive dialogues***

Within the framework of the Busan principles, inclusive dialogue aims to create the conditions for a common understanding and coordination between development assistance officials and stakeholders at the national level. Such an approach should ultimately promote the coherence of aid with national priorities and its appropriation by the various role players. The existence of multi-stakeholder dialogues has contributed significantly to the joint reviews developed in the previous section.

In Senegal, several spaces for dialogue exist between stakeholders and within the same stakeholder groups. A study conducted in 2016, identified respective 16 platforms, including those addressing general and cross-sector issues as well as other sector-specific platforms (MAER, 2016). Although these dialogue spaces have contributed in various ways to the inclusion of stakeholders in the discussion of priority issues, they often are not sustainable. The majority of the spaces of the stakeholders struggle to maintain consistency and involvement over time.

Spaces for dialogue are often more dynamic between role players within the same group. This is the case with the IDP group, which has a common space for dialogue to reflect on its priorities and coordinate its intervention strategies. The G15 is a suitable illustration of the existence of this type of dialogue. Within the G15, a thematic group on rural development and food security often addresses issues related to the agricultural sector. However, these groups fail to synchronise their interventions. Specifically, technical and financial partners are often caught up in their respective agendas, leading to a fragmentation of their actions and duplication of projects.

Simultaneously, the GDSP currently remains one of the main frameworks for consultation among non-state role players. Created in 2014, the GDSP initially aimed to prepare CSO contributions to CAADP implementation. In this context, it organised several working group sessions and produced an implementation strategy for PNIA 2.0, incorporating the role that CSOs could potentially play in it. This outcome allowed the GDSP to lay the groundwork for substantial participation of non-state role players in the PNIA through a collaborative approach. The success of this initiative has facilitated the expansion of the GDSP's mission and the GDSP is often invited to participate in other initiatives linked to the agricultural sector.

Few opportunities and spaces are available for inter-stakeholder dialogue in the agricultural sub-sector. This is the case between the State and the TFPs, who sometimes meet frequently, depending on the specific context. Thus, the interventions required by the partners are discussed with the government beforehand, which makes it possible to define their conditions. However, there are only a few forums available for operational multi-stakeholder dialogue (including all role players and partners) in the sector. Joint review exercises were one of the relevant frameworks for this format. Unfortunately, as mentioned in the previous section, Senegal has not organised a joint review since 2018, with the cessation of support from USAID, the main financial partner in the implementation of these processes. This lack of multi-stakeholder dialogue

frameworks does not promote ownership by all stakeholders of programmes/projects implemented in the field.

As a result, the fragmentation of decision-making processes results in discord between role players and a lack of alignment of implemented programmes/projects. Some role players also commented on this point by emphasizing the spatial imbalances in the allocation of projects. IDPs are often concentrated in the Senegal River valley (North), in the Niayes area, and in the South of the country, with very few projects located in the centre of the country (groundnut basin), which is the area most affected by land degradation. Within this context, a functional multi-stakeholder dialogue framework should reduce the risks of dispersion and duplication in interventions. In addition, a concerted approach to interventions could result in improved productivity in the Groundnut Basin through investments to restoring soil fertility in the area.

### ***Joint planning and budgeting***

In most planning processes, the Ministry of Agriculture invites all relevant stakeholders to co-develop future programmes and projects based on the major problems of the sector. Budget preparation is guided by a decree within the framework of the budget law (General Budget Directorate, 2018). Within the framework, the following steps must be strictly followed:

- i) The Ministry of Finance reviews the previous year's expenditures and holds meetings with the various ministries, including the Ministry of Agriculture, to assess performance and constraints;
- ii) The Ministry of Finance defines the resources allocated to each sector and sends budget notifications to the associated ministries;
- iii) At the level of the Ministry of Agriculture, the Secretary General of the ministry together with the programme managers and the Administration Directorate defines the budgets for each programme.

Some stakeholders interviewed in our study are critical of the allocation of resources within the ministry, considering that the budget for the previous year is often renewed. In addition, some CSOs claim that they are rarely involved in the process of defining the Ministry of Agriculture's budget.

Regarding TFP support, the government is in principle sovereign in defining its priorities and related budget. In practice, the negotiating power of the Ministry of Agriculture remains weak as future programmes are often aligned with the wishes and ambitions of the aid partners. This situation is due to the low quality of the key personnel negotiating on behalf of the Ministry of Agriculture, which limits the ministry's ability to influence the definition of these programmes, and is also related to a lack of data and evidence that would help make appropriate decisions. Thus, during negotiations, the ministry's focal points are not always well prepared or competently portrayed to raise critical issues in the sector with relevant evidence/data and to explain how the proposed project could solve the issue raised. Furthermore, the ministry often has challenges regarding human resources. Employees are often poached by other organisations, including TFPs, which offer more attractive remuneration and working conditions. This imbalance of power favours partners who are able to develop broad project outlines and thus, dictate the allocation of resources. The situation also creates problems of ownership by national stakeholders, who are not fully involved in all planning and budgeting stages.

The recent application of WAEMU directives, in particular the Programme Budget, opens up prospects for improving the planning and budgeting process. In application of WAEMU directives, Senegal has embarked on a major public finance reform based on Results-Based Management. This new paradigm in public finance management is part of a movement to distinguish the purpose and effects of injected resources. Within this context, the sector must be able to define its priorities, its objectives/targets, and the resources to be mobilised according to the

programmes to be implemented. Senegal has begun to partially implement the Programme Budget through the 2021 Finance Act before generalizing it in 2022. The Ministry of Agriculture is one of the ministries targeted to test this new results-based management reform.

The reforms enacted by WAEMU are based on the principles of the Paris Declaration and the Accra Agenda for Action. Thus, the Ministry of agriculture has a sectoral policy letter for agricultural development (LPSDA) which determines the priorities and results targeted by the Ministry and organised by a few key programmes. This letter is enlisted through the programme budget, the Multi-Year Expenditure Programming Document (DPPD), the annual performance project (PAP), and the budget. It is still early to assess the effect of this reform, but in the near future, we can expect a good application of the principles of strategic planning and budgeting.

### ***Joint results frameworks***

An example of a results framework that was operational in Senegal is the joint review. Specifically, the joint review allowed stakeholders to clearly identify investments and related results and thus, to assess the performance of the agricultural sector. The joint review exercise is all the more appropriate because it brings together all groups of stakeholders in the sector. More recently, with the application of the Programme Budget approach, the DPPD, the PAP, and the budget should offer clear prospects of having adequate results frameworks that are accessible to stakeholders and the general public. As part of the reform, the Ministry of Agriculture's performance reports are intended to serve as a results framework for the sector. Produced annually, the reports should provide information on the effectiveness of the implemented programmes and practical steps to be taken in future years.

In spite of all reforms and programmes developed for improved monitoring and evaluation, a number of problems still exist. In addition to the payment authorization, the detailed financial performance of the Ministry's programmes remains unavailable to a wide audience. This raises questions about the transparency of the resources committed by the agricultural sector and their related performance. For some development experts, the existence of a results framework is not in itself the problem. The problem lies more in the difficulty that role players express in agreeing on the selected indicators and in the challenges related to the availability of data for certain indicators.

### **7.5.4. Moderators**

In this case study, the selected moderators include the following: (i) political regime; (ii) political and economic commitments; (iii) institutional capacity; and (iv) governance. These moderators have a differentiated impact on subsector performance. A positive political environment favours the conduct of inclusive dialogues and the joint design and review of projects and programmes. Similarly, the various commitments made by the government, both internally and within the regional and international environment, promote partnerships and the inclusion of different stakeholders across various processes. These two moderators i.e. political environment and commitments, therefore have a positive influence on mediators and are likely to improve the sector's performance. However, weak institutional capacity leads to weak negotiating skills, favours the predominance of the IDP agenda, and results in unsatisfactory implementation and inadequate monitoring and evaluation. The same applies to governance, which represents the "Achilles heel" of the crop-production sector and constitutes a major handicap in terms of the performance of the agricultural sub-sector. In summary, these contradictory effects generate mixed results. Many experts believe that the agricultural sub-sector could performance could exceed the current level if the ministry's institutional capacity and governance procedures were improved.

### ***The political system in Senegal***

A review of relevant literature indicates that for development assistance to be effective, the recipient country should already have good economic policies in place (Burnside and Dollar, 2000). However, aside from good policies, a stable policy environment makes it more likely for aid to support growth. In addition, there are a number of intrinsic factors that can “make or break” a country as a preferred FDI destination (Pull-factor theory). These factors include the quality of existing socio-economic infrastructure, the size of the market, the level of human capital development, the distance of the country from major international markets, the cost of labour, the openness to international trade, and most importantly, the political stability of the country (Anyanwu, 2011).

Senegal is one of the most stable countries in Africa. With the exception of an independence conflict in the southern part in the 1980s, Senegal has never experienced a military coup, civil war, or ethnic or religious conflict. The country has a long tradition of peace and democracy. This peaceful climate has helped create a business environment conducive to investment and increased FDI flows. Between 2019, 2020, and 2021, FDI increased from \$1,065 million, to \$1,846 million, and \$2,232 million, respectively (UNCTAD). This shows the importance of a stable political context in economic development.

Senegal's status as a peaceful and democratic country adds clear value to the agricultural sub-sector, with the involvement of stakeholders in the various sub-sector activities. This positive political environment favours the establishment of multi-stakeholder dialogues that have contributed significantly to the development of joint reviews. For example, the design and implementation of the national rice self-sufficiency programme has benefited greatly from this favourable environment, with the involvement of a multitude of role players, including producer organisations, private sector role players, international development partners, and public institutions. In summary, the political and economic environment of Senegal has had a positive impact on the performance of the agricultural sub-sector through mediators such as inclusive dialogues and joint policymaking and reviews.

### ***Political and economic commitments***

Pre-existing policy commitments and strong partnerships with non-state role players and international development partners can help transform and/or develop particular sectors. These commitments can span decades owing to a multitude of reasons, which may or may not have evolved over time. Thus, we suggest that it is easier for countries with significant policy commitments to implement the principles of effectiveness.

Senegal has an open economy with commitments of several kinds. Its membership in economic and monetary integration zones (ECOWAS, WAEMU) and its geographical position make it a main entry point for large regional markets. Senegal is therefore aligned with several international, regional, and national policies and related directions. Senegal's commitments include the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action.

The African Union adopted the CAADP in 2003 in Maputo, and the heads of state and government committed to devoting 10% of the national budget to agriculture. The CAADP aims to eradicate hunger and reduce poverty through agriculture. In 2014, African heads of state and government made sweeping commitments in Malabo with ambitious targets to be met by 2025. At a regional level, WAEMU and ECOWAS have established community agricultural policies that define a framework for each member state to develop its own policies in the agricultural sector.

At a national level, the PSE, a reference policy document, considers agriculture to be a driving sector of the economy. Within this context, the LOASP, adopted in 2014, constitutes the overall framework for the orientation and development of Senegalese agriculture. The LPSDA 2019-2023

is the reference policy document for the agricultural sub-sector. The following two programmes are based on the policy letter: (i) the PNIASAN 2018-2022 and the PRACAS 2014-2017, recently replaced by the PASAD for the period 2021-2025.

To summarise, all the international, regional, and national commitments contribute to the adoption of policies, attitudes, and behaviours that facilitate the implementation of key principles such as national ownership of policies and priorities as well as the partner's alignment with the target country's development model. These commitments also enable the Senegalese governments to coordinate development activities according to national priorities. The adoption of the Busan principles by WAEMU and its directives to various members of the Union for the implementation of programme budgets has begun to bear fruit with greater budget legibility, better evaluation conditions, and increased accountability.

### ***The sector's institutional capacity***

In addition to a politically stable environment and good governance, institutional capacity remains a critical issue for the effective facilitation of cooperative development interventions. Although the majority of traditional IDPs have focused their aid efforts on Africa, many African countries continued to experience negative growth rates. This has been shown to be the result of a lack of institutional capacity, led by technical cooperation replacing the creation of sustainable institutions and other capacities in Africa to support the outcomes of the development cooperation initiative (Matsuoka, 2008). The term "institutional capacity" often refers to a country's administrative and managerial capacity, particularly in the implementation of economic policies. It covers a wide range of activities, including:

- the collection of statistical data necessary for the appropriate implementation of economic policies, by adhering to internationally agreed standards;
- the means to properly plan public expenditures and the delivery of public services at a local and central scale;
- the capacity of the public sector to absorb aid and implement related projects;
- the effectiveness of government agencies in fighting corruption and strengthening governance;
- the development and implementation of legislation and regulations as well as judicial reforms;

#### **Data accessibility**

Official agricultural data<sup>59</sup> are collected and centralised at DAPSA<sup>60</sup> even though there are other data producers in the sector, including, among others, the Directorate of Horticulture, ANSD, SAED, SODEFITEX, SODAGRI, and IPAR. These centralised data are also available at the level of ANAT, the public platform managed by ANSD. In addition, DAPSA conducts annual agricultural surveys through a system of surveys at a departmental level using a methodology approved at the level of the CILSS<sup>61</sup> states.

Although there are several data dissemination platforms (DAPSA/MAER, FAO), these are not very well known. DAPSA/MAER often responds positively to user requests (queries, data requests). Recently, ANSD, DAPSA, and IPAR launched an agricultural data platform called Agridata, which is a tool that aims to improve the centralisation, accessibility, and analysis of agricultural data. Further development of these efforts could improve data accessibility and reverse the current trend where it is easier for researchers to access external data made available online by FAO, OECD, or USDA.

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<sup>59</sup>Qualification of data collected by public services in the Statistical Master Plan

<sup>60</sup>Horticultural data are collected by the Horticulture Department

<sup>61</sup> Permanent Interstate Committee for drought control in the Sahel

Despite these efforts and the scientific guarantee of the CILSS, some agricultural role players regularly question the transparency and reliability of agricultural statistics. In reality, the actual problem lies in the setting of unrealistic production targets that public authorities are trying as hard as possible to achieve. For example, PRACAS targeted a paddy rice production of 1,600,000 tons by 2017, whereas paddy rice production in 2012 was only 469,000 tons.

#### **Coordination of development partnerships**

As a government institution, the Ministry of agriculture and rural equipment (MAER) is supposed to coordinate all agricultural development activities. However, some Senegalese government officials, civil society members, and even the private sector perceive IDPs to be leading development partnerships. These development partners have functioning consultation frameworks that play a leading role in certain areas such as food security, water, and the fight against hunger, among others.

Senegal's major IDPs are coordinating their development efforts and investments through the expanded Senegalese Technical and Financial Partners Coordination Group, known as the G50. The objective of this coordination group is to implement the principles of the Paris Declaration and, in particular, to improve synchronisation and coordination among development partners, to increase consultation and information sharing among partners, and to deepen dialogue with the government on sectoral policies and topics of common interest such as governance and poverty reduction.

In addition to the G50, development partners have formed 17 thematic groups to facilitate coordination on sectoral issues. It is within this framework that the "Rural Development and Food Security" thematic group, which is of particular interest to the agricultural sub-sector, is situated. Development partners have also established a Group of 15 Heads of Cooperation (G15) responsible for coordinating policy dialogue among IDPs. Finally, a group of five (5) Heads of Mission (COMEX-Executive Committee) conducts dialogue with the President of the Republic, the Prime Minister, and the Minister in charge of Finance. Each of these entities has a rotating chair. On the government side, the partnership process involves several ministries, which makes coordination and monitoring of operations difficult. The division of responsibilities between the Ministry of Economy, Planning and Cooperation, which is involved in the loan agreement process, and the Ministry of Finance and Budget, which takes over afterwards, does not facilitate coordination. The Ministry of Agriculture generally intervenes in the formulation and identification of the project, in accordance with the partner, who often makes a consultant available to support the formulation of the project. The Non-State Actors (NSAs) are not sufficiently involved even though at the beginning of the 2000s, the upheavals of the time convinced the government of the importance of NSA participation in the political process.

#### **Plurality of government role players**

The Ministry of Agriculture and Rural Equipment (MAER) is responsible for preparing and implementing the policies defined by the Head of State within the field of agriculture. The MAER is responsible for developing a coherent framework for strategic planning, steering and monitoring, as well as the evaluation of agricultural policies, strategies, and programmes. Among others, the MAER has the following functions:

- ensure the availability of quality inputs, particularly seeds and fertilizers. In addition, ensure that monitoring and intervention mechanisms are in place for plant protection;
- develop partnerships with producer organisations and funding agencies to encourage increased rural investment and the empowerment of grassroots organisations;
- promote the mechanisation of agriculture and the modernisation of agricultural equipment.
- be responsible for applied research policies in the field of agronomy.
- ensure the application of the agro-sylvo-pastoral law and the consistency of instruments and mechanisms to ensure sustainable, participatory, and integrated development.

There are many structures that intervene in rural development and support the MAER in its core missions. These structures include the following:

- The Ministry of Finance and Budget (MFB), through the Directorate of Budgetary Programming and the Directorate in charge of external resources, participates in the search for and mobilization of financing in this sub-sector. In addition, the MFB coordinates and regulates agricultural budgetary policies and the intervention of IDPs.
- The Ministry of the Environment and Sustainable Development is responsible for monitoring and ensuring that climate change and environmental issues are effectively taken into account in all actions of the various departments and organisations involved in the agricultural sector.
- The Ministry of Commerce and Small and Medium Enterprises (MCPME) promotes the processing of local products and local consumption. The MCPME also intervenes in the marketing of agricultural products and pilots regulatory aspects through the market regulation agency.
- The Ministry of Industry and Small and Medium-sized Industry helps in the processes of transformation and storage of agricultural products. It also manages the agropoles, whose main objective is to strengthen the added-value of agricultural products and reduce dependence on imports of agri-food products through sustainable and inclusive industrialisation.

The Ministry of Water and Sanitation is involved in the management of water and retention basins in the agricultural sector. The multiplicity of role players shows the important place that agriculture occupies in Senegal and allows for improved management of the sector's diverse and varied activities. It is also a handicap due to the absence of a formal framework for inter-sectoral coordination and the lack of a single, independent entity to regulate the sub-sector. In addition, there are shortcomings in terms of organisation, consultation, and complementarity of approaches and interventions between various role players.

Senegal's weak institutional capacity in the agricultural sub-sector is felt in the application of the Busan principles, particularly within the fields of ownership and transparency. Many transparency problems have been raised in the collection and availability of agricultural data and statistics. In addition, the coordination of development partners' interventions, particularly through thematic groups, puts the MAER in a weak position and makes it difficult for partners to align with national priorities. Some role players perceive the IDPs to be the one who establishes the rules of the partnership between the government and its partners.

In addition, the unreliability of agricultural statistics or, at least, the lack of confidence of stakeholders in these statistics, can lead to the setting of unrealistic agricultural objectives. Reliable agricultural data save time and account for costs. The multiplicity of state role players in the sub-sector makes it difficult to coordinate and monitor operations, especially in a context of weak institutional capacity. All these shortcomings have a negative influence on agricultural performance.

### ***Good governance***

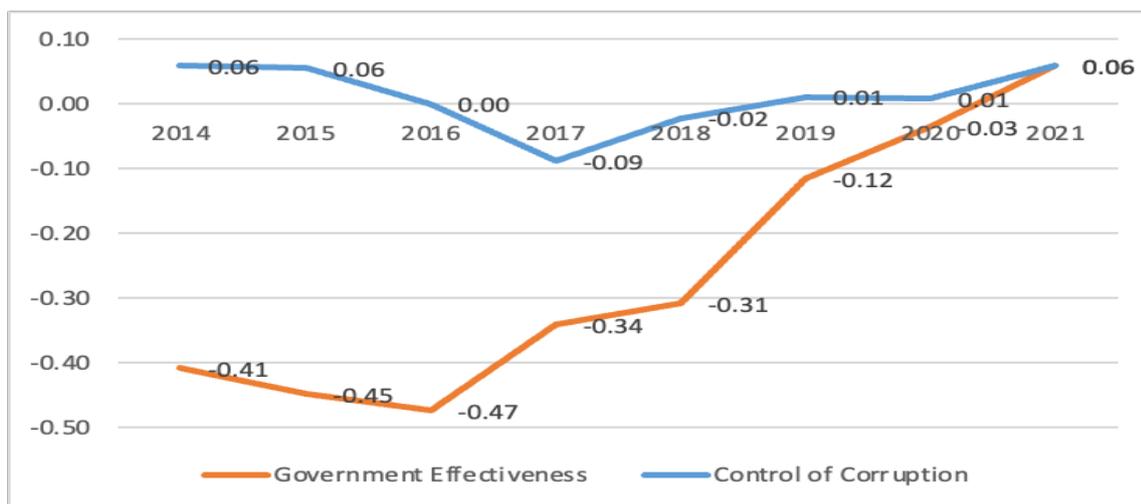
During the current decade, Senegal has initiated a series of reforms designed to improve the mechanisms of good governance. Specifically, one of the three pillars of the PSE is devoted to the promotion of good governance, peace, and security. The emphasis on good governance aims to improve performance in the implementation of public policies. This improvement includes modernising administrative services, fighting corruption, and increasing transparency in the management of public finances.

With the support of development partners, the government has launched various strategies and programmes to achieve these objectives. Among other initiatives, Senegal launched its national

action plan for open government partnership in 2021. As part of the reforms, Senegal established, by decree, the *Cadre Harmonisé de Suivi-Evaluation des politiques* in 2015 (Republic of Senegal, 2015). This public entity has, among other missions, to ensure coherence, ensure coordination, and improve the effectiveness of implemented policies. In addition, the *Bureau Opérationnel de Suivi* of the *Plan Sénégal Emergent*, which is a delivery unit attached to the Presidency, aims to ensure efficiency in the execution and monitoring of projects and programmes. In addition, the revision of the constitution in 2016 expanded the missions of parliament by assigning new functions related to the evaluation of public policies (Republic of Senegal, 2016). The government thus wants to strengthen the control mechanism of its action and the obligation of accountability. Simultaneously, one of the most representative development partners remains USAID, which has played an important role in promoting good governance in Senegal through budget support, capacity building, and the involvement of local role players and citizens in the management of public resources. In 2020, USAID support for good governance in Senegal amounted to US\$ 3 million (USAID, 2021). This support focused on reforms to promote efficient management of public resources, better citizen involvement in governance, and inclusive budgeting.

All of these provisions were able to improve the government effectiveness<sup>62</sup> score from -0.41 to a positive score of 0.06 between 2014 and 2021 (Figure 7.7). In contrast, control of corruption<sup>63</sup> does not seem to have improved, with the 2021 score being the same as in 2014 (0.06). This result can be partly explained by the fact that there is no rigorous follow-up on the implementation of the recommendations of anti-corruption reports by entities such as the National Office for the Fight against Fraud and Corruption (OFNAC) or the Court of Auditors, which creates a feeling of complete impunity as nobody is punished for doing something bad.

**Figure 7.7: Governance Effectiveness and Control of Corruption scores in Senegal** (*World Governance Indicators, 2022*).

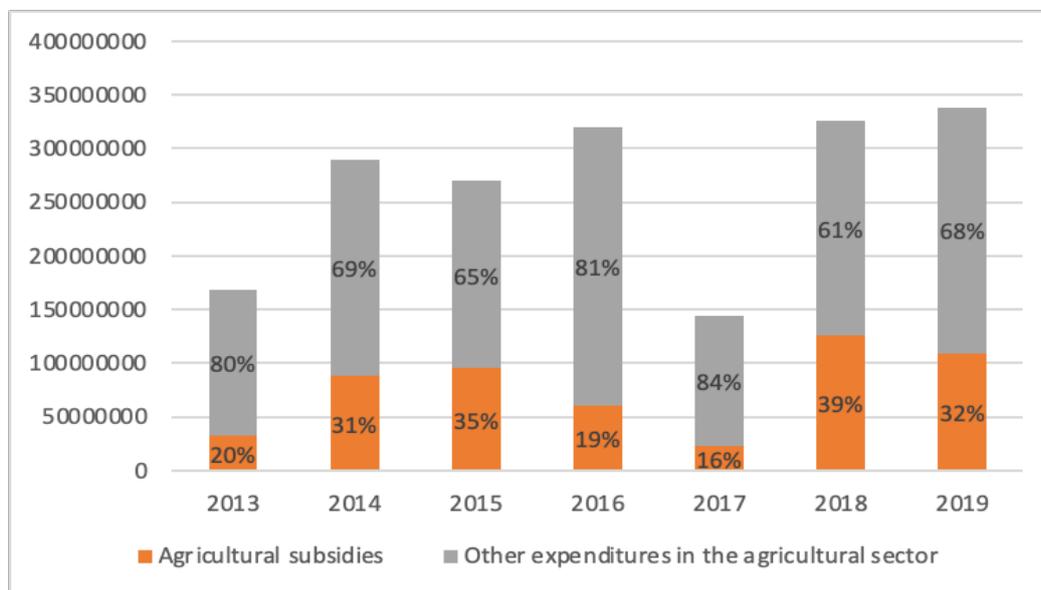


<sup>62</sup>Government effectiveness is an indicator that assesses a country's governance and reflects perceptions of the quality of public services, the quality of the civil service and its degree of independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to these policies. The score ranges from -2.5 (not at all effective) to 2.5 (very effective). The article by Kaufman et al. (2010) discusses in detail the method of calculating the government effectiveness indicator and other indicators that assess a country's governance based on the following six dimensions: voice and accountability, political stability and absence of violence/terrorism, government effectiveness, regulatory quality, rule of law, and control of corruption

<sup>63</sup>Reflects the perceived extent to which public power is exercised for private ends, including both petty and grand forms of corruption, as well as the "capture" of the state by elites and private interests.

Despite significant efforts and reforms to promote good governance in all sectors, there does not seem to be consensus among interviewed stakeholders on the impact of these reforms on the agricultural sector. The first issue raised was the question of agricultural subsidies. They are considered ineffective in relation to the objectives of improving productivity and the income of small producers. However, between 2014 and 2019, the budget allocated to agricultural subsidies increased from US\$ 32.9 million to US\$ 109.33 million. Over the same period, the share of this subsidy in the sub-sector budget increased from 20 to 32% (Figure 7.8).

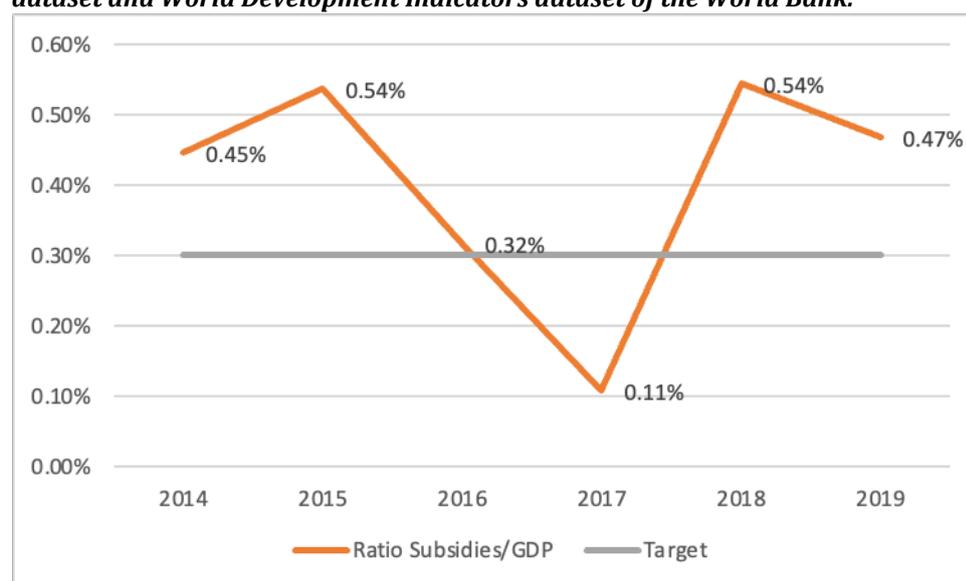
**Figure 7.8: Share of agricultural subsidies (in US\$) allocated to the agricultural sector (DAPSA)**



The subsidy distribution system is considered inefficient due to a lack of transparency and poor targeting that results in small producers accounting for only 35% of beneficiaries (IPAR, 2015). This finding echoes the corruption control score, which has not shown improvement. One of the objectives of PRACAS was to reduce the subsidy burden from 0.5 to 0.3% of the GDP while improving the beneficiary targeting system. However, with the exception of 2017, this measure has not been met, with the subsidy/GDP ratio hovering around 0.4 and 0.5% between 2014 and 2019 (Figure 7.9).

While agricultural subsidies have had a very positive impact on production, they have not led to a significant increase in Total Factor Productivity (World Bank, 2018). A recent FAO study (2021) shows that Senegal faces difficulties in accurately measuring food and nutrition security expenditures. This is due to the lack of effective monitoring mechanisms for these expenditures and is reflected in the poor quality of public expenditure management. In addition, a lack of coordination increases the risk of duplication of projects, thus reducing their efficiency. Furthermore, the growing number of projects, particularly those supported by aid partners, has not been accompanied by mechanisms to centralise their implementation. Within the Ministry of Agriculture itself, projects, especially those supported by partners, are sometimes implemented in silos. This means that projects may be implemented by one directorate of the Ministry of Agriculture without the knowledge of the other directorates.

**Figure 7.9: Evolution of the Agricultural Subsidies/GDP ratio. Authors calculation based on DAPSA dataset and World Development Indicators dataset of the World Bank.**



Finally, aspects related to the sector's budget are rarely developed inclusively with stakeholders, raising the question of transparency in the use of resources. In addition, the planning phases of the sector budget are developed between the Ministry of Agriculture and the Ministry of Finance, without necessarily involving civil society or private sector role players. Similarly, performance reports do not systematically include the financial resources committed for the results achieved. This lack of financial information by most sectors was noted by a recent evaluation of public finances in Senegal (PEFA, 2020).

## 7.6 Recommendations

To make aid more effective in the agricultural sector, a number of reforms and actions are crucial.

### 1. Make the Sectoral Development Policy Letter the reference document for the Agricultural Policy

While some stakeholders believe that the agricultural sector does not have a specific policy document that addresses all of its challenges and priorities, others perceive policy documents to be numerous and scattered. This does not facilitate the coordination and management of the different activities within the crop production sector. Thus, participants deemed it necessary to make the Sectoral Development Policy letter (an existing document) the reference document for agricultural policy in Senegal to enable all role players to focus on the essentials.

### 2. Relaunch the joint review of the crop production sector

In the short term, the establishment of a steering committee to coordinate the process of reviving the joint reviews should be considered. The joint review process should also be an opportunity to strengthen multi-stakeholder dialogue. To this end, its missions could eventually be extended to discuss any issue related to the sector by involving all stakeholders.

### 3. Develop a functional monitoring and evaluation system

Various role players perceive Senegal to not have the means and tools necessary to monitor ongoing projects and programmes, let alone evaluate those already carried out. For example, Senegal has recently launched its new agricultural programme for 2025, PASAD, but the PRACAS that was in effect before has not yet been evaluated. Within this context, it is essential to evaluate past agricultural programmes to draw lessons that will serve as a basis for future programmes.

Hence, the importance of this recommendation, which suggests that the agricultural sector (through the MAER) establishes a functional and operational monitoring and evaluation system that should lead to the publication of performance reports and financial execution reports available to all stakeholders.

## 7.7 Conclusion

Our case study on the crop production sector in Senegal forms a core component of a larger research project, “Exploring Development Effectiveness at the Sectoral Level in Southern Countries”. Within this context, our study aimed to answer the following questions:

- (i) What are the determinants of and obstacles to improvements in development cooperation effectiveness at the sectoral level in terms of applying mutually agreed principles in practice?
- (ii) What other in-country factors influence adherence to such principles and the achievement of planned development results at the sectoral level?

The main findings emerging from the case study are as follows:

- The agricultural sub-sector has recorded encouraging results over the last decade, particularly in the production of rice, dry cereals (millet, corn), groundnuts, and horticultural products. These results stem from a political commitment to the mobilization of domestic financial resources and, above all, a decisive contribution from development partners. For example, the rice self-sufficiency programme, which has been very successful, has seen a combination of multi-faceted and complementary interventions by the government of Senegal and international development partners (USAID with Spanish and Japanese cooperation). The results for dry cereals have been less remarkable, despite the commitment of some IDPs. Within this context, the Senegalese government has not played a decisive role in prioritizing dry cereal value chains and in terms of financial support and equipment. However, public regulation policies and incentives have been able to generate positive results in the horticulture sub-sector, where the presence of the international private sector is noticeable.
- The Busan principles have had varying impacts on the crop production sector in Senegal. Many experts perceive ownership of national priorities to be weak because the agenda of international development partners seems to predominate, due to the weak institutional capacity of the ministry in charge of agriculture. Challenges in coordinating IDP interventions remain despite efforts noted through the G50 and G15. Regardless of some shortcomings, inclusive partnerships are being strengthened as the Ministry of Agriculture regularly consults stakeholders (CSOs, the private sector, and IDPs) in policy development. The private sector, however, is less present in the context of participation. Notably, the government, with the support of the IDPs, has made an effort to organise joint reviews.
- Our analysis of mediators highlights important achievements, particularly in the organisation of inclusive dialogues and the joint development of policies and reviews. These consultation frameworks have had positive effects on the development and implementation of certain policies, although they have suffered greatly from a lack of follow-up on the implementation of recommendations. This lack of follow-up has led to the disengagement of certain role players from inclusive dialogue and joint development processes.
- Moderators have had contradictory effects on the performance of the crop production sector. While the policy environment and the government's multi-faceted commitments to national, African, and international partners have generated positive effects, institutional capacity and governance issues have undermined the performance of the

agricultural sub-sector. Many researchers have indicated that better governance of subsidies and certain value chains would have a greater impact than the current governance context, in terms of production, income, and employment. Similarly, with stronger institutional capacity, the Ministry of Agriculture could have better coordinated public policies in this sector, pooling the interventions of different partners and thus, achieving more positive results.

To summarise, our analysis highlights the importance of the Busan principles, but also the complexities of the environment in which they are applied, indicating the importance of certain prerequisites. Quality human resources, strong leadership, effective coordination, and, above all, a commitment to the inclusion of all stakeholders, are keys to progress. After years of implementing the mediators, the process seems to be running out of steam. For the past three years, joint reviews have not been organised due to lack of resources. However, the recent WAEMU reform on programme budgets provides a good opportunity to apply the Busan principles. Given the commitment of the government to apply community directives, there is no doubt that significant improvements will be noted in the years to come, particularly in the areas of budget transparency and mutual accountability.

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## APPENDIX

**Table: Recommendations and Action Plan**

Priority recommendations	Action Plan for Implementation	Responsible for implementation
Make the Sectoral Development Policy Letter the reference document for the Agricultural Policy	<ul style="list-style-type: none"> <li>- Involve all stakeholders, including civil society and the private sector, in planning and budgeting;</li> <li>- Adhere to the Policy Letter review schedule</li> <li>- The State must exercise its Sovereignty more to define its priorities and to encourage the TFPs to align themselves with them;</li> <li>- Move away from quantity objectives and initiate process objectives</li> <li>- Encourage the TFPs to support the Government to have a single document and to refer to it;</li> <li>- Encourage MAER to have project banks according to the policy and strategic directions;</li> </ul>	Ministry of Agriculture and Rural Equipment (MAER);  Ministry of Economy, Planning and Cooperation (MEPC);  G15 (Partners Group)
Relaunch the joint review of the agricultural sector	<ul style="list-style-type: none"> <li>- Promote multi-stakeholder dialogues through periodic meetings;</li> <li>- Reinvigorate joint review frameworks;</li> <li>- Implement recommendations from multi-stakeholder reviews and dialogues;</li> </ul>	Ministry of Agriculture and Rural Equipment (MAER)  Sub-sector stakeholders ;
Develop a functional monitoring and evaluation system	<ul style="list-style-type: none"> <li>- Publish performance reports and programme/study evaluations;</li> <li>- Make the Monitoring and Evaluation of the Agricultural Programme mandatory;</li> <li>- Propose budget executions over a longer period of time (e.g. 18 months);</li> <li>- In performance reporting, go beyond scheduling and take into account executions;</li> <li>- Leveraging the MAER Authorizing Officer's position in MAER reports;</li> </ul>	DAPSA (Directorate of Analysis, Forecasting and Agricultural Statistics)  Ministry of Agriculture and Rural Equipment (MAER);  Ministry of Finance and Budget (MFB);  Ministry of Economy, Planning and Cooperation (MEPC);

## **Chapter 8: The Primary Education sector in Bangladesh: Exploring the effectiveness of development cooperation**

*Debapriya Bhattacharya  
Towfiqul I. Khan  
Najeeba M. Altaf  
Marfia Alam  
Ifaz Kabir*

### **8.1 Introduction**

#### **8.1.1 Background of the case study**

Providing primary education for all children that is both free and obligatory has long been ingrained in the Constitution of Bangladesh<sup>64</sup>. The provision of such education has continually been prioritised in successive five-year national development plans in alignment with the priorities outlined under Sustainable Development Goal 4 (SDG 4) of the 2030 Agenda<sup>65</sup>. Since the 2000s, Bangladesh has continued to achieve educational milestones in terms of accessibility and gender equity, specifically through consistent growth in enrolment rates for both girls and boys and a reduction in dropout and repetition rates. The primary education sector in the country has been lauded as one of the world's "largest centrally managed education systems", with approximately 78 per cent of primary school-aged children being enrolled in school (GoB, 2020).

The education sector has subsequently seen donor consortium finance under a sector-wide development programme called the "Primary Education Development Programme" (PEDP). At present, the fourth phase of PEDP (FY2019-FY2023) is being implemented and approximately 33.35 per cent of the Programme is financed by three donors, namely the Asian Development Bank (ADB), the Department for International Development (DFID) UK, and the World Bank (MoPME, 2022). PEDP IV has built on the foundation created by PEDP III, which established external financing tied to pre-agreed results (World Bank, 2018).

Within this sector, the Ministry of Primary and Mass Education (MOPME) is the governmental institution responsible for formulating policies as well as managing and financing nearly 59 per cent of the primary schools in the country. At the same time, the Directorate of Primary Education (DPE) takes up policy implementation and management of the primary schools through its subordinate offices in districts and sub-district levels (World Bank, 2018). Under DPE, the Local Government Engineering Department (LGED) takes up responsibility for constructing and repairing school infrastructure and supplying any necessary furniture or supplies. Under the Ministry of Education (MOE), the development of curriculum and the production and supply of books are carried out by National Curriculum and Textbook Board (NCTB). For training teachers in primary schools, a "National Academy for Primary Education" was established under MOPME, which oversees 60 Primary Training Institutes (PTIs) (MOPME, 2020).

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<sup>64</sup> Article 17 of the Constitution of the People's Republic of Bangladesh which is titled "Free and Compulsory Education" states that "The State shall adopt effective measures for the purpose of -1. establishing a uniform mass-oriented and universal system of education and extending free and compulsory education to all children to such a stage as may be determined by law".

<sup>65</sup> SDG 4 titled "Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all" comprises 10 targets and 12 indicators focusing on improving the quality of education.

Currently, foreign aid contributes 15.6 per cent of total allocation in primary and mass education, with the major share targeted towards the PEDP IV (MoPME, FY2022). While the PEDP IV is implemented primarily by the DPE under the MoPME, international development partners (IDPs) collaborate with the Government of Bangladesh (GoB) throughout its implementation. Budget execution, financial reporting and other compliance-related issues are managed by the financial management system of the country after the IDPs disburse the funds to the government's treasury (World Bank, 2018). The MoPME is designated to execute the technical assistance project under PEDP IV, including administrative support, logistics and technical support (ADB, 2016). However, concentrated fiscal and administrative power remains the major challenge in implementing the programme (World Bank, 2018).

Given this premise, the present case study examines the sectoral adoption of the Busan Principles for Effective Development Cooperation<sup>66</sup> in Bangladesh's primary education sector in the context of the successive PEDPs beginning with the first PEDP in 1998 and the subsequent impact on the sector's development. However, it must be noted that the first PEDP was retroactively addressed as such following the success of the second PEDP in 2004 despite it being widely known as a collective of discrete projects rather than a harmonious sector-wide approach.

### 8.1.2 Methods and Research Questions

The hypothesis of the overall research project is that the practical application of the Busan Principles of Development Effectiveness (hereinafter referred to as "the Principles") will yield improved development outcomes at the sector-level. In line with the broader research project, this case study identifies the GPEDC "effectiveness to impact" initiatives as its mediators, i.e., the approaches through which the Busan Principles may be achieved<sup>67</sup>.

Drawing from the hypothesis of the project regarding the development outcomes of the GPEDC, the national and sectoral adoption of effectiveness approaches (Mediators) leads to improved development outcomes given the role of certain Moderators<sup>68</sup>. The present case study will explore the following research questions relating to Bangladesh's primary education sector:

- (i) To what extent have the Principles been practically applied in the primary education sector in Bangladesh, in terms of the process/approach implementation, and how?
- (ii) Have any external factors constrained or facilitated the process of Principle application in the sector, and if so, which are they?
- (iii) To what extent has the practical application of the Principles resulted in the improved achievement of development targets in the primary education sector?
- (iv) Have any of the external factors positively or negatively influenced the practical application of the Principles to deliver better outcomes in primary education? If so, which factors are these?

*Methods.* We began with a review of the literature encompassing various reports published by DPE and MoPME, reports and working papers by IDPs, academic literature and research

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<sup>66</sup> The Busan Partnership for Effective Development Cooperation is based on four principles — (i) country ownership, (ii) a focus on sustainable results, (iii) inclusive partnerships, and (iv) transparency and mutual accountability.

<sup>67</sup> The GPEDC defined *Effectiveness to Impact* initiatives have been adopted as the "mediator" variables for this research project. The mediators include inclusive dialogue; joint policymaking and review; results framework; joint planning and budgeting; implementation modalities; transparent monitoring and review process (GPEDC, 2022).

<sup>68</sup> As part of preliminary identification, the Moderators may include "political economy of aid allocation", "good governance", "structural, institutional and capacity constraints to sectoral coordination" and "results and evidence-based monitoring, review and impact assessment".

published by notable think tanks in Bangladesh. The third PEDP has been used as a reference point when we examined the development targets achieved over the course of the successive PEDPs. We identified 24 key performance indicators (KPI) and non-key performance indicators (non-KPI) under the four results areas — i.e., “Learning Outcomes”, “Universal Access, Participation and Reducing Disparities”, “Decentralisation and Effectiveness” and “Program Planning and Management” — and cross-referenced these with both the preceding PEDP II and the current PEDP IV<sup>69</sup>.

The case study team also identified various key stakeholders representing the Government of Bangladesh, IDPs, non-governmental organisations (NGOs) and academia. We interviewed twelve key stakeholders. The process of mapping these relevant stakeholders primarily involved striking a balance of representation between governmental, non-governmental, IDP, civil society and/or academic actors. Most important, however, was identifying key persons who were not only currently engaged in activities related to primary education in Bangladesh, but those who held institutional memory. Our preparation concluded with an expert group meeting with relevant key experts representing the government, NGOs, academia, civil society and IDP to solicit comments and feedback on the findings of the case study.

*Research Questions.* Ten research questions were designed and separated into four categories – the establishment of the Mediators, the role of the Moderators in the establishment process, the role of the Mediators in delivering improved development outcomes at the sectoral level, and the role of Moderators in facilitating/constraining this. In particular, our research questions centred around the establishment of Mediators and the roles of both Mediators and Moderators in facilitating improved sector development outcomes during the implementation of the PEDP II, III and IV.<sup>70</sup>

### **8.1.3 Layout of the paper**

The chapter begins with an overall introduction of the case study, including its objectives, scope and methods (Section 1). Following this, we evaluate the background of the primary education sector, including an investigation of the relevant plans and policies, the sector’s achievements and challenges and its comparison to its South Asian peers (Section 2). The chapter’s objectives are then divided into two groups, the first of which seeks to understand the operationalisation of policies in the primary education sector (Section 3), and the second which seeks to understand the development outcomes in this context (Section 4). The paper then concludes with an examination of the findings from the key informant interviews and literature review that may be used to replicate good practices within the sector, across sectors and across countries (Section 5).

## **8.2 Performance and policies in primary education**

In the past 20 years, Bangladesh has successfully attained near universal primary school net enrolment rates for both girls and boys, as well as a substantial decrease in their respective dropout rates. Despite these notable achievements, the primary education sector continues to face difficulties in improving the quality of education, the teacher-student ratio and teacher’s capabilities to deliver satisfactory lessons. We investigated how the primary education sector has performed in terms of achieving its targets, the evolution of policies and plans that have supported this development and how it has been financed over the last two decades.

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<sup>69</sup> Please see Annex II for the results framework adapted from PEDP III.

<sup>70</sup> See Annex III for research questions.

## 8.2.1 Performance of the primary education sector

### ***Achievements attained***

*Enrolment.* The first notable achievement made early on during the PEDPs was the increase in primary school enrolment rates. Between 2005 and 2021, the rate rose from 87.2 per cent to 97.4 per cent, thus, Bangladesh is nearing the 2023 targeted net school enrolment rate of 98.5 per cent ahead of the projected time (DPE, 2021). As of 2018, Bangladesh's enrolment rate is among the highest average rate within South Asia, being succeeded only by Sri Lanka and Nepal, which both achieved nearly 100 per cent. It must be noted that the variation in net enrolment rates in primary schools over the years was stagnant in South Asia, with Nepal and Bangladesh being the only countries experiencing an upward trend between 2005 and 2018, increasing 20 and 10 percentage points, respectively (World Bank, n.d).

*Completion Rate.* Following the rising enrolment rates, school completion rates have also increased. Nearly 100 per cent of children are enrolling in primary schools across Bangladesh, and of these enrolled students, approximately 85.9 per cent are successfully graduating from Grade 5. This is a major achievement for Bangladesh's primary education sector as this rate was only 52.8 per cent in 2021 (DPE, 2021).

However, Bangladesh's primary education completion rate was 82.1 per cent in 2019, lower than the South Asian average of 90 per cent, with only Pakistan and Bhutan lagging behind (MOPME, 2019). The primary school completion rate in the South Asian region has been on an upward trend between 2005 and 2018, with only Maldives exhibiting a declining trend (World Bank, n.d).

*Repetition rate.* The third major achievement attained is the decline in the repetition rate among primary school children. Although Bangladesh has one of the highest primary school repetition rates within South Asia (for both girls and boys) as of 2016, the rate decreased from 10.2 per cent in 2005 to 5 per cent in 2020. Thus, it has already reached its 2023 target of 5.8 per cent (DPE, 2021). Grade repetition rates in South Asia have decreased between 2005 and 2018 (World Bank, n.d).

*Gender Parity Index.* Finally, the fourth major achievement accomplished by Bangladesh lies in bridging the gender gap in education. The gross gender parity index (GPI) of Bangladesh's primary education sector has leaned towards girls, standing at 1.05, since 2005 compared to 0.84 in the early 1990s. Moreover, encouragingly, this has risen to 1.09 in 2019 (WDI, 2022), while Afghanistan and Pakistan had rates highly favouring boys, and the rest of South Asia is close to parity. Additionally, the GPI of the net enrolment rate reflects that while the index was skewed towards girls in 2005 (1.07), where boys were far more disadvantaged when it came to learning opportunities. This has since decreased from 1.11 in 2009 to 1.00 in ten years, and the parity has since sustained (DPE, 2016; DPE, 2020).

The GPI of gross enrolment in primary schools in South Asia exhibits near parity for the period 2005 to 2018 for all the countries except for Afghanistan and Pakistan, where boys are highly favoured (World Bank, n.d).

### ***Challenges experienced***

*Quality of education.* Despite the achievements in access and equity, the sector has made little progress in terms of enhancing the quality of education (Asadullah & Chaudhury, 2013; CAMPE, 2008). The percentage of Grade 5 students with grade-level competencies in Mathematics and Bangla have decreased by 16 and 13 percentage points, respectively, between 2011 and 2017 (DPE, 2021; ADB, 2018). Furthermore, there is a substantial rural-urban divide, with urban schools (52 per cent) having performed better in Grade 5 Bangla than their rural counterparts (42 per cent) in 2017. However, for Grade 5 Mathematics, the divide is reversed, with urban

schools performing worse than rural schools at 29 per cent and 36 per cent, respectively (MoPME, 2018).

The poor performance of Grade 5 students in grade-level competencies has been attributed to the high student-teacher ratio, teacher's qualification, pedagogy and low contact hours. We submit that these issues could be overcome with increased public investment for primary education. Despite noted progress made in curbing the dropout rate, this is still a significant issue (Ahmed M. , 2018; Kono, Sawada, & Shonchoy, 2018; Malak, Begum, Habib, Shaila, & Roshid, 2013; Nath, 2012).

*Proportion of Trained Teachers.* In 2017, Bangladesh had one of the lowest proportions of trained teachers (50 per cent) in comparison to the rest of South Asia. Worryingly, this proportion has been decreasing between 2011 and 2018, with the rest of South Asia (except Bhutan) exhibiting an increasing trend (World Bank, n.d).

*Student-Teacher Ratio.* The student-teacher ratio in Bangladesh decreased from 52:1 in 2003 to 30:1 in 2018 and then increased sharply to 37:1 in 2019 (DPE, 2021). In 2018, at 30:1, the student-teacher ratio was close to the South Asian average, with only Sri Lanka, Maldives and Nepal exhibiting lower ratios. Additionally, the South Asian average student-teacher ratio decreased by only three percentage points between 2011 and 2018, while Bangladesh's student-teacher ratio dropped 24 percentage points over that period, the sharpest decline in South Asia (World Bank, n.d).

The quality of education is negatively affected by a large student-teacher ratio, even though the 2023 target has been met early. GPE (2020) indicates that the ideal student-teacher ratio (STR) is 30:1, suggesting that Bangladesh's 2023 target is sub-standard. Furthermore, the STR of 37:1 is deceptive, as high teacher absenteeism is commonplace due to leaves of absence, engagement in training, and deployment in hard-to-reach areas, among other reasons, resulting in classes with STRs of up to 100:1. Additionally, the number of primary schools has increased by nearly 50 per cent between 2003 and 2019, while the number of single shift schools has decreased from 20.4 per cent in 2010 to 14.8 per cent in 2021 (DPE, 2021).

Lastly, the scarcity of data for quality indicators, like grade-level competencies in Mathematics and Bangla, with the last National Student Assessment (NSA) having been conducted in 2017, has been considered to be indicative of a lack of intention from the government to monitor and improve the quality of education. These constraints have shaped the views that the PEDP III & IV were overly ambitious endeavours for the limited capacity of DPE.

## **8.2.2 Historical evolution of plans, policies, strategies, and programmes**

### ***Brief overview of the policies, plan and strategies***

Bangladesh's primary education sector has undergone significant changes over the course of time. It experienced a significant breakthrough when first signing the World Declaration on Education for All (EFA) agenda in 1990. To institute the reforms envisaged by the EFA movement, the country adopted the General Education Project (GEP) between 1990 to 1995. This was financed by the World Bank, the Asian Development Bank, and a number of bilateral aid agencies along with the government itself (USAID, 2006; MoPME, 2003).

**Figure 8.1: Brief overview polices, plan and strategies of the primary education sector in Bangladesh**



**Source:** MoE (2010), MoPME (2003), MoPME (2020).

Bangladesh developed its National Plan of Action I (1990 to 2002) which focussed on enrolment, completion, dropout, adult literacy and attaining the EFA 2000 agenda. While no results framework was found for the National Plan of Action I, the National Plan of Action II (2003 to 2015), which covered primary education as one of its major areas, did have a results framework. The focus of the second National Plan of Action also built upon the lessons learned from its predecessors and focused on completion rates and inclusivity. It also involved the IDPs and government as well as MOPME, DPE, academia, practitioners, NGOs, and civil society as opposed to the former plan, which only involved the IDPs and GoB (MoE, 2010; MoPME,2003; MoPME, 2020).

This was followed by the Universal Primary Education (UPE) programme and Mass Education Programme (MEP) in 1981 (MoE, 2010; MoPME,2003). Subsequently, the primary education sector became important in the National Five-Year Plans and Perspective Plans of Bangladesh. Apart from these programmes, there are other models that are generated each year to assess the performance and record statistics of the primary education sector, such as the Annual Sectoral Performance Report (ASPR) and Annual Primary School Census (APSC). The sections that follow provide a brief overview of the evolving policies, plans and strategies of the primary education sector in Bangladesh<sup>71</sup>.

### ***A brief overview of the PEDPs***

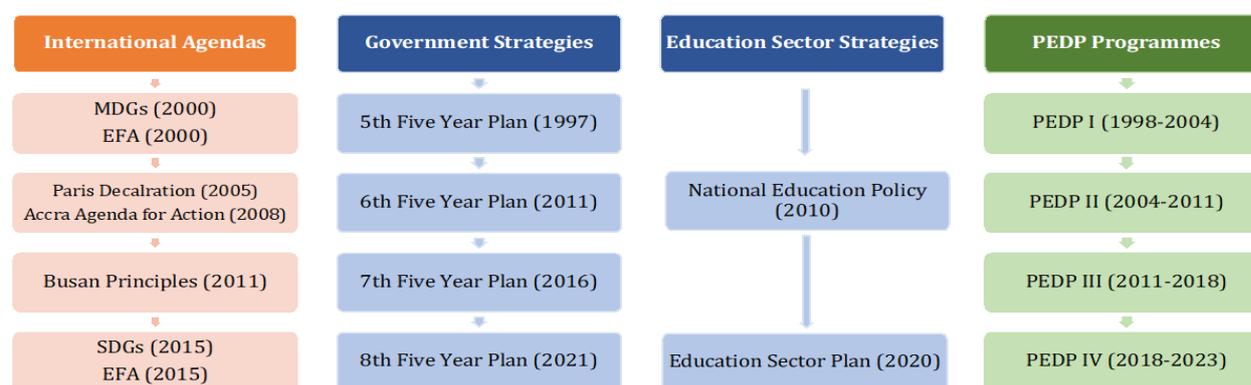
There have been numerous projects spearheaded by IDPs within Bangladesh’s primary education sector in the years leading up to the first PEDP in 1998. The volume of projects targeting the construction of schools, curriculum development, and production of textbooks and other

<sup>71</sup> Timeframe considered for this evolution is from 2000 to 2022

materials, while necessary, overlapped in many areas resulting in inefficient and, in some cases, ineffective development interventions due to duplication and lack of coordination between the ministries, directorates and IDPs (DPE, 2015). PEDP I was implemented after the initiation of the 5<sup>th</sup> Five-Year Plan, but was widely referred to as a collection of discrete projects led by 8 IDPs and was only retrospectively referred to as PEDP I. Therefore, the implementation of a true SWAP was considered to begin with PEDP II in 2004 (ADB, 2015).

The PEDP implementation process is led by the Ministry of Primary and Mass Education (MOPME) and the DPE with the support of the lead IDP, i.e., the Asian Development Bank. The activities under the PEDP are implemented via the DPE's line divisions, field offices, primary schools and five specific organisations — NAPE, IER-DU, NCTB, LGED and DPHE (Ahmed & Douse, 2019; DPE, 2015). Figure 8.2 presents an overview of the overlapping timeline of the PEDPs in conjunction with other national strategies and plans and international agendas.

**Figure 8.2: Timeline of Global and Domestic Frameworks During the PEDP Programme Framework Development and Programme Life**



**Source:** Authors' compilation.

As is evident from Table 8.1 below, the primary education sector has been transitioning its focus from “access and equity” towards improving the “quality” and “inclusivity” aspects of primary education. It has also evolved from utilising project-based approaches to an integrated sectoral programme with improved coordination between Development Partners (DPs) and government, enhanced donor harmonisation, Joint Financing Agreement, ameliorated Technical Assistance (TA), external financing tied to pre-agreed results, and demand-based inputs through the PEDPs over time.

**Table 8.1: Main focus and Share of GoB and IDP Financing of Total Project Cost for successive PEDPs**

PEDPI (1998-2004)	PEDPII (2004-2011)	PEDPIII (2011-2018)	PEDP IV (2018-2023)
<b>Main Focus</b>			
– Enrolment	– Quality improvement	– Improvement in learning outcomes in the classroom level	– Quality education to all children of Bangladesh
– Completion	– Equitable access	– Raising completion rates	– Efficient education system
– Quality Inputs	– Institutional capacity building		– Inclusive education system
– Monitoring Issues	– Systemic reform		– Equitable education system
<b>Share of Government Financing</b>			
-	USD 312 Million (32.9)	USD 1701 Million (76.9)	USD 3046 Million (66.7)
<b>Share of Foreign Financing</b>			
-	USD 636 Million (67.1)	USD 511 Million (23.1)	USD 1524 Million (33.3)

**Source:** Authors' elaboration based on MoPME (2011a), World Bank (2014), World Bank (2018), Ahmed and Douse (2019), ADB (2020), ASPR (2017), APRC (2020), Bhatta, Saurav Dev (2017) and Planning Commission Annual Development Programme (ADP) book (FY05- FY23).

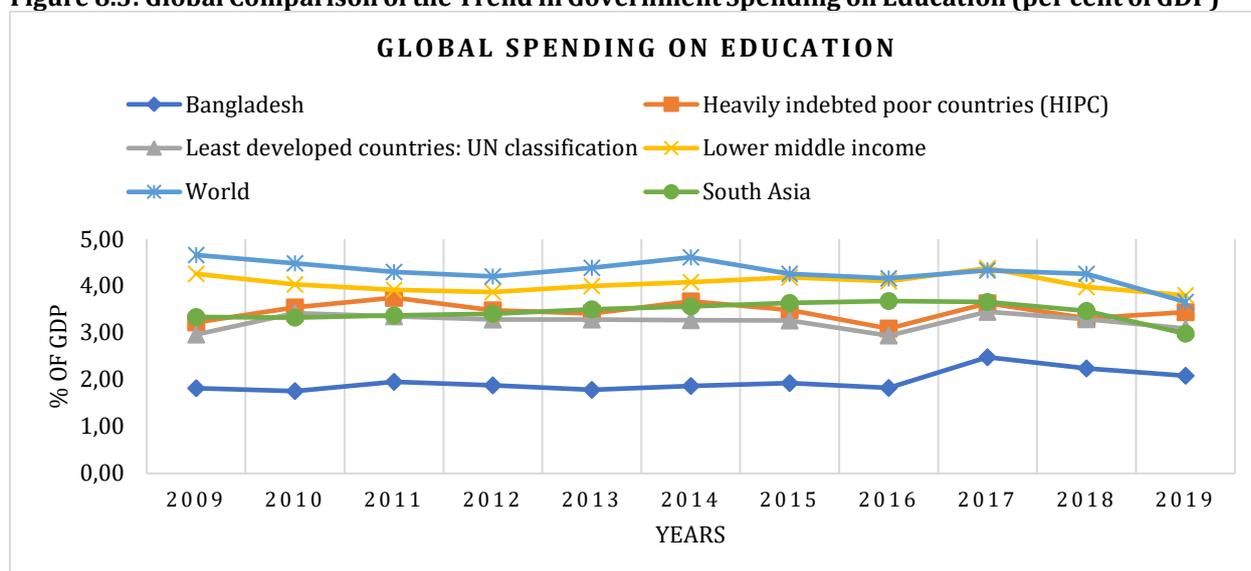
While the number of IDPs involved in PEDP II rose to 11<sup>72</sup> from the original 8 in PEDP I, the overall implementation till the conclusion of PEDP II was reportedly slower than expected. This was thought to be a consequence of the lack of leadership present in the PEDP, wherein a programme director averaged a tenure of only 1.6 years (IMED, 2013).

While the composition of IDPs remained relatively consistent over the successive PEDPS, the number of IDPs decreased to 10 in PEDP III and eight in PEDP IV (SIDA and GPE had withdrawn from the latter). In addition, despite the commendable performance during PEDP III and IV, the average value of IDP funding per year decreased from USD 91 million in PEDP II, to USD 73 million in PEDP III, and rose to USD 305 million in PEDP IV (Planning Commission, 2018; Planning Commission, 2016; Planning Commission, Annual Development Programme 2005-2006, 2005). As the share of financing from IDPs declined over the years, GoB financing increased to the extent that the share of financing in the PEDPs from the IDPs and GoB had completely reversed by the close of PEDP IV, where the majority of the funding was sourced from the GoB.

### 8.2.3 Financing of primary education

Bangladesh is notorious for underspending on its education sector— averaging less than 2 per cent of the country’s GDP (World Bank, n.d). This spending has remained consistently lower than both the lower middle-income countries and Least Developed Countries, two groups to which Bangladesh belongs (Figure 4) (World Bank, n.d). The present section discusses the financing of the PEDP and the primary education sector in general, with the division of financing received from the government and IDPs being considered.

**Figure 8.3: Global Comparison of the Trend in Government Spending on Education (per cent of GDP)**



Source: World Development Indicators.

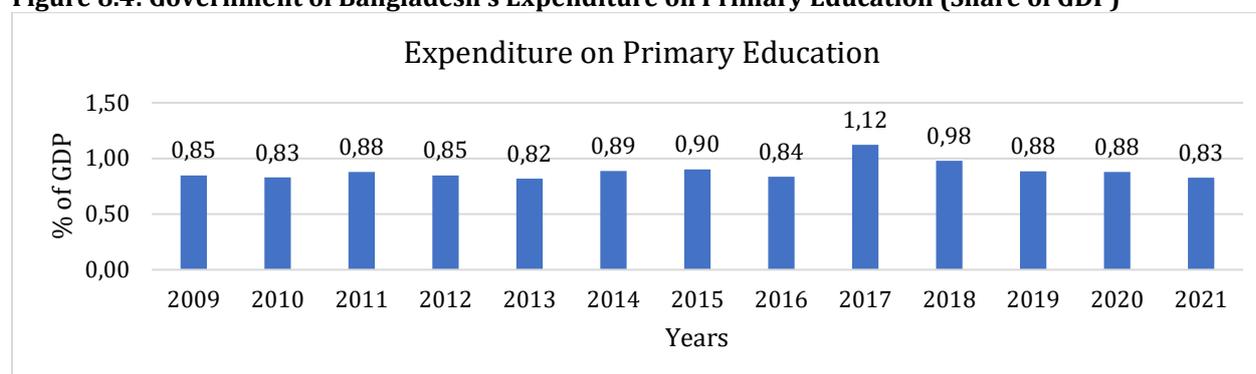
#### *Financing the Primary Education Development Programme*

Financing for the PEDP II was estimated to be USD 852 million in 2005, which was revised and increased twice to USD 948 million by 2011. The GoB had provided approximately 30 per cent of the finance for the programme, with the other 70 per cent being provided by IDPs. The financing

<sup>72</sup> IDPs involved in the PEDP II include the Asian Development Bank (ADB), World Bank, Swedish International Development Agency (SIDA), Norwegian Agency for Development Cooperation, Government of the Netherlands, JICA, European Commission (EC), Australian Agency for International Development (AusAID), Department for International Development (DFID/FCDO), United Nations International Children’s Fund (UNICEF) and Canadian International Development Agency (CIDA) **Invalid source specified..**

for the PEDP III had originally been estimated to be USD 2.81 billion, but was later revised in 2016 and decreased to USD 2.22 billion, with the government contributing more than 70 per cent of the financing. By 2018, the PEDP IV was introduced with an estimated total cost of USD 4.57 billion. Approximately USD 1.52 billion was provided by the IDPs and USD 3.05 billion was provided by the government (authors' estimations from Planning Commission ADP Book 2005-2023).

**Figure 8.4: Government of Bangladesh's Expenditure on Primary Education (Share of GDP)**



**Source:** Ministry of Finance & BBS.

#### *Official Development Assistance in the Education Sector*

Within South Asia<sup>73</sup>, Bangladesh's spending on education as a percentage of GDP has been the lowest during the period 2009 to 2019. While the annual expenditure on primary education has been increasing, its share as a percentage of GDP has remained stagnant — averaging 0.89 per cent of GDP (Figure 8.4) (MoF, n.d). This indicates a lack of intent or ability of the government to increase expenditure on education compared to the size of the economy.

**Table 8.2: Flow of ODA as Share of Public Expenditure to the Education Sector ( per cent)**

Country Name	2009	2014	2019
Afghanistan	48.92	40.12	23.89
Bangladesh	7.62	4.37	1.12
Bhutan	4.74	1.25	2.04
India	0.79	0.72	0.32
Sri Lanka	3.30	2.61	1.46
Maldives	1.46	0.87	0.49
Nepal	28.34	7.18	5.07
Pakistan	10.06	3.96	2.12
El Salvador	2.44	2.96	2.90
Rwanda	22.43	10.01	17.43
Senegal	17.07	20.93	11.80
Tanzania	15.92	4.29	2.61
Uganda	13.81	6.65	11.50
Least developed countries (LDC): UN classification	15.27	7.45	7.41
Lower middle-income countries (LMIC)	1.72	1.20	1.10
Heavily indebted poor countries (HIPC)	16.21	7.53	8.69

**Source:** Author's estimation from data retrieved from World Bank and OECD databases.

Between 2009 and 2019, the flow of ODA toward the education sector in Bangladesh decreased in both absolute terms and relative to public expenditure, following the general trend in South Asian countries, the LDC and LMIC categories (Table 8.1). This has been disputed by IDPs who have stated that while the share of funding allocated for the PEDPs may have decreased, IDP

<sup>73</sup> Apart from Bangladesh, the countries examined in South Asia include Afghanistan, Bhutan, India, Sri Lanka, Maldives, Nepal and Pakistan.

funding in the primary education sector overall has not, as IDPs are increasingly choosing to support activities outside of the purview of the primary education SWAP. However, data collected from various monthly IMED reports reveal that the share of project assistance allocated for the Ministry of Primary and Mass Education (MOPME) has decreased substantially in the last ten years. Within six years, the share of project assistance within the total ADP budget allocation for MOPME has decreased by nearly 80 per cent from 58.08 per cent in 2009 to 11.61 per cent in 2014. This has since dropped to a mere 4.70 per cent in 2019. The decrease in foreign assistance to the MOPME coupled with the falling flow of ODA to Bangladesh, has contributed to the decline in ODA received by the primary education sector in Bangladesh.

This sector, which was brought under a programmatic modality, has undoubtedly exhibited successful results in terms of most of its key performance indicators, especially under PEDP III and IV. Successful policies in terms of the primary education stipend programme, distribution of free books, school feeding programme, reaching out of school II and several other successful policies have contributed greatly to these achievements. However, issues such as the quality of education and teaching are called into question with students at Grade 3 and 5 levels not meeting acceptable competency standards. Moreover, Bangladesh's spending on education as share of GDP has been one of the lowest among its South Asian peers. Finally, the increasing share of finance from the government's coffers to the PEDP programme and the decreasing ODA flow, somewhat ties-up increasing government ownership of the programme and improvements in access and equity in primary education. However, we submit that the link between the achievements and sector plans, is dubious and as such we shall discuss this further in the sections to follow.

### **8.3 Understanding the policy operationalisation in the primary education sector**

In view of the milestones achieved and gaps in development that have accumulated over the last two decades, in the following section vitally reviews the role of the mediators, namely the effectiveness structures based on the Busan Principles, which have influenced the development of the primary education sector.

#### **8.3.1 Practical application of the “effectiveness to impact” initiatives**

Of the six effectiveness structures that have been recognised by the broader research project, the implementation and completion reports published by ADB, the DPE and the MOPME have revealed multiple mediators that have emerged and evolved over time. We have particularly focussed on the second, third and fourth phases of the PEDP. The first PEDP comprised 27 discrete projects each led by their respective IDPs alongside the GoB and was only referred to as a SWAP retrospectively, given the successes of the consequent PEDPs.

##### *Inclusive Dialogues and Joint Planning.*

Joint dialogues between IDPs and the GoB have remained a mainstay through successive PEDPs, intertwined closely with IDP-GoB joint planning processes. Beginning with PEDP II, a nearly three-year-long substantive dialogue comprising “official meetings, missions and documentation exercises” between IDPs and the Government of Bangladesh took place. It resulted in a comprehensive PEDP document detailing the objective and design of the programme to “reducing poverty through universal primary education and sustainable socioeconomic development and equity in Bangladeshi society” (Ahmed & Douse, 2019).

This two-way dialogue evolved into a more consultative style approach in PEDP III. In 2011, the GoB led the development of the newer PEDP III by preparing a “Concept Paper” that incorporated feedback from the IDPs but was essentially “owned” by the GoB. The government also consulted with entities beyond IDPs, namely the Campaign for Popular Education (CAMPE), while other

consultations were conducted on a need basis. According to expert sources, halfway through the implementation of PEDP III, Save the Children and Oxfam were also onboarded for consultations.

Following the precedent set in PEDP III, the GoB continued with preparing the “Concept Paper,” but the design notes for the sub-components of the PEDP IV were formulated in partnership with ADB, DFID, USAID, UNICEF and JICA. However, discussions with relevant key stakeholders had inadvertently revealed that these dialogues evolved to become little more than a reporting of progress from the GoB’s end rather than a two-way discussion. The exclusion was more severe for other stakeholders, such as civil society, academics, and, at the community level, parents, and teachers.

#### *Implementation Modalities.*

During the PEDP I, there was an “Education Local Consultative Sub-Group” (ELCG) to facilitate coordination between the IDPs. This process had reportedly been led by an educationalist representing the Foreign, Commonwealth and Development Office (FCDO), formerly known as the DFID. However, given that PEDP I was essential for a set of projects running independently, there is no publicly available information on its performance (Ahmed & Douse, 2019).

Over the course of PEDP II, the implementation of the activities was undoubtedly led by the DPE and five other organisations<sup>74</sup> while the MOPME took hold of designing the policies and activities. In line with this, four separate units were formed —

- (i) the Project/Program Steering Committee (PSC), established by the MOPME, comprised “senior-level government representatives from all key ministries, divisions, commissions and districts, and upazila levels” to approve “annual operation plans and respective budgets”, Mid-Term Reviews (MTR) and ASPR as well as to coordinate between ministries,
- (ii) the Program Management Unit (PMU), formerly called the Program Coordination Unit, led by a Joint Program Director to support DPE in its implementation processes (ADB, 2013),
- (iii) the Program Liaison Unit, led by ADB, was established as the bridge between the IDPs’ requirements and the GoB. This included an IDP consortium of 11 IDPs, created with a rotating chair (albeit maintaining that ADB would remain as a permanent vice-chair) to strengthen IDP ownership, commitment and communication with the DPE (IMED, 2013; ADB, 2013).

Much like its predecessor, the PEDP III had similar units and committees, except for the introduction of (i) a Programme Technical Committee (PTC) headed by the Director General of DPE and (ii) a Programme Support Office (PSO), led by the Additional Secretary and Joint Secretary of MOPME. While the PSO was to be “the cost centre” of PEDP, the PTC was created to streamline the implementation process of the PEDP. The committee, which comprises the five aforementioned implementing organisations, only meets when it is deemed necessary (DPE, 2015).

In PEDP IV, the units and committees similarly include (i) a PSC, led by the Secretary of MOPME, (ii) a Programme Implementation Committee (PIC) led by the Director General of DPE, and (iii) a Programme Coordinating Unit (PCU) led by the Additional Director General – PEDP IV. However, in this phase, a new (iv) Programme Support Team (PST) was created and led by the ADG -PEDP IV. It comprises six national specialists who will work with the PCU to provide technical assistance, oversee programme implementation, and liaise with IDPs (DPE, 2018).

#### *Joint Reviews and Budgeting.*

The review processes across PEDP II, III and IV remain consistent through—

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<sup>74</sup> NAPE, IER-DU, NCTB, LGED and DPHE.

- (i) Joint Annual Review Missions (JARM) that require cooperation between DPE and the IDPs in jointly reviewing PEDP progress in the first quarter of every year with the preparation of a cumulative report in the fifth year of the PEDP. This has been reported to have been conducted every year for the period 2005 to 2011.
- (ii) Thematic Supervision Missions. A thematic review was conducted in 2005, which was reported to have resulted in the implementation of SLIPs/UPEPs, though little information is available in this regard.
- (iii) Mid-Term Reviews (MTR) which are jointly conducted by DPE and IDPs to revisit scope, objectives, and performance as well as to introduce any changes in design or implementation arrangements. These are held towards the end of the third year of the PEDP. To date, two MTRs have been reported to have been conducted between 2007 and 2014 (DPE, Development Project Proforma for Fourth Primary Education Development Program (PEDP4), 2018; DPE, 2015; ADB, 2013).

During PEDP III and IV, there was the addition of (i) Joint Annual and Quarterly Fiduciary Reviews to ensure that there are no objections to co-financed expenditures incurred by the GoB for procurement purposes (ADB, 2011) and (ii) bi-annual Joint Consultative Meetings wherein IDPs examine the attainment of met and unmet (disbursement-linked) indicators to “recommend the disbursement of funds” (DPE, 2015).

The Ministry of Finance is in charge of the management of the pooled funds from the GoB and the IDPs are responsible for making timely disbursements for the implementation of the programme (ADB, 2011). During PEDP II, the disbursements from the government and IDPs were managed separately. Due to the treatment of IDP funds as separate parallel funds, the amount spent on items could not be identified under the Development Project Proforma (DPP) (IMED, 2013). However, discussions with experts indicate that most of the governmental disbursements are directed towards operational costs (e.g., salaries of officers) incurred during the implementation of successive PEDPs.

#### *Results Frameworks.*

Each of the PEDPs following the first phase incorporated a results framework to strengthen the monitoring and evaluation (M&E) process. PEDP II included a results framework comprising a total of 34 indicators, of which 20 were PSQL indicators assessing physical and environmental aspects of schools to attempt to foster ownership of school improvement at the local level, while 14 were KPIs to assess the access, efficiency and quality aspects of primary schooling (ADB, 2013).

The third PEDP incorporated a Results-Based Management (RBM) model, which was formed with the agreement of all the IDPs through the Joint Financing Framework (DPE, 2011). The “disbursement-linked indicators” (DLIs) comprising nine sub-components<sup>75</sup> was introduced as a means to incentivise improved performance of implementing bodies as nearly 70 per cent of DP funding is linked to the achievement of DLIs (DPE, 2018). The DLIs were subject to change through negotiations between the GoB and IDPs, while the Steering Committee or programme director had the authority to reassign non-DLIs as seen fit (World Bank, 2014; ADB, PEDP III Results and Program Matrix, n.d) (ADB, 2015).

This result framework comprised four components, namely (i) Learning Outcomes, (ii) Participation and Disparities, (iii) Decentralisation and Effectiveness and (iv) Planning and Management. Under these four components there were 29 sub-components; 15 KPIs and 14 PSQL

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<sup>75</sup> 9 DLI areas – “textbook printing and distribution”, “teacher education and development”, “pre-primary education”, “needs-based infrastructure development”, “decentralised school management and governance”, “Grade 5 terminal exam”, “teacher recruitment and deployment”, “Annual School Census”, “Sector Finance” (DPE, 2018).

indicators. These were developed jointly with IDPs, among whom ADB actively participated in selecting priority areas used to gauge the results of interventions (DPE, 2017).

The ongoing PEDP IV has a result framework with 79 sub-component indicators (inclusive of DLIs), 24 KPIs and 15 PSQL indicators to measure the performance of the programme's implementation under three broad components, namely (i) Quality, (ii) Access and Participation and (iii) Program Management, Governance and Financing (DPE, 2020a).

#### *Transparent Monitoring Processes.*

Under PEDP II, the capacities of the Education Management of Information System (EMIS) and the M&E system were reportedly strengthened. However, the physical achievements remain vastly unclear (DPE, 2011; World Bank, 2014). Nonetheless, the APSC reports the achievements of the programme's results framework, prepared by the M&E division and Information Management Division (IMD), which were used as the basis of the ASPR since 2009. While it is the basis of the report, discussions have revealed that the ASPR is prepared through a "data triangulation" process that accumulates and juxtaposes data from the APSC and other external sources as well.

However, the World Bank, a major IDP involved in the PEDP, expressed scepticism about the reliability of the Annual School Census data. This doubt was a recurring theme expressed by stakeholders during key informant interviews (World Bank, 2014). The regularised preparation of the publicly available APSC and the ASPR reports have been widely acknowledged as indicative of GoB's increasing ownership of the sector's development.

In short, most, if not all, of the mediators have emerged in the course of the PEDPs as reported in documents published by DPE as well as in reports published by leading IDPs, particularly ADB and the World Bank. However, these mediators' true functioning and impact are still far from obvious.

### **8.3.2 Roles of external factors in employing the "effectiveness to impact" initiatives**

In view of the "mediators" that had been observed during the design, implementation and review stages of each of the PEDPs we submit it is crucial to understanding the contexts in which the establishment of these mediators were made possible.

*Lack of inclusivity.* While "inclusive dialogues and joint planning mechanisms" had been prominent mediators, there was still a lack of opportunity for interaction with entities beyond IDPs and GoB, particularly the Upazila primary education officers, schoolteachers, and school management committee members. Most had reported grievances relating to their lack of participation in the monitoring and evaluation process and the lack of consultation in the construction work for primary education (IMED, 2013). It is interesting to note that the latest Education Sector Plan (ESP), which began with an inclusive dialogue led by CAMPE, was developed as a result of the GPE's commitment of USD 50 million, given that a sector plan was in place. However, it has been alleged that the government does not plan to utilise the sector plan to guide the development of policies for the primary education sector.

*Narrow view of "ownership".* The lack of opportunity for interaction is also indicative of a narrow view of what "country ownership" entails, i.e., it is equivalent to ownership by government agencies only. While IDPs have been pivotal in influencing increased participation by diverse, relevant stakeholders within the sector, this viewpoint has been acknowledged to be one that IDPs share as well. In fact, it has been pointed out by several key individuals that IDPs even influence which areas stakeholders (particularly academia and CSOs) become involved in, depending on whether IDP funding would be received. Hence, Rabbi (2013) notes that structural issues such as centralised decision-making, sporadic community involvement, and an attitude

that discourages transparency and accountability as the leading impediments to governance reforms in the management of the primary education system.

*Growing government complacency.* The sector has, undoubtedly, seen crucial achievements in priority areas not limited to net enrolment, completion, and repetition rates, as well as a rising share of GoB financing. This has, however, fostered a sense of complacency among the governing bodies in terms of the roles of other stakeholders. In the same vein of inclusive dialogues, over time, they have been reported to evolve into status updates in which IDPs and other participants are only expected to receive information.

*Political matters.* In fact, discussions with key stakeholders have unveiled that the PIC and PSC, which are lauded as crucial to the coordination of sectoral activities, especially for devolution, within official documents, are defunct, with government officials making key policy decisions in inter-ministerial meetings. In fact, it has been stated that not only is decision-making not occur in a joint dialogue with IDPs or CSOs, but is questioned whether it is data driven.

*Weakening national monitoring and evaluation capacity.* The DLIs are associated with the disbursement of funds and, therefore, are subject to annual reviews. It has been argued that this has led to the institutional strengthening of public authorities responsible for the implementation of the programme targets (DPE, 2018). However, discussions with experts have revealed an inclination towards input-based results indicators, such as the DLIs, with alleged perfunctory attention placed upon the assessment of output indicators, rather than on outcome indicators such as grade-level competencies, which would reveal the bona fide impact on primary education. Regardless, the scepticism surrounding the data produced and disseminated through the ASPR reports and the widespread notion of the lack of monitoring capacity continues to increase amidst the decreasing inclusivity of IDPs, CSOs and other entities in the designing, implementing, monitoring and review stages.

## **8.4 Understanding the development outcomes**

The last 20 years of development efforts in the primary education sector have witnessed a rise and fall in the usage of various effectiveness structures or “mediators” alongside a reversal in the financing shares and “ownership” by the Government of Bangladesh and IDPs. The following section looks into the establishment of the Busan Principles and the role of external factors when examining the resultant development outcomes.

### **8.4.1 Roles of the “effectiveness to impact” initiatives in delivering improved development outcomes**

As the roles of GoB, IDPs and other stakeholders evolved through successive PEDPs, key indicator performances also changed. However, attributing improved performance of select key indicators to the establishment of the Mediators is undoubtedly difficult if not received with healthy scepticism from stakeholders. In view of this, the current section starts by examining the presence and operationalisation of a PEDP results framework for assessing development outcomes, the scope of involvement of IDPs beyond financing and finally, the extent to which the Mediators may have contributed to the sector’s performance.

The PEDP II was assessed to be effective in achieving both expected outcomes and outputs, but was less than efficient in achieving them due to implementation delays (ADB, 2015). Eight of the 14 KPIs<sup>76</sup> in the results framework were achieved, and six either received a review for further

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<sup>76</sup> The eight KPIs achieved include the increased the GER, NER, Primary school completion rate, rate of transition from grade 5 to secondary school, primary education expenditure as a share of total public

interventions or were achieved later in PEDP III — most of which comprised “quality” indicators, including a reduction in STR, repetition and dropout rates (ADB, 2013).

While the programme suffered due to high staff turnover in the DPE and MOPME, among other reasons, there have also been significant achievements. These include the introduction of a “nationwide test for assessing Bangla, English and Mathematics outside by the GoB on its own initiative” in 2009 (ADB, 2015) as well as “inclusive education” through UPEP and SLIPs, which was also noted to be an internalised realisation in which the IDPs played a crucial supporting role. IDPs also played an active role in sector working groups, which were entrusted with increasing local stakeholders’ involvement in the programme to ensure their ownership (ADB, 2013).

The introduction of DLIs in the PEDP III results framework by IDPs has been lauded as an excellent incentive for implementing agencies to walk the extra mile to achieve improved outcomes. Over the lifespan of the PEDP III, 56 out of 59 DLIs had been met, which has led to positive outcomes, including delivering nearly all textbooks along with an updated curriculum within the first month of the academic year as opposed to the middle of the year as was reported in PEDP II (ADB, 2020a; ADB, 2020b). Access disparities were targeted by addressing infrastructural needs — e.g., building gender-segregated WASH blocks. Quality of education has been addressed through increased hiring of teachers to reduce STR. A DLI on subject-based and Information and Communication Technology (ICT) training for teachers was included, with 95 per cent of teachers being trained by 2017. The DLIs also played a crucial role in the decentralisation process, requiring schools and upazilas to be incentivised to prepare and implement the SLIPs and UPEPs, respectively (ADB, 2020b).

Continued joint dialogues between the GoB and IDPs have reportedly further strengthened the “inclusivity” aspect of development efforts in primary education. In particular, the focus on reaching “out-of-school” students, which was previously deemed to be an area for solely NGO intervention. Moreover, Bangladesh’s success in breaking the stigma regarding attending school alongside students with disabilities has also been strongly acknowledged. These joint dialogues also included one year of pre-primary education under the purview of the third PEDP programme. This is significant as a study by Aboud & Hossain (2011) found that children who attended pre-primary school in Bangladesh performed better in primary school. In addition, the judgement was based on quality indicators of language and numeracy skills, where general consensus points towards poor sector-wide performance.

As the country nears its final year of PEDP IV implementation, the number of DLIs attained out of nine increased from five in 2018 to six in 2019 (DPE, 2020a). There is, however, a clear lack of information regarding the progress of quality indicators, i.e., the share of Grade 3 and 5 students achieving their respective learning competencies<sup>77</sup>. Considering the successive PEDPs have changed focus from ensuring access and equity in enrolment to ensuring inclusivity to ensuring the quality of education, the lack of “quality”-related data in recent years is concerning. The National Student Assessment last evaluated these select quality indicators in 2017, demonstrating a departure from the government’s position to improve education quality.

The general consensus is that there is growing complacency regarding the performance of certain key indicators at the expense of education quality. Even within the KPIs that have shown exemplary performance, namely net enrolment rate, it must be kept in mind that the small number of students not enrolled are predominantly children from low-income households, hard-to-reach areas, children with disabilities and other left-behind groups.

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expenditure on education, reducing rate of absenteeism, provision of safe drinking water in schools and decreasing the student teacher ratio (ADB, 2013).

<sup>77</sup> Please see Annex II for progress details on the PEDP III and IV results framework.

The ambiguity surrounding the progress in improving the quality of education may be indicative of underlying differences in prioritisation for funding between the GoB and IDPs and differences within loan- and grant-providing IDPs. The results-based disbursement of funds, pushed by the grant donors in particular, has been a successful tool utilised to usher in vital institutional reforms of the implementing government authorities. However, inclusive dialogue in planning, budgeting, implementation, and evaluations between the government, IDPs, and CSOs has been half-hearted. According to key informants, the situation worsened during PEDP IV owing to growing government complacency due to their increased share of financing of the programme and positive outcomes in several key performance indicators.

These key informants have confirmed that the IDPs were part of general project design and policy formulation, however, their contributions to the policies that guided implementation and in conducting evaluations were minor, with the government having substantial control over the process. Furthermore, due to the poor performance of previous PEDPs in certain aspects, development partners such as USAID and FCDO have not actively participated in PEDP IV, but have rather chosen to run parallel programmes alongside it. Additionally, the poor quality of pedagogy and education in the PEDP IV programme discourages donors from investing and the EU, in particular, has expressed little motivation to invest in the upcoming PEDP V.

#### **8.4.2 Effect of external factors on attaining improved development outcomes**

Despite the meagre performance in the “quality” aspects of PEDP IV and the subsequent deterioration in IDP appetite for any future SWAP in primary education, our case study recognises that there has been active involvement of both the GoB and IDPs in establishing various mediators. These include inclusive dialogues, joint decision-making and review processes and the development of a results framework. Despite the processes currently in place, the reality of the differences between key indicator performances has been reflected in the data collected and disseminated over time. We submit that it is necessary to identify and examine the various external factors, i.e., moderators, that may have affected the effectiveness of mediators in attaining the desired development targets.

*Unwillingness to localise.* One of the first issues identified was the tendency of IDPs to impose their respective value systems during development efforts. Despite the fact that IDPs have been credited with encouraging the GoB to focus on out-of-school children and other left-behind communities, Parnini (2009) found that due to IDPs’ vested agendas, the local context and specific needs of the recipients are frequently overlooked, and the universalisation of interventions is preferred. To that end, in PEDP II, provisions to promote the admission of children with disabilities to standard schools were employed, although there was an acute lack of necessary paraphernalia and trained teachers to manage their needs.

*Lack of trained teachers and trainers.* Despite the increased focus on “inclusivity” and bringing in students from left-behind communities, there is a severe shortage of both trained teachers and teacher trainers to effectively handle diversity. Rampant nepotism and bribery in the teacher hiring processes that have worked to disincentivise potential teachers from applying for teaching positions in the first place have been blamed for this difficulty. Thus, Bangladesh has been faced with a gradual decrease in the number of competent teachers. In addition, even if a teacher was to be replaced at a local level, this could only occur with the permission of the local MP, indicating the importance of political influence and relationships.

*Political Influence.* Political influence does not begin and end with the local MP. In fact, Hossain, Hassan, Rahman, Ali, & Islam (2017) found that due to organised teacher groups being politically influential during general elections, “policy reforms to hold them accountable for their performance is seldom pursued, leading to inferior results in pedagogy”. It is interesting to note, the fervent desire of local politicians to be included in school management committees to drive their own political agenda has also led to the invocation of positive reforms that schools were

under pressure to adopt, thereby raising standards in education (Hossain, Hassan, Rahman, Ali, & Islam, 2017). However, occurrences such as the change of curriculum to align the national identity to the ruling political party have reportedly resulted in distractions and relegation of educational quality.

*Political factors leading to a lack of assessments for teachers.* Various PEDP documents have outlined regularised joint review processes. Contrary to what was documented, discussions have revealed that post-training evaluations of teachers were not conducted. The lack of follow-up on training coupled with meagre salaries, often due to corruption in the governing bodies, in addition to high student-to-teacher ratios have further led to deteriorating pedagogical skills. Teachers are also unable to take advantage of current technologies or innovative practices as they were neither trained, nor incentivised to do so. Moreover, their concerns are sensitive and handled vigilantly due to the role teachers play as polling officers in elections and generally as a large, organised group of government workers. Reforms that penalise or hold teachers accountable for their performance are seldom pursued at the policy level (Hossain, Hassan, Rahman, Ali, & Islam, 2017).

*Prioritising infrastructure as a means of improving quality.* There are differing opinions as to what “education” entails. Over the years, improving the quality of education has been targeted through improvements in the learning environment or infrastructure. While the infrastructure is strongly viewed as important, as is evident in it being the component that receives the most funding, coupling it with a supply of books does not ensure that a child will be adequately “educated”.

*Capacity constraints.* There exists a lack of administrative and institutional capacity within the DPE and MOPME, not just to plan, implement and monitor the PEDPs, specifically PEDP I and II (DPE, 2011), but also to utilise the funding effectively due to constrained human resources. In view of these constraints, the PSC was formed during PEDP III to coordinate the direction and development of the programme framework and liaise with IDPs (DPE, 2018). During PEDP IV, the PIC has been organised to monitor and review implementation progress and the utilisation of funds.

However, Hossain, Hassan, Rahman, Ali, & Islam (2017) note that these forums are defunct as they state that policy discussions usually took place during inter-ministerial meetings and not within these committees. While the PEDP programme had a technical support team led by IDPs, the government’s decision to exclude them from designing the programme initially discouraged some IDPs from investing in PEDP IV. In terms of utilisation of funds, more than 60 per cent of DPP for PEDP IV is accounted for by civil works, of which 90 per cent is allocated for infrastructure development (DPE, 2018).

The deep-rooted political powerplay coupled with the perceived political naivety prevalent among IDPs may be hindering the formation of meaningful partnerships and reducing IDP interest in participating in the PEDP, which may lead to some IDPs exiting too early. This has inevitably led to a loss in global experience in innovative solutions to improve the quality of primary education.

*Bureaucratic practices.* Given the disruption in the continuity of leadership of project directors within the PEDPs, the implementation of PEDPs has often lagged behind expectations. The PEDPs are not the only interventions working to improve Bangladesh’s primary education sector, however, many innovative interventions designed by NGOs to support varying aspects of the PEDP are not allowed to be implemented without the permission of the DPE.

*Form of external financing.* The GoB has been found to prioritise the form of external financing received, and our research has revealed that grant providers were far more result-oriented in their conditionalities than their loan provider counterparts. While the PEDP III had been designed

with a results-based management system as its priority, IDPs continue to question the reliability of the data produced and disseminated via the APSC and ASPR reports, given the capacity constraints of both DPE and MoPME.

The loan providers were observed to be more likely to be flexible with disbursing a loan, given that the required processes have been followed through. The perspective on this was that if loan disbursement was held back and the PEDP delayed, the cost incurred would be higher than if the loans were disbursed in the first place. However, this is not to say that flexibility regarding the results achieved is equivalent to compromising results for the timeliness of aid delivery. On the other hand, grant providers used the power of diluting their funding to push the GoB as consequence of specific targets not being achieved timeously. However, both types of DPs admit that partner cooperation over the course of the PEDPs has evolved from input-based to more results-based interventions.

The external factors listed thus far, while not exhaustive, are some of the most prominently discussed. These factors not only interfere in the formation of active partnerships between the GoB, IDPs and other stakeholders, such as CSOs and NGOs, but also affect the extent of ownership a recipient country can have over its sector's development. It is widely known that the share of the GoB's financing in the successive PEDPs has increased over the years, while the corresponding share of IDPs financing has decreased. However, a rise in GoB financing is not accepted as the equivalent of an increase in country ownership. Instead, it has been argued that IDPs may step up to contribute to "cultural change" and reinforce the concept of a "collective ownership" for improved effectiveness.

The incapacity of the MoPME and DPE to make adequate use of funding in a timely manner is further exacerbated by disrupted leadership of the PEDP, long-winded bureaucratic red tape that prolongs processes, a lack of coordination between implementing agencies, and decision-making that is not data-driven. Gaps in government ownership are evident when pressure groups such as teachers' associations and the politics of the state negatively influence policy design and the lack of seriousness of ministers and senior officials over the PEDP inter-ministerial deliberation forums for systemic improvements in education quality (Hossain, Hassan, Rahman, Ali, & Islam, 2017). It appears that the phasing out of foreign interventions has been carried out too early, leading to the loss of necessary global experience in the sector.

## 8.5 Conclusion

In the last 20 years, the execution of successive Primary Education Development Programmes has undoubtedly seen improved performance as regards rates of enrolment, completion, repetition, and the attainment of the gender parity index. Despite the consistent performance of these indicators, the sector continues to experience challenges in terms of the quality of education available in government primary schools. This is evidenced by the poor competency assessments of fifth-grade students, with urban students generally performing better than their rural counterparts. During the period 2011 to 2017, the number of fifth-grade students who successfully attained their grade-level competencies in Mathematics and Bangla declined by three percentage points (DPE, 2021; ADB, 2018). This has been attributed to a decline in not just the proportion of adequately trained teachers, but an increasing student-teacher ratio as well as a rising number of double-shift schools that have halved the face-to-face time between students and teachers.

*Establishment of mediators.* Over the years this performance was reported, the sector and PEDPs had undoubtedly experienced the implementation of a substantial number of mediators, i.e., the processes underpinning the achievement of the Principles. In addition, there had been substantive and prolonged dialogues, predominantly between IDPs and the GoB, joint planning,

monitoring, and review processes facilitated by the creation of key liaison units between and within the IDPs, with the GoB and implementing agencies. As well as result frameworks designed for each evolving PEDP, the creation of the various liaison units throughout the implementation of the PEDPs not only facilitated improved coordination of the stakeholders within the sector, but also enhanced IDPs' ownership of the development interventions and their commitment to the sector and, in particular, to the PEDP.

*External factors affecting the mediators.* However, the existence of many of these processes has largely been viewed by experts as performative at best. The dialogues, over time, evolved to become a one-dimensional presentation of findings in which there was no scope for receiving feedback from IDPs. Space for the exchange of dialogue with key stakeholders beyond members of the IDP consortium and relevant government stakeholders was even more limited.

Liaison units created for coordinating inter-ministerial dialogues and activities were also deemed defunct as key decisions were taken by top-level government officials. It has been speculated that these decisions were not primarily data driven. This has been considered to be largely propelled by the consistent success of certain tangible performance indicators in conjunction with the rising share of government financing in PEDPs. Together, they have been viewed as a sign of increased country ownership, albeit not conspicuously democratic, nuanced with growing complacency towards including key non-state actors in the PEDP processes, and gaining new ground as regards achievements in more intangible aspects of education.

*Relating Mediators to improved impact.* The outcomes attained through the implementation of the various liaison units, dialogues, joint planning and review processes have been acceded to have built confidence within the MOPME and the DPE in incorporating complex directives under the PEDP and coordinating efforts with the IDPs. Eventually, the GoB took the lead and "owning" the process of conceptualising and designing PEDP III and IV. However, despite the processes in place, the achievements within this sector have remained consistent over the years despite increased government ownership as well as the rise and fall of the involvement of IDPs and other key non-state actors in the processes. Many have attributed this to (i) short-lived tenures of project directors within the line ministries and (ii) a lack of data and information regarding the quality indicators. The sector performance recorded has been associated with the achievement of disbursement-linked indicators as specified by IDPs.

*External factors affecting development outcomes.* The examination of PEDP experiences over the last two decades has revealed multiple factors, such as the IDP inclination to impose their own value systems in development interventions, lack of trained teachers, growing political influence of local MPs and teacher groups as well as capacity constraints among others, which have led to stagnated achievements. However, it was further revealed that the financing composition within the group of IDPs involved in the PEDPs has also played a role. There was a certain level of power dynamic between entities that disbursed loans (namely the "Banks") and those who disbursed grants. As was discussed during the preparation of this case study, grant-providing IDPs had far more leverage in imposing conditions for fund disbursements as they were not obligated to provide said grants as opposed to the loan-providing IDPs who had to disburse loans without much scope for influencing contents of the PEDP.

The reduced opportunities for the provision of constructive criticism or feedback from CSOs, IDPs and other key entities, along with the lack of available data regarding the weakest areas of performance for the PEDPs, continues to threaten the achievement of quality education. Government ownership of the PEDPs may have improved in the last decade, but it has come at the cost of declining ownership of IDPs and other local and relevant stakeholders.

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## Annex I: Further details on the successive PEDPs and key indicators

**Annex Table 1: Overview of Primary Education Development Programmes (PEDPs)**

PEDPI (1997/1998 - 2003/2004)	PEDPII (2004-2011)	PEDPIII (2011-2018)	PEDP IV (2018-2023)
<b>Main Focus</b>			
<ul style="list-style-type: none"> <li>- Enrolment</li> <li>- Completion</li> <li>- Quality Inputs</li> <li>- Monitoring Issues</li> </ul>	<ul style="list-style-type: none"> <li>- Quality improvement</li> <li>- Equitable access</li> <li>- Institutional capacity building</li> <li>- Systemic reform</li> </ul>	<ul style="list-style-type: none"> <li>- Improvement in learning outcomes in the classroom level</li> <li>- Raising completion rates</li> </ul>	<ul style="list-style-type: none"> <li>- Quality education to all children of Bangladesh</li> <li>- Efficient education system</li> <li>- Inclusive education system</li> <li>- Equitable education system</li> </ul>
<b>Components</b>			
N/A <sup>78</sup>	<ul style="list-style-type: none"> <li>- Quality improvement through organizational development and capacity building</li> <li>- Quality improvement in schools and classrooms</li> <li>- Quality Improvement through infrastructure development</li> <li>- Improving and supporting equitable access to quality schooling</li> </ul>	<ul style="list-style-type: none"> <li>- Teaching and learning</li> <li>- Participation and disparities</li> <li>- Decentralisation and effectiveness</li> <li>- Planning and Management</li> </ul>	<ul style="list-style-type: none"> <li>- Quality</li> <li>- Access and Equity</li> <li>- Management, governance, and financing</li> </ul>
<b>Breakthrough/ Significant Changes</b>			
<ul style="list-style-type: none"> <li>- Increased desire for coordination and coherence among agencies</li> <li>- Recognition of unsustainable institutionalisation of achievements due to project-based approaches</li> </ul>	<ul style="list-style-type: none"> <li>- Coordinated and integrated sectoral programme</li> <li>- Development Partners aligned more closely to Government rules and regulations</li> <li>- TA was sometimes underutilised, unfocused, or ineffective due to</li> <li>✓ Unrealistic assessment TA support</li> <li>✓ Supply driven mobilization model</li> </ul>	<ul style="list-style-type: none"> <li>- Carries donor harmonization further</li> <li>- Utilises a Joint Financing Agreement to ensure alignment regarding reporting, funding modalities, and disbursement arrangements</li> <li>- TA support is coordinated by the Government and is demand based</li> <li>✓ Inputs are based on needs rather than supply</li> <li>✓ Focused on results areas rather than activities</li> <li>✓ External financing is tied largely to the achievement of pre-agreed results</li> </ul>	<ul style="list-style-type: none"> <li>- Aims to continue to be the main instrument of inclusiveness and enhanced equitable access for</li> <li>✓ all Out of School Children (OOSC)</li> <li>✓ all children of Bangladesh</li> <li>✓ disadvantaged children</li> <li>- Envisaged to promote the concept of the Green School through construction of</li> <li>✓ new infrastructure</li> <li>✓ hygiene promotion</li> <li>✓ education awareness program</li> <li>- Stands on the premises of PEDP III which established external financing tied to pre-agreed results</li> </ul>
<b>Implementation Status<sup>79</sup></b>			

<sup>78</sup> Not Available in any documents.

<sup>79</sup> 'Green' colour refers to positive implementation status and 'Red' colour refers to negative implementation status.

<ul style="list-style-type: none"> <li>- Some projects were successful in achieving targets but overall effect had been limited</li> <li>- Many DPs were concerned about attaining increase access and improved quality in primary education sector through the continuation of the project approach</li> </ul>	<ul style="list-style-type: none"> <li>- Experienced considerable delays and implementation was slower than expected</li> <li>- Significant achievements include <ul style="list-style-type: none"> <li>✓ attainment of planned enrolment rates</li> <li>✓ absenteeism reduction targets</li> <li>✓ reduced dropout</li> <li>✓ repetition</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>- Institutional strengthening of previous PEDPs has contributed to sustainability of the program achievements</li> <li>- Significant achievements include <ul style="list-style-type: none"> <li>✓ improvement in net enrolment, completion rate and access</li> <li>✓ reduction in gender parity</li> <li>✓ access to pre-primary education number of schools with pre-primary education</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>- As per the ASPR (2020), progress made during the Fourth Primary Education Development Programme (PEDP4)</li> <li>- Significant achievements include <ul style="list-style-type: none"> <li>✓ Pre-Primary education enrolment rate</li> <li>✓ Primary cycle completion rate and survival rate</li> <li>✓ Enrolment of children with disabilities</li> <li>✓ Improved school infrastructure including additional classrooms, WASH block, water supply, separate toilets for girls etc.</li> <li>✓ Recruitment of qualified teachers and head teachers</li> </ul> </li> <li>- Supported fundamental and far-reaching reforms, such as the implementation of the National Education Policy 2010</li> </ul>
<b>Financer</b>			
N/A	Government of Bangladesh, World Bank and 10 other DPs under the leadership of ADB	World Bank, ADB, DFID, AusAID, JICA, Sida, CIDA, UNICEF, EU, GPE	ADB, DFID, World Bank, EU, GAC, DFAT, JICA, UNICEF

**Source:** Authors' elaboration based on MoPME (2011a), World Bank (2014), World Bank (2018), Ahmed and Douse (2019), ADB (2020), ASPR (2017), APRC (2020), Bhatta, Saurav Dev (2017)

## Annex II: PEDP III Results Framework

Annex Table 2: Key and Non-Key Performance Indicators in Result Areas of the PEDP III

Component 1: Teaching & Learning	Component 2: Participation & Disparities		Component 3: Decentralization & Effectiveness		Component 3: Program Planning and Management
Results Area 1 Learning Outcomes	Results Area 2.1 Universal Access and Participation	Results Area 2.2 Reducing Disparities	Results Area 3.1 Decentralization	Results Area 3.2 Effectiveness	Results Area 4 Program Planning and Management
KPI 1: Percentage of Grade 3 students who achieve Grade 3 competencies (All; Boys; Girls) in Bangla and Math	KPI 4: Percentage of children (never enrolled and dropped out) out of school (boys and girls)	KPI 7: Gender parity index of GER	KPI 11: Expenditure of block grants (unconditional) for Upazilas and schools	KPI 12: Completion rate	Non-KPI 11: Public education expenditure as percentage of GDP (EFA-7)
KPI 2: Percentage of Grade 5 Students Who Achieve Grade 5 Competency (All; Boys; Girls) in Bangla and Math	KPI 5: Gross Enrolment Rate (GER) [EFA 5]	KPI 8: NER – Range between top & bottom 20% of households by consumption quintile	Non-KPI 8: Percentage of sanctioned posts filled in district and upazilas	KPI 13: Dropout rate	Non-KPI 12: Public expenditure on primary education as % of total public expenditure on education (EFA-8)
KPI 3: Grade 5 Primary Education Completion examination (PECE) pass rate	KPI 6: Net Enrolment Rate (NER) [EFA 6]	KPI 9: Upazila composite performance indicator		KPI 14: Coefficient of efficiency [EFA 14]	
Non-KPI 1: PECE Participation rate (based on Descriptive Roll)	Non-KPI 2: Repetition rate (EFA-12)	Non-KPI 6: Survival Rate (EFA- 13) [SDG 4.1.3]		KPI 15: % of schools that meet 3 out of 4 PSQL indicators	
	Non-KPI 4: Student attendance rate	Non-KPI 7: Number of Single Shift School (Contact hours)		Non-KPI 9: Gross Completion rate	
				Non-KPI 10: Transition rate from Grade 5 to Grade 6	

Source: Bangladesh Primary Education Annual Sector Performance Report (ASPR-2020), DPE

### Components in PEDP 4:

Quality	
Access and Participation	
Program Mgt, Governance and Financing	

## Annex III: Research Questions of Case Study

### I. *Establishment of the Mediators*

- (i) Which stakeholders (including international development partners (IDPs) such as a visiting diplomat, consultant or a long-term expert in the country, among others) were involved, and when, in the preparation of the successive PEDPs?
- (ii) How and to what extent have the key mediators been established?
  - Which of the six key Mediators (i.e., inclusive dialogues, joint policy-making and review processes, results framework, joint-planning and budgeting, implementation modalities and transparent monitoring and review processes) have been established, and to what extent, in relation to the primary education subsector in Bangladesh?
- (iii) Which stakeholders had been involved (governmental, non-governmental, IDPs, academic or others) and when in the process of mediator establishment?

### II. *The role of Moderators in the process of establishing Mediators*

- (i) To what extent did the alignment–or lack thereof– between PEDP IV priorities and approaches of Government, IDPs and other sector stakeholders facilitate or constrain the establishment of the Mediators for the development of primary education in Bangladesh?
- (ii) Was reliable data on the allocation and use of external and domestic resources for interventions in relation to primary education (i.e., specifically in relation to PEDP III & IV) available in a timely manner?
  - How was it made available? (e.g. as project reports accessible online?)
  - Was it accessible to only the concerned stakeholders, or was it publicly accessible?
- (iii) Was reliable data and evidence concerning Bangladesh’s primary education performance in and outcomes available and accessible in a timely manner (i.e., specifically in relation to PEDP IV)?
  - Was this data accessible to only the concerned stakeholders, or was it publicly accessible?
  - If available, to what extent and how was it used by IDPs or the Government of Bangladesh?

### III. *The role of the Mediators in delivering improved development outcomes*

- (iv) Did the establishment of Mediator(s) influence/contribute to the performance within the primary education subsector in Bangladesh and to what extent?
- (v) Which of the Mediator(s) had been the most influential in contributing to planned primary education targets and outcomes?
- (vi) What was the scope of involvement of the IDPs, beyond financing in a consortium, in the preparation of the successive PEDPs?
- (vii) Was there a results framework for the successive PEDPs and how was it operationalised?
- (viii) Which key stakeholder groups had featured prominently in the results framework?
- (ix) How had these key stakeholders been identified and by whom?
  - How had the key stakeholders identified been engaged (in terms of timeliness and scope of engagement)?

### IV. *The role of the Moderators in facilitating improved development outcomes*

- (x) To what extent did the Moderator(s) (i.e., (i) political economy of aid allocation, (ii) good governance, (iii) structural, institutional and capacity constraints to sectoral coordination and (iv) results and evidence-based monitoring, review and impact assessment) affect the attainment of development targets outlined in the PEDP III and IV?

# Chapter 9: The Impact of GPEDC Principles on Youth Education, Training, and Employment in Rwanda

*N. Besharati*

*S. Uwera*

*C.S. Berwa*

## 9.1 Introduction

### 9.1.1 Background: Development Effectiveness in Rwanda

Since the genocide, Rwanda has captured the international community's attention and—though a small landlocked country—has always been treated as a “donor darling” (Beswick, 2007). International development partners (IDPs), including multilateral and bilateral agencies, consider Rwanda to have a solid and clear development agenda backed by political commitment, long-term vision, and various short-term strategies that support the country's transformation.

Additionally, among African nations, Rwanda has always been at the forefront in achieving socio-economic development objectives (for instance the Millennium Development Goals (MDG Monitor, 2015). With robust accountability mechanisms, no corruption, and good governance, Rwanda has proven to be a results-oriented growing nation. MDG monitor (2015), recognised Rwanda as the 10th fastest growing economy in the world during the last decade, especially due to its economic growth and socio-economic achievements in the last 20 years. The Sustainable Development Goals (SDG) Voluntary National Review, (2019), recognises Rwanda as a country on track to meet SDGs; 4, 8, 10, 13, 16 and 17. Economic growth has reduced both income and multidimensional poverty. With a share of 63.5% in the labour force (Mpakaniye & Paul, 2017), youth are regarded as a key driver of growth, requiring the economy to accelerate job creation for young women and men. NST1 is targeting to create 1.5 million decent and productive jobs by 2024 (SDG Voluntary National Review, 2019).

Overall, Rwanda's development objective is to become an upper middle-income country by 2035 and a high-income country by 2050. It aims to provide high quality living standards to Rwandan citizens by 2050. On its path to achieving this, the country has demonstrated its strong leadership ability through its country-level ownership of the development agenda—as evidenced by the country's foreign direct investments and the development cooperation agenda being led by the Rwanda Development Board (RDB) and the Ministry of Economy and Finance (MINECOFIN), respectively. Additionally, at the district level, government agencies coordinate with non-governmental or civil society organizations (CSOs) to ensure harmonised delivery and implementation at the sub-national level.

Regarding IDPs, these relations are managed centrally by the MINECOFIN, which provides an enabling environment with clear coordination structures for joint planning, budgeting, and reporting. Therefore, IDP interventions are strongly aligned to national priorities.

Furthermore, through its government, Rwanda was among the first countries globally, to initiate a division of labour (DoL) policy. The DoL was introduced at an IDP-GoR Retreat in 2010 and later implemented in 2012. This policy encouraged IDPs to concentrate on a maximum of three sectors in which they have comparative advantage as one of the mechanisms to address duplicated, fragmented, and orphaned/overcrowded sectors. This policy also helps to promote synergies and establish fund-pooling mechanisms that allow IDPs to focus on areas wherein they have comparative strengths.

Lastly, Rwanda has been active throughout the evolution of the Global Partnership for Effective Development Cooperation (GPEDC). Alongside Great Britain, the country co-chaired the working group that defined the Busan indicators in 2011, which were later adopted by the GPEDC and monitored globally from 2012 onwards.

With the above picture in mind, Rwanda can be considered a champion of development effectiveness and has thus been selected to participate in the 2022 Southern Voice country case studies that explore the application of the GPEDC principles at the sector level.

### 9.1.2 Research questions, objectives, scope

The overarching research objective of the research project was to assess the practical application of the Busan principles of development effectiveness and their impact to improving development outcomes at the sector-level. As such, the objectives of the Rwanda case study were to answer the following questions:

1. To what extent have the development effectiveness principles been applied within the country and how has this influenced the development outcomes at the sector (education) level?
2. What are the in-country factors that have facilitated or constrained improvements in development performance and the positive application of the development effectiveness principles at the sector level?

Specifically, the Rwanda case study explored the application of the effectiveness principles in the **secondary technical, vocational, and higher education (HE) sectors**, which are closely linked to the country's development outcomes of **youth employment**—an important driver of economic growth and the **National Transformation Strategy (NST1)**.

Given this premise, the case study aimed to examine the following:

- (v) How and to what extent have the development effectiveness principles been applied across all levels of education to improve programmes designed to respond to both labour market needs and Rwanda's social and economic development?
- (vi) Which, if any, of the IDP interventions drive or constrain the process of the principles' application in the sector?
- (vii) To what extent did the principles result in improvements (achievement of sector development targets) in the technical and vocational education and training (TVET) and HE education sector?
- (viii) Which, if any, other external factors positively or negatively influence the practical application of the principles to deliver better outcomes in TVET and HE education?

### 9.1.3 Materials and Methods

#### *Study design*

This was a case study undertaken through a mix of qualitative and quantitative methods that included desktop documentary review, key informant interviews, and a stakeholder validation workshop. Prior to in-country consultations, a questionnaire was developed to guide key informant interviews and consultative workshop with relevant stakeholders. Further, a literature review of secondary data conducted to triangulate findings from the primary sources (key informant interviews). The questionnaire followed the research questions utilising the moderator-mediator framework designed at inception stage.

**The Moderators** in this model encompassed any qualitative or quantitative variable that “affect the direction or strength of the relation between an independent or predictor variable and a dependent or outcome variable”. The moderators were identified as variables specific to the education sector in Rwanda who affect the application of the Busan Principles and impact of the development outcomes achieved. The framework included questions around factors related to the contextual realities of Rwanda, such as the reigning political governance and institutional capacity and included other external factors such as provider motivations underpinning aid allocation strategies in Rwanda. The research project also assumed that the recipient government plays a central role in managing development cooperation for the development of its sector(s). Other external factors would comprise the issues relating to geopolitics, historical trends of ODA commitments to sector and preferences of source countries for specific aid modalities.

**The Mediators** included the ‘intervening or process’ variable between the independent and dependent variable, which otherwise would have no direct relationship (Namazi & Namazi, 2016; Baron & Kenny, 1986). As such, the research project identified ‘Mediator’ variables in its analytical framework as the independent variables relating the Busan Principles to the desired development outcomes at the education at a country level. The framework examined the development outcomes with a focus on medium-term effects of the education sector strategic plans and the overall country framework that included probing key intervention outputs and whether the results achieved were a result of the development intervention's inputs from the domestic resources or external resources. In so doing we were able to arrive at the key factors or country-specific initiatives that centred on improving impact within the sector specific SDG area.

The research objective hinged on the “moderator-factors” and the “mediator-intervening process” variables to determine whether they affected effective delivery of education outcomes with specific attention to job creation, as one of the main sector strategic outcomes. The study sought to understand these variables as the “building blocks” that relate to the Busan principles and sustainable development outcomes at the sectoral and sub-sectoral level, and further assumed that they are effective in the process to attaining effective development outcomes across the education sector in the Rwandan country context. The “moderator-factors” reviewed include; political governance and institutional capacity and included other external factors such as provider motivations underpinning aid allocation strategies in Rwanda while the “mediator-intervening processes” comprised of; (i) inclusive dialogues, (ii) joint policymaking and review processes, (iii) results framework, (iv) joint planning and budgeting (v) transparent monitoring and review processes, and (vi) implementation modalities. The research thus considered these six elements to be key processes and conditions to ensure effective development cooperation.

#### **9.1.4 Methodology and data collection**

Information was collected from over 30 officials representing government and non-government institutions, as well as international development partners (IDPs) through **key informant interviews** (KII), held either in person in Kigali or virtually, through semi-structured questionnaires and open discussions.

Additionally, desk-based research was conducted to review and analyse relevant literature. These included:

**a) Policy and strategy documents:** Education Sector Strategic Plan, Rwanda Polytechnic strategic plan, National Policy on Workplace Learning for Youth 2015, Rwanda TVET Board Action Plan, National Skills development & Employment Strategy 2019–2024, and MINECOFIN DoL policy.

**b) Official reports:** Joint Sector Review Reports (JRES), RDB reports on skills assessments, MINEDUC Education statistics 2016-2020, MINEDUC tracer studies, NISR labour force surveys, Rwanda Polytechnic annual achievement report, Rwanda Polytechnic vocational training and higher education statistics, Rwanda Polytechnic graduate employability survey 2021, Higher Education absorption of HLIs graduates labour market, Development Partners Assessment Framework (DPAF), and MINECOFIN External Development Finance (EDF) Reports.

**c) Other IDP documents:** UNICEF Budget Briefs, World Vision annual report, USAID Youth Assessment reports, impact assessment of industrial attachment, labour market briefs, and various skills audits for different sectors (including manufacturing, MICE, Energy, and agro-processing sectors).

Two brainstorming sessions were organised with (a) other research teams assessing the sector application of GPEDC principles in 5 other case countries—Senegal, Tanzania, Uganda, El-Salvador, and Bangladesh—and (b) authors of thematic papers.

## 9.3 Education, Training, and Youth Employment in Rwanda

### 9.3.1 Historical evolution of plans, policies, and strategies

Since the 1994 genocide against the Tutsis, the education sector's strategic plans have been aligned with national development strategies for poverty reduction. Remarkable progress has been made over the years to achieve the national strategies and the education sector has contributed to improving access, productive capacity, and youth employment in the country. Rwanda is one of the few countries that were able to deliver on the MDGs successfully. Specifically, Rwanda championed the delivery of all the education indicators and achieved the universal primary and secondary education as well as gender parity targets beyond expectation; the rate for enrolment was slightly higher for girls than for boys nationwide, while the disparity between urban was 93 percent and in rural 92 percent in 2012, primary school level enrolment, increased from 72.6 percent in 2000 to 96.5 percent in 2012, and the primary school completion rates (grade 6), increased from 24.1 percent in 2000 to 72.7 percent in 2012 (Retrieved from MDG Monitor Fact Sheet, 2015).

Nonetheless, the sector is still lagging in terms of quality education and has been under-resourced mainly because of limitations in teacher capacity. The current sector plan focuses on strengthening the access to and quality of education so as to develop capable and skilled graduates and therefore enhance the demographic dividend. The commitments made build on what was already achieved in the previous plans.

In line with the Sustainable Development Goals (SDGs), the African Union's Agenda 2063 and the East African Community's Vision 2050, the Government of Rwanda has embarked on a new National Strategy for Transformation (NST 1, 2017-2024). The government's seven-year strategy, NST12017-2024, has identified a number of key sectors as drivers of socio-economic transformation: (i) education and training; (ii) ICT, technology and innovation; (iii) MICE – conferencing, tourism, and hospitality; (iv) agriculture and livestock; (v) Made in Rwanda – manufacturing and exports; (vi) infrastructure, urbanization, and construction; (vii) energy and environment; and (viii) health, nutrition, and vaccines.

The Education Sector Strategic Plan (ESSP) underpins goals set out in the above international and regional strategies as well as the NST1 to ensure complete alignment of goals and outcomes over the current national development plan. The ESSP also prioritises youth training as a national priority to deliver on youth employment and job creation.

### 9.3.2 Results Framework of Rwanda’s Education Sector Strategic Plan (ESSP)

This section is based on a desktop review of background documents, seeking to understand the main sector outcomes and how these feed into the country-specific framework. The section explores the dependent variable or the development outcomes of the Rwanda education sector, through which moderator and mediators converged.

As a key pillar of social transformation in the NST1, the ESSP aims to build human capital by equipping youth with skills and competencies to contribute productively to the nation’s economic transformation. The ESSP intends to deliver on human capital commitments through (a) promoting access to education, (b) improving the quality of education (through a competency-based curriculum and assessments), and (c) making education more relevant to the labour market demands (with TVET and STEM playing a big role).

The ESSP has set out 9 strategic priorities with 18 outcomes and sub-outputs, and these are monitored through key performance indicators and annual targets. The ESSP results framework focuses on the national strategic priorities and contributes to the achievement of outcomes, which include youth employment (specifically, ensuring that youth is skilled enough to contribute productively to economic transformation and providing training that meets labour market demands. The NST1 has set a target of 1.5 million employed youth by the end the strategy. The ESSP intends to attain this goal by ensuring that over 200,000 youth enter the Rwanda job market each year.

The ESSP results framework has highlighted in its priorities the need to ensure that all schoolteachers, TVET instructors, and higher education lecturers have appropriate levels of skills and competencies to deliver the curriculum. It also aims to improve the management, welfare, and deployment of teachers in order to attract and retain high quality teachers in the educator profession. Table 9.1 lists the various indicators that TVET and HE sub-sectors are monitored through.

**Table 9.1: Key Performance Indicators for TVET and HE sub-sectors**

Key performance indicators	2024 Target
# of youth employed	200,000
% of TVET graduates participating in the labour force	85%
% of employers satisfied with TVET	90%
% TVET graduates employed within 6 months of graduation (f/m)	86%
% of HEI graduates participating in the labour force	85%
% of employers satisfied with HEI graduates	86%
% HEI graduates employed within 6 months of graduation (f/m)	49%

#### **Achievement of the TVET and HE outcomes:**

Technical and vocational colleges are generally expected to ensure that graduates meet the labour market requirements and needs of their employers. Universities and higher learning institutions (HLI) have the same objectives, however, aiming at a higher-end and more specialised market. TVET at lower secondary schools targets young people who are unable to access higher education and universities. As such, TVET has been recognised as a critical cornerstone for human capital development among youth—particularly the disadvantaged—as a pathway for employment and poverty alleviation in emerging economies.

One of the NST1 priorities is to achieve the **1.5 million employed youth by 2024** goal. Which implies that **each year, between 200,000 and 230,000 youth need to enter the Rwanda job market.**

National policies on higher education, labour, entrepreneurship, gender, private sector, and TVET, as well as youth sector strategies, state the importance of building capacity and promoting marketable skills among the youth to address youth unemployment. The national legislation also highlights the need to encourage youth apprenticeship with light works between ages 13 and 15. These light works are expected to equip youth between 16 and 30 years with the necessary critical skills and usher them into the job market. Table 9.2 below displays TVET and HE outcome levels regarding the ESSP key performance indicators.

**Table 9.2: Youth Employment Indicators (Source: Authors' compilations retrieved from Laborforce Surveys (NISR) and JRES Reports (MINEDUC))**

KEY PERFORMANCE INDICATORS	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2024 Target
# of youth employed		125,729	171,486	192,745	168,670	138,918	200,000
% of TVET graduates participating in the labour force	79.7%			70.1%			85%
% employers satisfied with TVET			75%	77%	78.2%	83.8%	90%
% TVET graduates employed within 6 months of graduation (f/m)				57.2%(M) 48.6%(F)	66%	79.3%	86%
% of HEI graduates participating in the labour force	85.4%				63.4%		85%
% employers satisfied with HEI graduates			67%	68%	74.6%	77.7%	86%
% HEI graduates employed within 6 months of graduation (f/m)	76.7%			50% (M) 50% (M)			49%

Additionally, tracer surveys (e.g. LG Consult, 2014–15, and CAP, 2018–19) assessed the trends and changes in job creation and employer satisfaction. All the studies established employer satisfaction in response to the graduates' competencies and skills. These studies (LG Consult, 2014–15, and CAP, 2018–19), indicate a decline in the employment rate of polytechnic graduates from 2016 to 2018; the employment rate of both TVET and Polytechnics graduates from 2016 to 2018 decline, where in polytechnics, the employment rate reduced from 92.3% (2016) to 75.2% (2018) and in TVET schools, it decreased from 67.1% to 64.9%. The CAP, 2018–19 study attributes this drop to a mismatch between supply and demand; specifically, the curriculum focused more on academic-oriented skills training than market-oriented-practical and personal skills training; and the supply of graduates continues to increase whilst job opportunities do not.

The same studies also assessed the level of graduates' satisfaction with respect to skills obtained during training programmes, as well as the challenges and opportunities that the graduates faced and had in the labour market, respectively. The 2018–19 tracer study showed strong evidence of the impact of TVET training on employment. Employer satisfaction with TVET graduates recorded an impressive 79.1%, especially concerning work-oriented skills; 74.8% and 78.2% of employers were satisfied with the graduates' academic skills and personal skills, respectively. Graduates responded that their trainings were more relevant to employability as shown in TVET schools (68.1%) and polytechnics (57.5%)<sup>80</sup> rates.

These tracer studies emphasised the need to cooperate with international development partners. Recent interventions as seen in the previous section indicate that Rwanda has stepped up in ensuring that partnerships are created to implement the workplace learning policy and that

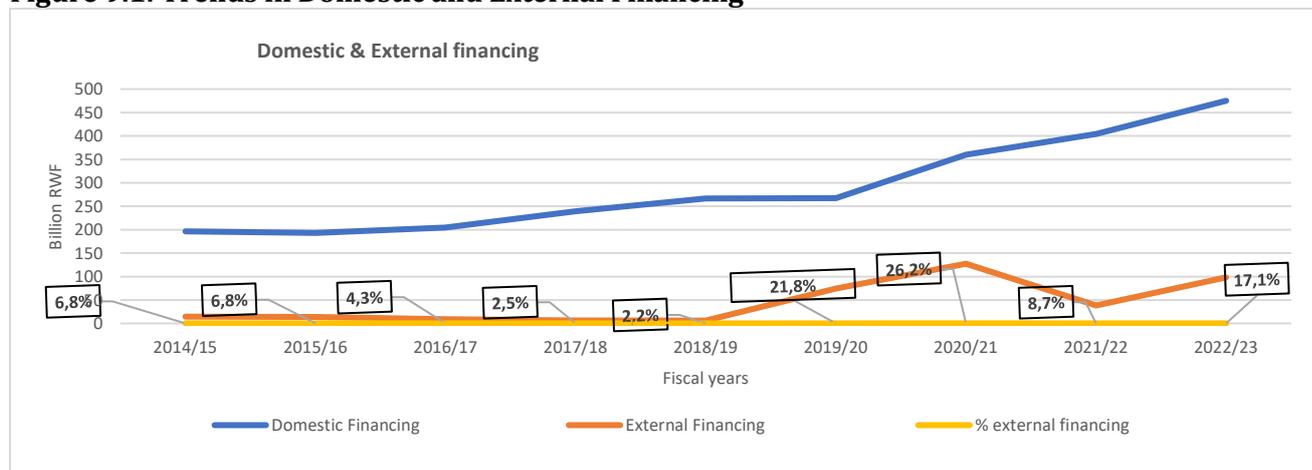
<sup>80</sup> CAP Ltd, (2019) Mineduc: *National Tracer Survey For TVET And Higher Education Graduates And Employer Satisfaction*

guidelines for linking graduates with the labour market have been designed. The government has prioritised and invested in the education and training sector as a gateway for poverty reduction and recognises the fact that youth have a lot to contribute to the country's economic growth and must do so if Rwanda is to achieve its sustainable development objectives.

### 9.3.3 Domestic and external financing to sector

This section sought to understand quantitative contributions as the driving factors from; political commitment (of domestic resources), and external financing, that underpin aid allocation to education sector more generally.

**Figure 9.1: Trends in Domestic and External Financing**



**Source:** Authors' calculations retrieved from Budget Laws – MINECOFIN, 2014/15 – 2021/22).

Over the last eight years, the education sector's financing has fluctuated. External financing dropped from 6.8% in 2014/15 to 2.2% in 2018/19 (See Figure 9.1 above). A significant drop was registered in external financing, from 6.8% in 2014/15 to 2.2% in 2018/19. However, in the following period (2019/20), after signing the World Bank credit financing agreement, an increase was registered. This loan resulted in a tenfold increase from 2.2% in 2018/19 to 21.8% and 26.2% between FYs 2019/20 and 2020/21, respectively.

**Table 9.3: Trends in domestic and external financing**

Financing Sources	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
<b>Domestic Financing (million Rwf)</b>	196.7	193.1	204.8	239.6	266.9	267.5	359.7	404.1	475.1
<b>External Financing (million Rwf)</b>	14.4	14	9.1	6.2	6.1	74.7	127.4	38.5	98.3
<b>Total (million Rwf)</b>	211.1	207.1	213.9	245.8	273	342.2	487.1	442.6	573.4
<b>% External financing</b>	6.8%	6.8%	4.3%	2.5%	2.2%	21.8%	26.2%	8.7%	17.1%

**Source:** Authors' calculations retrieved from Budget Laws – MINECOFIN, 2014/15 – 2021/22).

A significant drop was registered in external financing from 14.4 million Rwf in 2014/15 to 6.6 million Rwf in 2018/19. The trend improved in 2020/21, but then dropped again due to Covid-19 and funds have now been increased nearly threefold to 475 million Rwf for 2022/23 compared

to 2014/15. It is also worth noting that, on one hand, external financing (largely from the World Bank credit facility), is for school construction, ICT development, extension of internet, electricity, and other hardware to schools in order to de-crowd and equip classrooms as a means of improving the quality of education. On the other hand, technical cooperation from development partners plays a significant role, with some IDPs focusing on soft skills, curriculum development, teacher training, and capacity building to improve the quality of training in schools and institutions.

### 9.3.4 TVET and Higher Education Share of the Education Budget

This section sought to understand the moderator variables in terms of joint commitments (domestic and external sources) as well as mediator variables (decision making processes), that underpin aid allocation to HE and TVET subsectors as a share of the education sector.

When the WDA was introduced in 2009, large volumes of funds were required for the initial years of the new institution’s establishment. However, the TVET share of the national education budget has declined over the past eight years, while the share to higher education has fluctuated over the same period. Currently, both sub-sectors are receiving almost the same share, which suggests that equal importance has been placed on both.

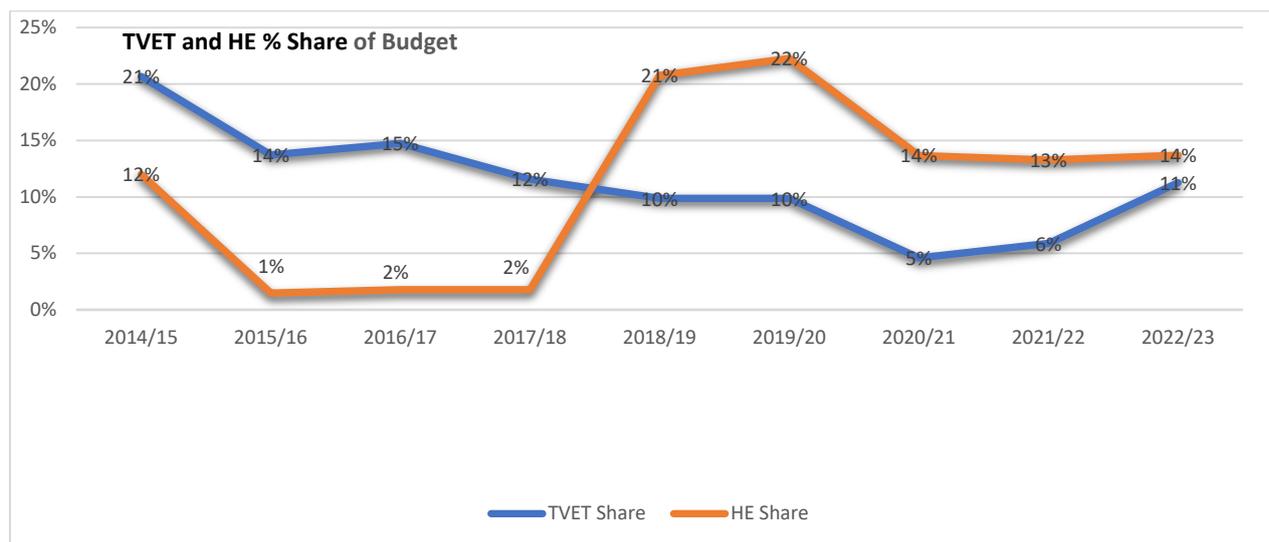
**Table 9.4: Education budget share (%) of TVET and HE subsectors**

Budget Allocation to TVET and HE as a share of the Education Sector									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
TVET - incl. IPRCs	47.9	29.6	32.1	27.8	27.7	30.6	22.6	26.0	64.5
HE - incl. UR	27.8	3.2	3.9	4.3	58.3	69.1	67.3	58.8	78.5
<b>Total Budget</b>	231.7	215.6	217.6	240.3	280.7	310.3	492.1	442.7	573.38
<b>TVET Share</b>	21%	14%	15%	12%	10%	10%	5%	6%	11%
<b>HE Share</b>	12%	1%	2%	2%	21%	22%	14%	13%	14%

**Source:** Budget Laws, MINECOFIN.

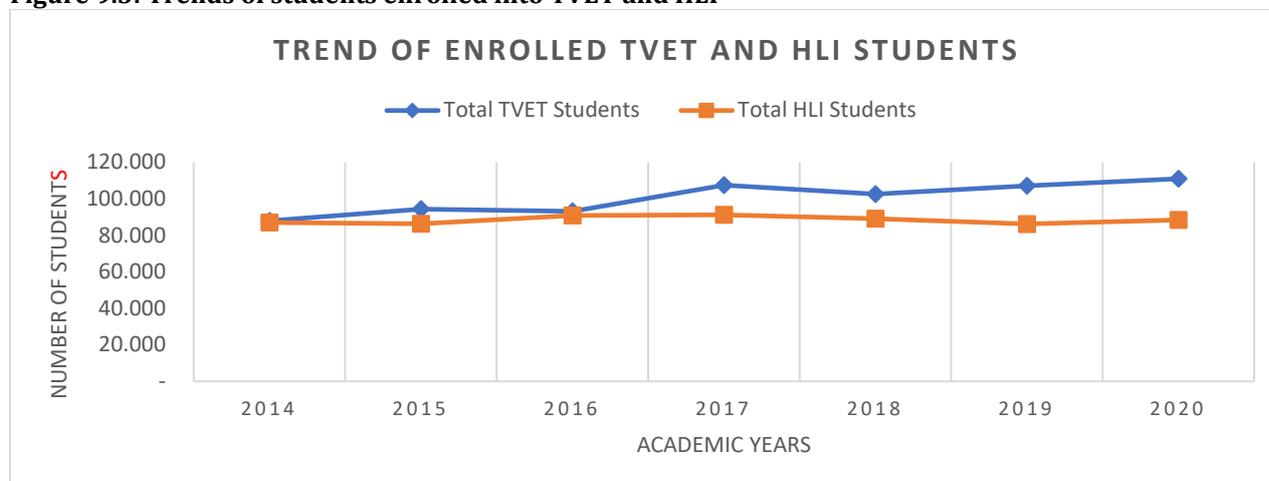
The TVET share of the education sector budget in 2014/15 was 21%, however this dropped to 14% the following year. This share dropped to as low as 5% in 2021/22. In 2022/23, the subsector allocation doubled, largely due to the new policy for workplace learning that seeks to integrate students into the workplace environment, with 50% of their time spent in the practical job environment prior to graduation. The higher education share of the education budget has also faced fluctuations: from 12% in 2014/15 to 2% in 2017/18 and then to 22% in 2019/20. The spike between 2017/18 and 2019/20 is a result of the construction of new campuses—mostly centre of excellence such as the Carnegie Mellon University. However, the trend dropped as the HE spiked from 2.2% in 2017/18 to 21% and 22% in 2018/19 and 2019/20, respectively.

**Figure 9.2: Calculated share (%) of TVET and HE subsectors**



**Source:** Budget Laws, MINECOFIN.

**Figure 9.3: Trends of students enrolled into TVET and HLI**



**Source:** Education statistical yearbooks, MINEDUC.

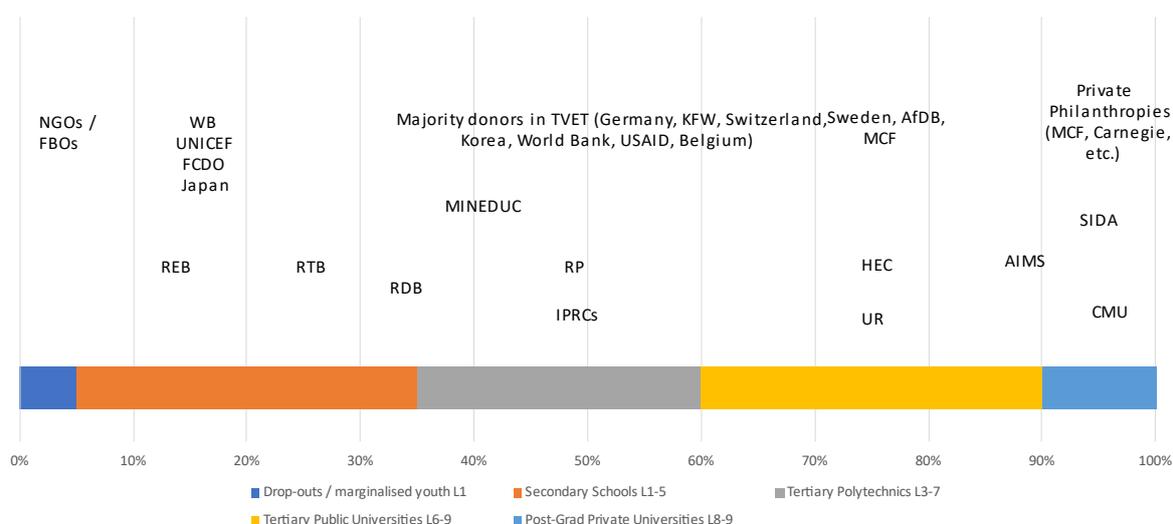
A further analysis was done to understand the possible relationships between budget allocation and enrolment. Tables 2 and 3 above seem to suggest that there is no relationship or link between budget increments or decreases and number of students enrolled. This could be explained by a number of factors: (a) the cost of tertiary education could be much higher than TVET; (b) key policy changes—such as those related to the decentralisation of campuses for higher education or major infrastructure construction of TVET schools/colleges in earlier years—might have occurred, hence the mismatch between funding and enrolment numbers.

### 9.3.5 Development partners’ contribution to youth education and training

This section explores the responds to the two main research questions concerning; a) Which, if any, of the IDP interventions drive or constrain the process of the principles’ application in the sector? b) how and to what extent the IDPs interventions are applied across all levels of education to improve programmes designed to respond to both labour market needs and Rwanda’s social and economic development?

**Figure 9.4: External Financing Sources from International Development Partners (IDPs)**

## Spectrum of youth education & training in Rwanda



The government of Rwanda expects 60% of the youth to be recruited from the TVET system, and the remaining 40% to be recruited from the higher education system. Most of the IDPs are concentrated in the TVET sector, including support to both the secondary school system and the tertiary polytechnic system. Few development partners support the higher education sector. For instance, SIDA, AfDB, and MasterCard Foundation support the University of Rwanda and Carnegie Melon University (CMU). Some of the NGOs and FBOs focus on out-of-school youth (dropouts, pregnant teenagers) and provide skilling support to such marginalised youth.

A number of key stakeholders are actively involved in the delivery and implementation of TVET, skills development, and workplace learning programmes for the youth. As previously explained, the majority of development cooperation programmes focus on the TVET sub-sector, with development finance institutions (DFIs; e.g. World Bank, AfDB, KfW, AfD, and India Exim Bank) providing loans for infrastructure construction and renovation of technical colleges, while others (e.g. Germany, Switzerland, Sweden, Korea, United States, and Belgium) focus on equipping, furnishing, and training teachers in these colleges.

Rwanda has set an objective to establish a tertiary TVET centre in every district and it is well on its way to achieving this. The national objective of increasing youth employment in Rwanda has gained vast support from over 18 development partners (Table 5) who are investing in the upskilling of youth and ensuring a smooth transition into the labour force and job market.

**Table 9.5: Active partnerships in TVET Sub-sector**

No	Development Partner (DP)	Project/Programme Duration	Current Engagement
1	Swiss Development Cooperation (SDC)/Swiss Contact	2020–2026	✓ Curriculum development and Training
2	EDC – Building Resilience in TVET through E-learning (BRITE) project	2021–2026	✓ Curriculum and training ✓ Workplace learning - Industrial attachment
3	KOICA	2020–2025	✓ Curriculum and training
4	PSG- World Bank	2020–2023	✓ Skills Development ✓ Workplace learning
5	EU/Enabel	2020–2024	✓ Workplace learning - dual training

No	Development Partner (DP)	Project/Programme Duration	Current Engagement
6	Sparkassen Foundation for International Cooperation (DSIK)	2021–2026	✓ Workplace learning
7	GIZ-GOPA Economic Inclusion for Refugees	2020–2024	✓ Curriculum and training ✓ Youth start-ups and start-up kits
8	Chancen International	2019–2026	✓ Student bursaries in selected schools/colleges
9	JICA- IPRC Tumba Projects	2019–2024	✓ Curriculum and training ✓ Equipment
10	APEFE Rwanda	2021–2026	✓ Curriculum and training ✓ Workplace learning /apprenticeship
11	BiWe	2021–2026	✓ Curriculum and training
12	GIZ Eco Emploi	2020–2024	✓ Curriculum and training ✓ Workplace learning /apprenticeship
13	GIZ-MCF Hanga Ahazaza	2018–2024	✓ Curriculum and training ✓ Workplace learning /apprenticeship
14	CSC Koblenz	2021–2026	✓ Workplace learning - dual training
15	KfW Phase III	2020–2024	✓ Infrastructure ✓ Equipment
16	European Union (EU)	2021–2026	✓ Curriculum and training ✓ Workplace Learning & apprenticeship
17	French Development Agency (AFD)	2021–2026	✓ Equipment ✓ Infrastructure ✓ Curriculum and training
18	China Embassy-Cooperation Wing	2020–2024	✓ Equipment ✓ Infrastructure

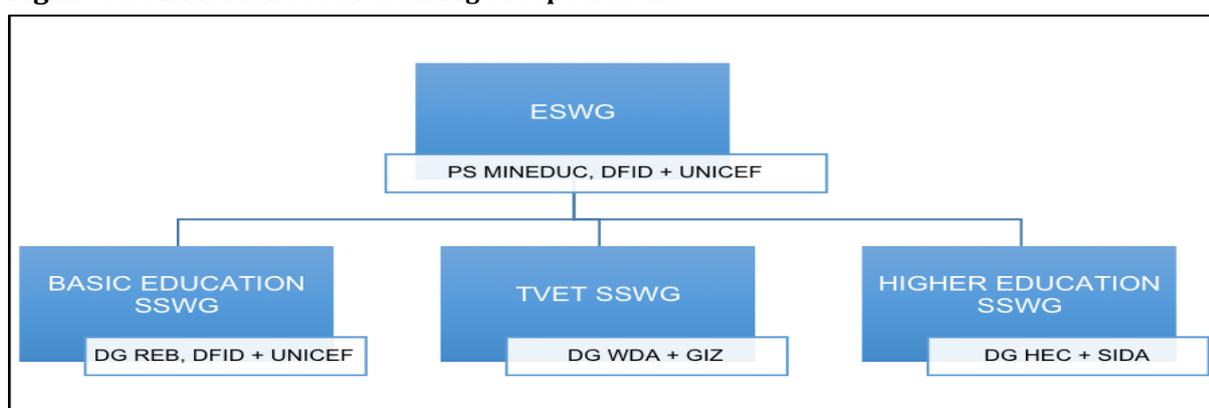
Source: RTB, 2022.

### 9.3.6 Inclusive national ownership and joint coordination structures

This section reviews mediator and moderator variables to answer questions around country ownership and joint partnerships in contributing to development outcomes with a focus on TVET and HE education sub-sectors, and whether country frameworks are driven by the application of Busan the principles, specifically, joint partnerships and joint coordination structures.

In the education sector, the relevant governmental agencies, CSOs, philanthropic organisations, and IDPs coordinate their efforts through the joint education sector working groups that convene twice a year (with the first meeting scheduled for joint planning and the second for CSOs backward looking joint reviews). IDPs and governmental agencies also actively participate in joint working groups at the subsector and technical level.

**Figure 9.5: Education Sector Working Group Structure**



Source: ESSP 2019-24.

The government of Rwanda has demonstrated strong partnerships with development partners. The Education Sector Working Group (ESWG) is coordinated through a clear structure that contains four main sector working groups. Each of the sector working groups is co-chaired by a government official and senior education specialist from the IDPs. The members of these working groups are drawn from senior management and technical officers of government, IDPs, and NGOs that are active in the sector.

Education sector planning, policymaking, and reporting make use of the joint working groups, which consist of a wide range of stakeholders at the central and district level. There are three sub-sector working groups: (1) basic education, (2) TVET, and (3) HE. Regular strategic planning, including annual planning and strategic reporting are undertaken through an iterative process of consolidation and further prioritization. Extensive consultations on the priorities, outcomes, outputs, indicators, targets, and results are conducted jointly with participation from government actors, development partners, and non-governmental organisations including civil society organisations.

The ESSP (2018–24), sector reviews, and JRES are undertaken using well-established sector coordination structures, chaired by the Ministry of Education (MINEDUC), and conducted through a highly participatory and consultative process involving over 250 stakeholders in the education sector. Representatives from the private sector, central and decentralised government institutions, development partners, and civil society are jointly involved in the identification of priority outcomes and indicators that feed into the 7-year national strategy (NST1, 2017–24).

These coordination mechanisms are highly inclusive, with CSOs, private sector, academia, and other non-state actors actively involved in the above planning, coordination, and joint review structures. The coordination processes are set out in a memorandum of understanding that embodies a set of partnership principles. This indicates commitment to openness, transparency, and a division of labour that plays to the relative strengths/interests of each partner and reduces the otherwise heavy transaction costs. The sector working group structure enables consistent and streamlined dialogue between government agencies, development partners, and non-government organisations, which in turn contributes to greater policy coherence.

The NGOs are also organised under the Rwanda Education NGO Coordination Platform (RENCN), whose chair is an NGO appointed on a rotational basis. NGOs play a key role in members' provision of education services to every district in the country. RENCN also engages in advocacy. RENCN is formally represented in a number of ESWGs. Its members have worked closely with government to help establish and implement the goals of the education sector through collective advocacy and coordinated service delivery (Williams, 2015).

## **9.4 Qualitative Performance on GPEDC Principles and Indicators**

This chapter answers the four research questions informed by analysis of the qualitative data from stakeholder interviews and validation workshop. The chapter discusses the country's capacity to drive the GPEDC effectiveness agenda, capacity of IDPs (multilaterals and bilateral), in driving the development effectiveness principles, their application across all levels of education, the extent to which IDP interventions drive or constrain the process of the principles' application in the sector, the extent to which these principles drove improvements (achievement of sector development targets), and which, if any, were the external factors that positively or negatively influenced the practical application of the principles to deliver better outcomes in TVET and HE education.

### 9.4.1 Rwanda Government (Education Sector Institutions)

The government of Rwanda has a well-coordinated national development strategy and results framework that have been developed in an inclusive manner through broad-based consultations. The framework brings together government, non-governmental organizations, private investors, and international development partners for development planning and policy dialogue at a strategic level.

Coordination structures that allow for regular and streamlined dialogue between government and IDPs are in place, which in turn contributes to greater policy coherence and coordination of development interventions. These structures allow development actors to meaningfully contribute to GoR strategic plans and be accountable towards them. The aid coordination structure also acts as a platform for division of labour, and optimises the development partners' relative strengths and interests, thus reducing duplication and transaction costs.

The same systems are utilised to conduct joint reviews and report Rwanda's External Development Finance (EDF) to all stakeholders annually. The EDF reports are a reliable source of information on the state of development cooperation in the country and they cover a wide range of sources, including data on official development assistance and support channelled through government agencies and non-governmental organizations. It also captures the concessional loans granted by development finance institutions and some public-private partnerships, although the engagement of the private sector is still very limited. The results from these reports are communicated through an annual development partners retreat, which also acts as a feedback loop for the government and IDPs to discuss openly the strategic direction needed to ensure that development cooperation projects deliver on political commitments, as well as comply with GPEDC principles and priorities for economic development.

**Table 9.6: GoR Performance against GPEDC Indicators (authors compilation)**

<b>Focus on Results</b>	
Strong national results frameworks	Met target
<b>Inclusive Partnerships</b>	
Public-private partnerships	Off-track
Civil society engagement	Met target
Parliamentary oversight	Met target
<b>Ownership</b>	
Quality of country systems (implement/procure)	Met target
<b>Transparency &amp; Accountability</b>	
Aid data publicly available	On track
Inclusive joint reviews	Met target
Gender disaggregated data	On track

Legend

Met target	Met target
On track	On track
Off-track	Off-track

Retrieved from ODA/EDF Reports (2009/10 – 2020/21), <http://www.devpartners.gov.rw/>

The above table contains results from primary and secondary data analysis of Rwanda's national compliance with its GPEDC principles at the education sector level. The above results indicate that the government is effectively ensuring the presence of strong mechanisms for development cooperation that contribute to national results frameworks. The GoR has proven structures that encourage inclusive dialogue with CSOs and parliament. However, the private sector is too small and young to foster effective development partnerships. National ownership and country systems are very strong, and the government has opened channels for transparency and accountability of domestic and external resources for development.

## 9.4.2 Multilateral Institutions

**Table 9.7: IDP performance against GPEDC indicators (authors compilation)**

GPEDC Indicators	MULTILATERALS				PRIVATE PHILANTHROPIES
	World bank	AfDB	UNICEF	EU	MasterCard Foundation
<b>Focus on Results</b>					
Planning country results frameworks	Met target	Met target	Met target	Met target	On track
Monitoring country results framework	Met target	Met target	Met target	Met target	Off-track
<b>Ownership</b>					
Aid predictable (short/long-term)	Met target	On track	Met target	On track	Off-track
Aid budget / use of country PFM systems	Met target	On track	Met target	Met target	Off-track
Use of country procurement/delivery systems	Met target	On track	On track	Met target	Off-track
Aid is untied	Met target	Met target	On track	On track	On track
<b>Inclusive Partnerships</b>					
Public-private partnerships for development	Met target	Met target	On track	Met target	Met target
CSO engagement in development cooperation	On track	On track	Met target	Met target	Met target
<b>Transparency &amp; Mutual Accountability</b>					
Development cooperation data is publicly available	Met target	Met target	On track	On track	On track
Streamlining, DoL, joint reviews, and joint missions	On track	Met target	Met target	Met target	On track
Gender disaggregated development cooperation data	Met target	Met target	Met target	Met target	Met target

Legend

	Met target
	On track
	Off-track

Retrieved from ODA/EDF Reports (2009/10 – 2020/21), <http://www.devpartners.gov.rw/>

Most of the multilateral organisations and DFIs are compliant with GPEDC principles and indicators as illustrated in Table 4 above. Multilaterals tend to use country systems with budget Memoranda of Understanding (MOU), they consult government before implementing their programmes. Despite the robust and transparent public financial management systems, a number of bilateral partners, for instance, the USA, China, Japan, Switzerland, and Germany, continue to tie their aid and deliver their programmes through the home country’s service providers and experts. Nonetheless, they still contribute to policy dialogue through sector working groups and are included in the strategic planning, review, and coordination of government interventions. Although currently weak, the private sector has also benefited from bilateral support—mostly from those related to TVET workplace learning and internships, which are geared at graduate absorption.

**Table 9.8: Bilateral Institutions (authors compilation)**

GPEDC Indicators	BILATERALS										
	UK	Germany	USA	Belgium	France	Japan	Korea	Switz.	China	India	Sweden
<b>1. Focus on Results</b>											
1.1 Planning country results frameworks	Green	Green	Green	Green	Green	Green	Green	Green	Yellow	Green	Green
1.2 Monitoring country results framework	Green	Green	Red	Yellow	Green	Yellow	Yellow	Yellow	Red	Yellow	Green
<b>2. Ownership</b>											
2.1 Aid predictable (short/long-term)	Yellow	Green	Red	Green	Yellow	Green	Yellow	Red	Red	Red	Green
2.2 Aid budget / use of country PFM systems	Green	Red	Red	Red	Green	Red	Yellow	Red	Red	Green	Green
2.3 Use of country procurement/delivery systems	Green	Red	Red	Red	Green	Red	Green	Red	Red	Green	Green
2.4 Aid is untied	Yellow	Yellow	Red	Yellow	Yellow	Red	Yellow	Yellow	Red	Red	Yellow
<b>3. Inclusive Partnerships</b>											
3.1 Public-private partnerships for development	Green	Yellow	Green	Green	Yellow	Yellow	Yellow	Yellow	Green	Green	Yellow
3.2 CSO engagement in development cooperation	Green	Green	Green	Yellow	Green	Green	Yellow	Green	Red	Yellow	Green
<b>4. Transparency &amp; Mutual Accountability</b>											
4.1 Development cooperation data is publicly available	Green	Yellow	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Red	Red	Yellow
4.2 Streamlining, DoL, joint reviews, joint missions	Green	Green	Green	Green	Yellow	Green	Green	Green	Yellow	Yellow	Green
4.3 Gender disaggregated financing data	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green

Retrieved from ODA/EDF Reports (2009/10 – 2020/21), <http://www.devpartners.gov.rw/>

Specific to the TVET and HE sub-sectors, Germany, Belgium, France, Korea, and Japan, actively finance infrastructure, training, and workplace learning. The Germans channel their TVET funding through the KfW for infrastructure development and equipping eight TVET schools in the country, as well as through the GIZ for training programmes, work place learning, and dual apprenticeship programmes. The Belgians support TVET through funding workplace learning schemes, apprenticeship training for school managers, and training for trainers, specifically in the areas of food processing, fashion, and beauty. France finances the strengthening of advanced training services such as the introduction of mechatronics and aquaculture, and upgrading TVET facilities. KOICA provides technical assistance to improve the quality of TVET schools and IPRCs.

Finally, SIDA is the only bilateral institution financing the higher education sector mainly through the National Employment Programme by the Ministry of Labour and the University of Rwanda (UR), including post-graduate research programmes. Sweden’s development assistance is appreciated by GoR as long-term, largely predictable, and on schedule.

## 9.5 Results and Discussion

This case study of Rwanda’s education sector set out to explore the extent that effectiveness principles have been applied within the country and how this influenced the development outcomes at the sector (education) level. It also analysed the in-country factors that facilitated or constrained improvements in development performance and the positive application of the principles at the sector level.

Due to its long history with aid coordination and the global development cooperation agenda, it is no surprise that Rwanda has applied faithfully the principles of development effectiveness at the national and education sector levels.

The mediator–moderator framework set out to respond to the study’s primary and secondary research questions and understand how the Busan Principles have been applied in the education sector, as well as explore how they have led to improvements in sectoral development outcomes.

This concluding section explores whether any of the development effectiveness principles or other external factors had an impact on the education outcomes experienced by Rwanda over the past years.

### **9.5.1 Moderator, mediators and other factors**

**Political regime and political commitments:** Since the end of the genocide years, the GoR has been recognised both domestically and internationally for its strong leadership and effective pursuit of its own social-economic development, which are articulated through a clear strategy and through enabling the policy environment. In its strategic goals and sectoral objectives, Rwanda has set the need to focus on human capital development through strengthening skills among the youth, which would help them contribute to economic transformation. The sector strategy aligns to the national development strategy and its focus on optimising a knowledge-based economy through human capital development and employment interventions.

**Country strategies:** Consistent with its historical track record, Rwanda has proven to be on a positive growth trajectory concerning to its national development objectives, including the specific youth-related education, training, and employment outcomes under analysis in this case study. Rwanda possesses a clear and well-structured national development strategy and country frameworks, which are based on international and regional development goals, and is on track and meeting expected targets. This is also valid in the education sector, where steady progress is being made on the performance indicators of improved access and quality education, productive capacity, and youth employment as set out in the ESSP.

**Inclusive national ownership:** Although, the government is the one driving the country’s development strategy, the ESSP was developed in close consultation with development partners and non-state actors (i.e. civil society, private sector, etc.), both local and international. The national ownership of Rwanda’s development agenda is therefore broad-based and inclusive.

**Good governance, transparency, and accountability:** Rwanda’s developmental success is greatly attributed to the country’s results-orientation, proven efficiency, and zero-tolerance towards corruption at all levels of government. Mutual accountability is very strong, and executive institutions regularly and transparently report to parliament, citizens, and various development partners on the achievement of results and public spending. The education sector has well-structured governance mechanisms with top-down and bottom-up approaches to planning and reporting.

**Focus on results:** According to data gathered throughout the study, in just 4 years (out of 7) of the NST, Rwanda has achieved youth employment of 671,819 (out of the targeted 1.5 million). Between 150,000 and 200,000 young Rwandese have been entering the job market each year despite health and economic crises. The Covid-19 pandemic and subsequent lockdowns have affected youth employment and caused a decrease from over 192,745 jobs in 2019/20 to 168,670 in 2019/20 and 138,918 in 2020/21. This is a decline from an otherwise healthy pre-Covid-19 trend. Overall Rwanda’s efforts in youth education and training have shown resilience against the pandemic. The ESSP results framework is the overarching strategy of the GoR to plan and monitor

progress on the national education outcomes. Non-state actors and IDPs endeavour to align their programmes to the NST and ESSP results frameworks. However, the research team could not ascertain the attribution of the IDP support to the national results in the sector, and whether this was thanks to the overall efforts and investments of the government, or of any specific IDP. All the interviewees, including IDPs and government counterparts, confirmed that there were no clear linkages between results achieved/reported in the ESSP and the M&E reports conducted by the IDPs on their projects.

**Institutional capacity:** Reforms to enhance institutional capacity for effective delivery in the education sector have been established over the years. The Workforce Development Authority (WDA), initially established to implement TVET, was split into two institutions in 2017 to provide adequate support in building the capacity and scope of secondary schools and tertiary colleges offering TVET. Additionally, the TVET sub sector has undergone fundamental reforms aimed at transforming the existing skills development structures into a dynamic system that is based on labour market demands. The 2015 Workplace Learning (WPL) policy was introduced to tackle challenges that prevent graduates from accessing jobs. The policy focuses on enhancing skills, knowledge, and attitudes among the Rwandan workforce to help them contribute to the country's economic and social development and to enhance competitiveness in the East African trade market. Practical skills on the job are a requirement for all levels of TVET and workplace attachments are incorporated into the award scheme for grade completion; this is done to smoothen graduates' transition into the job market. This blended approach has allowed more Rwandese youth to access work readiness competencies in addition to technical training. With the IDPs support, the sector has achieved institutional reforms that are a testament of institutional adaptations for economic and human capital growth

**Division of Labour:** A key decision made by Rwanda around aid coordination has been the DoL policy that was first discussed at the IDP and GoR Retreat in 2010 and implemented from 2012 onwards. The major aim of the DoL is to address duplication, fragmentation, and orphan/overcrowded sectors. IDPs were mandated to focus on only three sectors in which they had comparative strengths to promote synergies and the pooling of sector funding mechanisms. Overall, the implementation of the DoL has proven to be effective and has assisted in advancing the development effectiveness agenda at the country level. Despite a reduction in on-budget education funding (from the MDG era), good coordination mechanisms, joint planning, and synergising of funding have led to a substantial increase in IDP contributions at sub-sector levels, predominantly in TVET.

**Effective Education Partnerships:** Many IDPs and NGOs support the GoR in achieving its education and youth employment objectives. This spans from providing aid to supporting basic and higher education, with most of the external funding going to TVET. The GoR, in partnership with IDPs, has established clear pathways for young graduates from TVET and HLI to enter the job market. The workplace learning policy and its operational guidelines have triggered interest from public and private sector entities to open doors for new graduates into the country's workforce. Several studies are being conducted by the Rwanda Development Board to assess the existing skills gaps that education institutions need to be mindful of and to enable adaptations to training interventions through redesigning courses/curriculum to help meet the market demand. A total of 18 development partners (Table 3), contribute substantial amounts of funds towards TVET programme delivery, while IDP involvement in higher learning education is limited. IDPs provide funds for (a) infrastructure development, (b) furniture, materials, and equipment, (c) workplace learning and apprenticeship, and (d) curriculum and training of educational institutions.

**Inclusive dialogues:** Prior to the approval of new development cooperation projects, it is mandatory for IDPs to secure line ministry or public institution approval for their projects. For government counterparts in the line ministry and in the case of the education sector, various

implementing agencies (e.g. REB, RTB, various universities, and polytechnics) are expected to co-design the relevant co-operation projects with the IDP. While the design and review of the projects is jointly undertaken by government and IDPs, different funders prefer to utilise different implementation mechanisms in the delivery of their projects as discussed later in the section.

**Joint planning, policymaking, and reviews:** Central and subnational government agencies, IDPs, CSOs, private sector, and philanthropies all come together in a coordination mechanism at the sector, sub-sector, and technical levels. These platforms allow for regular joint planning, monitoring, reporting, and policy debate. Education sector working groups are one of the oldest and most successful in Rwanda and have contributed to the design and revisions of the ESSP and successive policy papers prior to submission and adoption by cabinet. During the identification of priority outcomes and indicators, over 250 stakeholders across all actors were involved in the development of the ESSP to feed into the 7-year national development strategy. These working groups also allow for development cooperation projects to be aligned to the national priorities and plans. Representative of active IDPs and senior government officials co-chair the basic education, TVET, and higher education sector working groups. CSOs and NGOs have additional platforms to coordinate among themselves and collectively influence government policy. These operate at a technical level, convene monthly or quarterly, and have a distinct role of ensuring quality assurance/validation of analytical studies conducted by government, IDPs, and non-state actors.

**Implementation modalities and use of country systems:** The majority of IDPs reviewed in Rwanda case studies do not follow the GPEDC-recommended approaches in implementing their development cooperation programmes. Some IDPs use country systems (including budget support); however, the large share of bilateral partners channel their financing through their own systems and procure services from their home countries. Most of the bilateral partners' service providers—technical experts active in the education sector—originate from the donor countries, which suggests de-facto tied aid. These practices slow down the process of “localization” of delivery and do not contribute to long-term capacity building of national institutions, local economic development, and job creation for Rwandan people. The study found that multilateral organisations and DFIs are mostly aligning their financing to national budgetary frameworks and therefore utilise more country systems.

**Provider motivations and policies:** Linked to the point above, Rwanda has seen a substantial decline in “budget support” arrangements over the years. IDPs are not clear on whether their decisions are affected by trust in the capacity of GoR institutions/systems or a preference for using non-state actors in the delivery of cooperation programmes. It is also unclear whether the changes in budget support patterns are linked to technical considerations by the field offices in Kigali or changes in the political environment in their home countries.

## 9.5.2 Key Recommendations

Although the case study has highlighted Rwanda's leadership and exemplary performance in effective development cooperation, a few areas of improvement have emerged from the analysis of the GPEDC principles application at the education sector level. Below are the key actionable recommendations from this case study:

### ✓ **Socialising the GPEDC agenda at sector level**

Similar to many other countries, Rwanda's aid coordination/effectiveness apparatus is strongly driven by MINECOFIN, which signs all the partnership agreements and monitors the performance of all IDPs based on domestically and internationally agreed principles. Throughout the research process, it was clear that line ministries such as MIFOTRA, MINEDUC, and their various agencies were not familiar with the GPEDC agenda, expectations of both government and IDPs, and

quantitative and qualitative data on the contributions of the various partners to the sector. ***Efforts should thus be made to decentralise the aid coordination processes more, raise awareness, and build the capacity of line ministries and specialised agencies to apply the GPEDC principles in their respective areas.***

✓ **Aligning IDP monitoring systems to national results reporting**

While all IDPs have made a concerted effort to align their interventions to the requirements of the ESSP, over 93% (28 out of 30) of IDPs interviewed, including non-governmental, philanthropic, bilateral, and multilateral actors reported difficulty in attributing national results in youth education, training, and employment to their investments and programmes. They are unable to state how much, in nominal terms, their support contributes to the annual results achieved by the sector. Only 2 out of the 30 partners interviewed could attribute the achieved results to their support. ***Thus, the ministry should fast track the process of establishing a reporting system and monitoring mechanism to trace contributions and results from external partners in order to understand partner attribution towards national results.***

✓ **Using systems and building capacity of national institutions**

Given that education and training are a long-term and systemic developmental effort, IDPs active in the education sector need to work even more through the existing national and local institutions, providing budget support where possible to contribute to the institutional capacity building and strengthening of country systems. ***The case study in Rwanda's education sector highlighted that tangible and sustainable results can be achieved if IDPs channel their interventions through government systems, instead of through parallel implementation modalities.***

✓ **Engagement of private sector**

In achieving national outcomes around youth training and employment, the engagement of the private sector in development cooperation programmes is critical. Whether large foreign investors or small and medium local enterprises, the private sector plays a critical role in advising on the latest market-relevant trainings required, facilitating workplace learning, and providing entry-level jobs, credit, and entrepreneurship opportunities to the large number of graduates emerging from the country's technical training and educational institutions. ***There is need for sub-sector working groups, particularly TVET and higher education, to encourage further participation by the private sector in the planning and delivery of development cooperation programmes aimed at increasing employability and productive capacity among the youth of Rwanda.***

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# Chapter 10: Effectiveness of Development Cooperation

## Principles: An Inquiry into the Dimension of the Health Sub-Sector Under the Social Protection Programme in Tanzania

*Bernadeta Killian and William J. Walwa<sup>81</sup>*  
*Richard F. Sambaiga and Lucius R. Mugisha<sup>82</sup>*

### 10.1 Introduction

#### 10.1.1 Case study background

This case study assesses the effectiveness of the application of development cooperation principles in attaining improved health outcomes from the social protection programme in Tanzania. Over the past two decades, Tanzania has implemented a social protection programme to ‘reduce inter-generational transmission of poverty through human capital accumulation’ (Wuyts, 2006:20) by focusing on food security, education, health, and livelihood interventions, (Myamba, and Urilksen, 2021). The Productive Social Safety Net (PSSN) programme, which began in 2012, is the largest social protection programme in Tanzania, and covers approximately 5.3 million people in 1.1 million households across Tanzania (Interagency Social Protection, ISPA, 2016; George, Myamba, and Urilksen, 2021). The PSSN programme, which is funded by the Government of Tanzania (GoT) and development partners (DPs), is implemented by the Tanzania Social Action Fund (TASAF). The PSSN programme constitutes the third phase of the social protection programme through the TASAF.

Since independence in 1961, poverty eradication has been the GoT’s overriding goal through various policies and programmes. Over the past two decades, Tanzania has registered robust economic growth, as indicated by its annual gross domestic product (GDP) growth, at an average of 6%–7%, thus enabling the country to transition from low-income to lower-middle-income status in July 2020 (World Bank, 2022). However, poverty remains high as the population increases. For every four Tanzanians who move out of poverty, three fall into it (World Bank, 2019). Undernutrition remains prevalent, especially in rural areas. Only around 8% of the Tanzanian population are insured under the National Health Insurance Fund (NHIF). Despite the declining child mortality rate from 2000–2016 (from 147 deaths to 67 deaths per 1,000 live births), the rate remains relatively higher compared to the global decline (from 69 deaths in 2000 to 38 deaths per 1,000 live births in 2016), (Ogbo et al, 2019:1). Social security coverage accounts for less than 1% of the entire population and about 6.5% of the formally employed population (International Labour Organizations, 2018). Tanzania spends less than 0.46% of its GDP on social assistance; in comparison, African countries spend an average of 1.55% of their GDP on social assistance (World Bank, 2018). To address these issues, the Third National Five-Year Development Plan (2021/2022–2025/2026) has established the following goals: the acceleration of inclusive economic growth through poverty reduction and social development strategies; productive capacity for youth, women, and persons with disabilities; and the extension of social protection coverage for the population. Accordingly, this study focuses on the provision of health services in the social protection programme that has been in operation over the past two decades.

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<sup>81</sup> Department of Political Science and Public Administration, University of Dar es Salaam

<sup>82</sup> Department of Sociology and Anthropology, University of Dar es Salaam

In collaboration with the GoT, multiple DPs currently provide funds to the non-contributory social protection programme in Tanzania<sup>83</sup>. Tanzania's general relationship with the DPs has gone through ups and downs, from the heyday of favourable aid flow in the 1970s to the confrontational phase in the early to mid-1980s to the renewed collaboration in subsequent years characterised by optimism and disillusionment, showing an evolving aid relationship (Wangwe, 2002). For many years, Tanzania has been rated as being heavily aid-dependent. For instance, Tanzania received almost 10% of all aid transferred to sub-Saharan Africa in 2001 (Kaliba, 2015), while in 2004, Tanzania was the third largest aid recipient in Africa (Harrison and Mulley, 2007). In terms of aid management, Tanzania has navigated through extremes, such as aid fragmentation and diminished national ownership (Mutalemwa, Noni, and Wangwe, 1998), to become a champion of the 'partnership' model of effective cooperation principles (Harrison and Mulley, 2007). Over the past two decades, Tanzania has been regarded as 'a pioneer and inspiration in the partnership era and has been described in international development circles as a "model country of ownership"' (Sundberg, 2019:449).

To implement the social protection programme, the GoT and DPs are coordinated under robust joint programming structures and processes to finance and operate the programme in Tanzania. Under the Memorandum of Understanding (MoU) to guide the PSSN, both the GoT and DPs are committed to 'the principle of harmonisation by aligning support with national priorities, use of country systems, and joint monitoring and evaluation systems' (MOU, 2021:3). At present, the Development Cooperation Framework is a strategic government document that reaffirms the GoT's ownership and leadership of the development cooperation management processes towards achieving development goals and objectives. Accordingly, Tanzania provides an excellent case study to explore the effectiveness of development cooperation principles in delivering the development outcomes of the social protection programme, particularly in the health sub-sector.

Based on the above, this study explores the following key questions: (i) to what extent has the application of effective development cooperation principles improved the attainment of health outcomes through the social protection programme in Tanzania? (ii) How have the GoT's varying political contexts moderated the effects of the development cooperation principles towards improving health outcomes through the social protection programme in Tanzania?

### **10.1.2 Organisation of the paper**

This paper is organised as follows. Section one is introduction to the study. Section two explains the methodology and analytical framework. Section three explores the policies and strategies governing the health sector in general and the social protection sector in particular. Section four describes the origin and evolution of the TASAF. Section five explores the application of the Busan Partnership for Effective Development Cooperation (hereafter the Busan principles) in the implementation of the social protection programme in Tanzania. Section six discusses the impacts of the moderating factors such as regime change, political commitment, and institutional and capacity issues. Section seven assesses the institutional and capacity issues. Section eight explores the outcomes of social protection in the health sub-sector. Section nine presents the conclusion and recommendations.

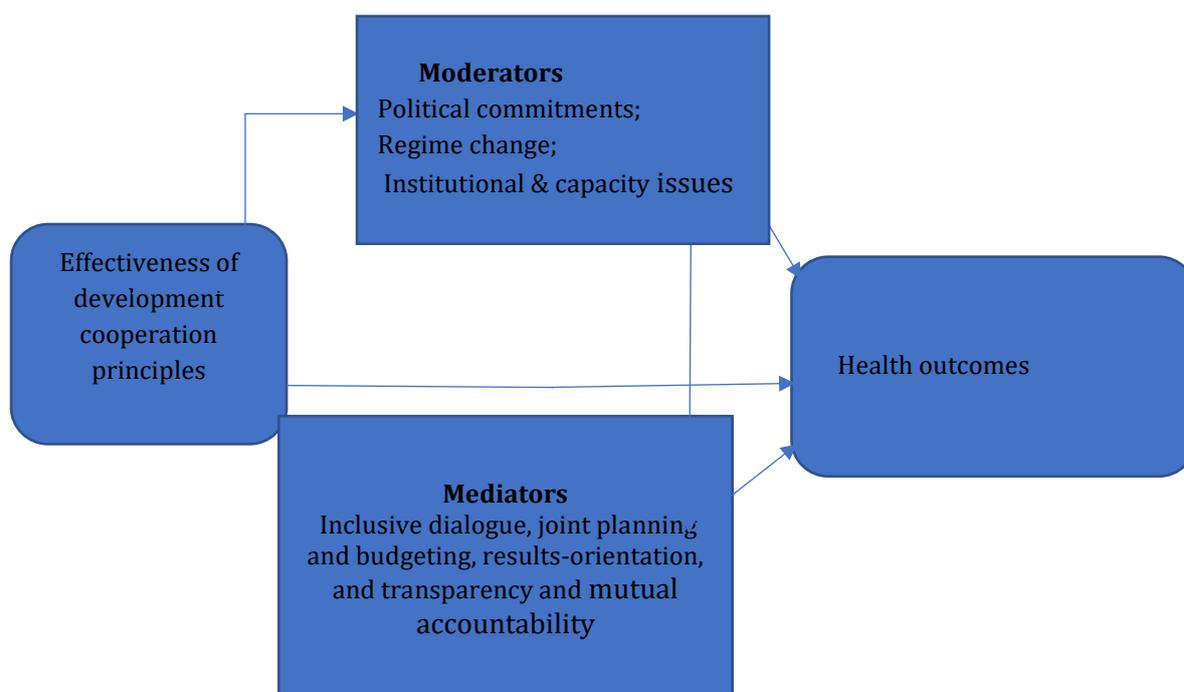
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<sup>83</sup>These development partners include the Department for International Development, Norwegian Embassy, SIDA, World Bank, UN Office Tanzania, UNICEF, UN Women, ILO, United Nations Food and Agriculture Organisation, World Food Programme, Bill and Melinda Gates Foundation, and the Swiss Confederation.

## 10.2 Design: objectives, scope, and methodology, including the analytical framework and data

Data for this qualitative study were collected through desk research and interviews with key informants. The analysis was conducted with a focus on the Busan principles, which include ownership, inclusive partnerships, results-orientation, and transparency and mutual accountability. The analysis focused on the ‘sector’ level of the social protection programme, with health services as the entry point. The overall analysis was guided by the moderator–mediator model to uncover the relationship between the Busan principles and the development outcomes on the health sub-sector through the social protection programme. Mediators refer to the ‘intervening or process variables’ that relate to the Busan principles; namely, inclusive dialogues, joint policymaking and review processes, results framework, joint planning and budgeting, transparent monitoring and review processes, and implementation modalities’ (Project Document, 2022:17). Moderators refer to ‘in-country factors, such as the recipient country’s political environment and institutional arrangements for management and engaging of stakeholders that affect either the application of the Busan principles or the impact of the development outcomes achieved. Moderators may also ‘include other external factors that shape the politics of aid in a recipient country’ (Project Document, 2022:13–14). Therefore, using the Tanzanian context, this study analyses how the three moderators of regime change, political commitment, and institutional and capacity issues affect the relationship between the Busan principles and the development outcomes through the social protection programme. Figure 10.1 shows the conceptual framework.

**Figure 10.1: Conceptual Framework**

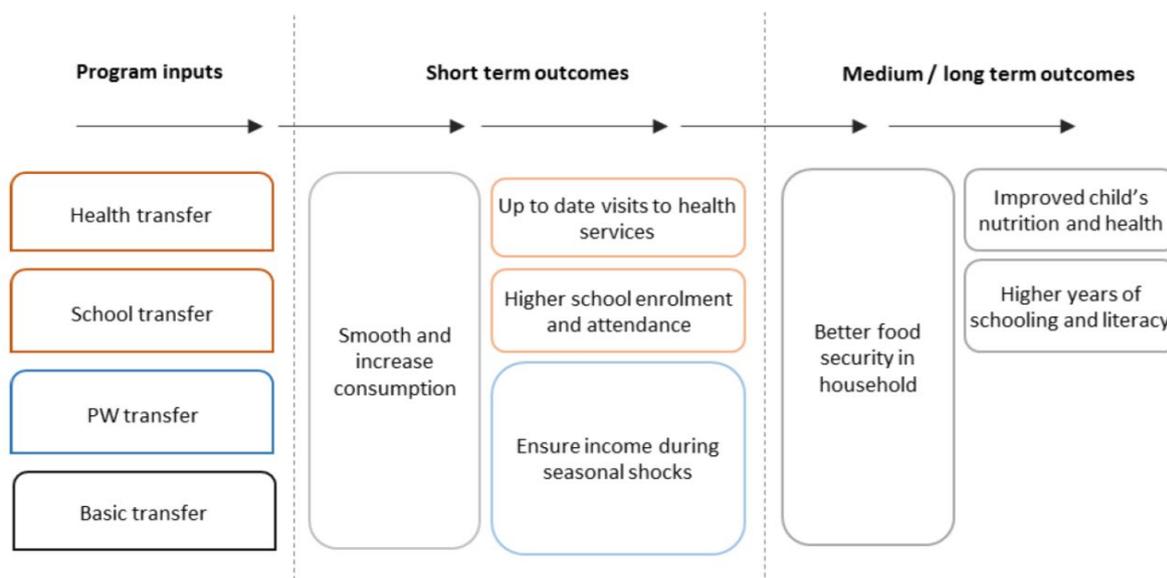


**Source:** Researchers’ construction.

As aforementioned, the PSSN programme programme is implemented by the TASAF. The TASAF’s interventions are guided by the theory of change that conceptualises the PSSN programme as a tool for both poverty reduction and the enhancement of health outcomes among the poorest households in Tanzania, based on the following assumptions: (i) conditional cash transfers (CCT) offered to beneficiary households to increase current consumption and improve children’s nutrition and households’ food security; and (ii) health and schooling co-responsibility translate

into more years of schooling and better health status among beneficiaries, thereby improving productivity. These impacts translate into greater poverty reduction in the long term, thus reducing the intergenerational transmission of poverty (Figure 10.2).

**Figure 10.2: Theory of Change**



**Source:** Midline Survey (2019), PEI Global

This study focuses on the health sub-sector. Under the PSSN programme, the CCT component reportedly constitutes the largest portion of funding and targeted beneficiaries, and covers about 80% of the programme costs (Research Poverty Alleviation A Brief, 2021). CCT modality has been implemented in two phases: the Productive Social Safety Net 1 (PSSN I) (2013–2019) and Productive Social Safety Net II (2020–).

### Objectives

This study addresses two key objectives and four specific issues:

#### Objectives

- (i) To examine the extent to which the Busan principles have improved health outcomes in the social protection sector.
- (ii) To highlight the lessons learnt regarding how the process can be enhanced to improve health financing in particular and the social protection sector in general.

#### Issues

- i. How have the Busan principles influenced issues of transparency, responsiveness, accountability, and so on, in the management of social protection for the improvement of health services?
- ii. How have the Busan principles influenced concerns about the relationship between politics and the economy, and how have they interacted with the political economy of funding health services, specifically through the TASAF and other social protection programmes?
- iii. How have the Busan principles shaped the structural institutional aspects of social protection in the financing of health services?
- iv. How have the Busan principles facilitated the attainment of results, evidence-based monitoring, and the review and impact assessment for the attainment of results and

evidence of impact? Since the social protection programme is largely funded by international development partners (IDPs), it is worth exploring how the Busan principles have shaped the reliability and sustainability of funding of such social assistance programmes (ISPA, 2016; World Bank, 2018; George, Myamba, and Urilksen, 2021).

### **10.3 Health services through social protection in Tanzania: policies and strategies**

Access to health, alike education, housing, water, and a clean and safe environment, is recognised as a basic requirement for survival. The United Nations (UN) has enshrined these social services in key documents and programmes, including the Universal Declaration of Human Rights (UDHR) and the International Covenant on Social, Economic and Cultural Rights (ICSECR), which consider these services as human rights. Health is also a key component of the UN Millennium Development Goals (MDGs), Sustainable Development Goals (SDGs), and Agenda 2030. While all eight goals of the MDGs are related to health services, goals number four, five, and six are directly linked to health; they address the reduction of child mortality; improvement of maternal health; and combat of HIV/AIDS, malaria, and other diseases, respectively. Equally, all 17 SDGs reinforce each other. However, SDG 3 specifically aims to ensure healthy lives and promotes well-being for all ages.

As part of the international community, Tanzania is not an exception to these goals, but is duty-bound to ensure that Tanzanians enjoy the right to good health and health services. Therefore, since independence, Tanzania has shaped policies and strategies to deal with these problems that reflect the international, regional, national, and local contexts.

#### **10.3.1 Social protection and health at independence**

The recognition of health as a crucial need and right of all Tanzanian people was evident in the early years after independence. Mihyo et al. (2020) characterise the evolution of health and social protection policies and strategies in three phases: the first phase (1961–1966), which marked the GoT's efforts in adopting policies aimed at equitable distribution of income across sectors; the second phase (1967 to the mid-1990s), which witnessed the expansion of policies aimed at free and equal access to social services by all; and the third phase (mid-1990s–), which was dominated by mixed approaches through which the GoT embraced private provision combined with targeted social protection measures, and, therefore, shifted from social welfare to social protection (Mihyo et al. 2020:14).

The first president of Tanzania, J. K. Nyerere, firmly stated that the nation faced three serious vices: ignorance, poverty, and disease. This pronouncement was followed by the formation of policies and strategies to curb these vices. The inclusion of disease in the list is an indication of the GoT's clear determination to ensure that citizens enjoy good health and health services. The GoT provided social services to all citizens during the aforementioned first phase. In the 1960s and 1970s. During this period, the GoT established the Universal Primary Education (UPE) so that all citizens could access primary education and healthcare. Immediately after independence in 1961, the GoT adopted a free healthcare policy (Mtei, Makawia, and Masanja, 2014). These policies were established as the country was pursuing a centralised economy as well as socialism and self-reliance policies. As Tanzania decided to implement socialism and self-reliance policies, the GoT had to shoulder a large share of the load of service provisions to citizens. Specifically, the adoption of the Arusha Declaration in 1967 led to the abolition of user fees for access to social services. During this period, the GoT also approved the First National Five-Year Development Plan (1964–1969), which included a health component; that is, to be sufficient in health personnel requirements and to increase life expectancy from 35/40 to 50 years (United Republic of

Tanzania, 1990). This was also followed by the establishment of a regional hospital in all regions. Health services were also focused on in the Second National Five-Year Development Plan (1969–1974) and Third National Five-Year Development Plan (1976–1981). However, following the decline of traditional social security arrangements due to the cumulative impact of globalisation (Mchomvu et al. 2002) and unbalanced economic growth failing to translate into meaningful poverty reduction, the social protection programme emerged to cover poor and vulnerable populations through poverty reduction and protection initiatives. The central role of the social protection programme is to prevent the vulnerable from destitution.

### **10.3.2 Post-neoliberal period**

Following the liberalisation of the economy and politics that swept across many developing nations after the adoption of the Structural Adjustment Programmes (SAPs) in the 1980s, the schemes, policies, and strategies for the provision of social services, including health, were altered. New policies were formulated, and new strategies were introduced and implemented. In 1990, Tanzania adopted the National Health Policy to improve healthcare provision and re-introduce the cost-sharing of user fees, while exempting some portions of the population. The other implemented policies and strategies included the establishment of the NHIF (1999), the adoption of the National Health Policy (2003), the creation of the Community Health Fund (CHF; 2001), and the development of the Primary Health Services Development Programme (2007). Tanzania also started a plan to develop the National Health Financing Strategy in 2014.

Moreover, the Poverty Reduction Strategy, implemented under the National Poverty Reduction Strategy (also called 'MKUKUTA') was adopted in two phases: MKUKUTA I (2005–2010) and MKUKUTA II (2010–2015). These strategies are in line with the MDGs and the National Development Vision 2025. The strategies contained under MKUKUTA I and II involve three clusters: growth and reduction of income poverty, quality of life and social wellbeing, and good governance and accountability. This study is interested in the second cluster, as it covers the provision of social services, including health and the social protection of vulnerable groups, such as older adults, women, and children (Ulriksen, 2016). Finally, Tanzania is in the process of formulating a National Social Protection Framework (NSPF) to guide the implementation of the social protection programme; it was expected to be finalised in 2015. In the framework draft, the GoT has indicated efforts to enhance social protection. Following efforts by different stakeholders involved in the drafting of the NSPF, the GoT signed the Arusha Declaration. This document is not a legal document but is indicative of the GoT's efforts to provide social protection to citizens. The document does not specifically offer protection in terms of health. The efforts to establish the NSPF and the later adoption of Arusha Declaration formed a continuation of efforts that led to the enactment of the National Social Security Policy in 2003 to guide social protection in Tanzania.

## **10.4 Origin and evolution of the TASAF: Assessing country ownership**

The emergence of the TASAF in 2000 mirrors the developments in the socio-political and economic contexts of that time. The welfarism orientation of the Tanzanian State should be regarded as the facilitative factor in its embrace of the social protection programme's targeted poor and vulnerable populations. The ascendancy to power of the Third Phase Government under President Benjamin Mkapa can also be seen as the most contributing factor for the establishment of the TASAF and its subsequent design of the social protection activities. The idea of formulating the TASAF in Tanzania emerged following the visit of the then president, Mkapa, to the Republic of Malawi in 1998. During this visit, President Mkapa visited communities that were being supported by the Malawi Social Action Fund. President Mkapa was impressed, and, upon his return home, the GoT tendered a request to the World Bank for the same team that had been sent to Malawi to create a similar social fund to help reduce poverty in Tanzania (World Bank, 2006; Jacob and Pedersen, 2018).

Regarded as a reformer and a strong supporter of the private sector and development cooperation, President Mkapa expressed a high sense of political will for the establishment of the TASAF, which, during its initial years, attracted significant funding from the DPs. As such, it can be argued that there was a sense of ownership at the design stage. During this stage, Tanzania exercised an upper hand by establishing its preferences regarding the social protection programme. For instance, it is reported that the Department for International Development (DFID) and UNICEF initially preferred unconditional cash transfers, but Tanzania established its own unique blend of CCT with an unconditional core. This was unlike Malawi, where social protection through public works accounted for 90% of the programme, as well as in Ethiopia and Rwanda, which also emphasised public works (Jacob and Pedersen, 2018). As a result, 'Tanzania became one of only a few African countries to attach conditions, which are disliked by many DPs, to its cash transfer programme' (Davis et al. 2016 as quoted by Jacob and Pedersen, 2018:25).

However, the influence of international factors cannot be underplayed, since over the past two decades, many developing countries in Latin America and Africa have embarked on various forms of social protection programmes in response to international agencies (George et al. 2021). The TASAF emerged in the context of the poverty reduction strategies that were implemented in many African countries, and was established in 2000 by the GoT to reduce poverty under the MKUKUTA and Zanzibar Strategy for Growth and Reduction of Poverty (ZSGRP/MKUZA), and coordinate the social protection programme. Accordingly, Jacob and Pedersen (2018) are correct in their argument that the introduction of the PSSN programme and health insurance mirrored the international trends at that time, yet 'the design of the interventions and speed of their implementation were decisively influenced by Tanzania's political economy' (Jacob and Pedersen, 2018:4).

The TASAF has since implemented several phases of the social protection programme; the reviews of which are important for this study. The phases include:

- The first phase, TASAF I, (2000–2005), which built and provided infrastructures, such as schools, roads, and hospitals, in areas identified as containing the greatest number of poor families.
- The second phase, TASAF II (2005–2010), which adopted a hybrid implementation approach that involved CCT, community infrastructures, capacity building, and short-term employment opportunities in community projects funded through the TASAF.
- The third phase, TASAF III (2013–), which also adopts a hybrid implementation approach but focuses more on livelihoods to create short-term employment opportunities to increase the income of poor families.

The TASAF II (2005–2010) expanded on the TASAF I but added a few aspects, such as CCT, the shortage of social services, and capacity enhancement; simultaneously, health services were not disregarded. The TASAF III established the, which is currently operative and is in its second phase. This phase has four main components, one of which is the development of targeted infrastructures. This component establishes infrastructures under the education, health, and water sectors, and includes constructing/rehabilitating health facilities, such as outpatient dispensaries, maternal child health centres, staff houses, toilets, and so on. The projects implemented by the TASAF largely target extremely poor households as well as rural and vulnerable groups (e.g. women and children). Through its various programmes, the TASAF has reached around 1.1 million poor households. This milestone has mainly been achieved through two PSSN programmes: CCT, whereby targeted households are given money to spend on agreed expenditures; and public works projects (PWP), which concern the creation and improvement of access to assets, the enhancement of skills, and access to income (Myamba and Kaniki, 2017; ISPA, 2017). As a result, the ISPA (2017) revealed that around 549 sub-projects were implemented by 2017, reaching a total of 52,325 households.

The PSSN PROGRAMME is operated and managed by the National Steering Committee (NSC), whose members are appointed by the president and managed by the President's Office, State House. The NSC comprises of nine members: two from the President's Office, State House; one from the President's Office, Regional Administration and Local Government (PO-RALG); one from the Second Vice President's Office, Zanzibar; one from the Ministry of Finance and Planning; one from the National Environment Management Council (NEMC); one from the Ministry of Health; and the other member is drawn from civil society organisations (URT, 2019). The NSC oversees all TASAF programmes. The NSC's composition indicates strong linkages with ministries in the management and operation of the TASAF. The TASAF also engages with members from the public and private sectors.

## **10.5 Effectiveness of Busan principles on development outcomes (mediators)**

This section analyses the effect of the operationalisation of the social protection programme on health services by examining the interaction of the local actors (stakeholders) and DPs in the provision of social protection in Tanzania. This study pays particular attention to the application of the Busan principles (as the mediators), which include the mechanisms of inclusive dialogues, joint policymaking and review processes, results framework, joint planning and budgeting, transparent monitoring and review processes, and implementation modalities.

Over the past two decades, Tanzania has developed and executed a robust mechanism for aid coordination and management. Tanzania has generally made good progress in aid management reforms since the 1990s, as demonstrated by the: (a) improved predictability of external resources as a result of enhanced capacity for aid management; (b) improved dialogue structure and division of labour among the DPs; (c) increased integration of external resources in the government budgets and exchequer systems; (d) improved domestic resource mobilisation; and (e) progress in the Public Financial Management Reforms, notably in transparency and oversight (URT, 2017:5).

The efforts towards the implementation of the Busan principles date back to the mid-1990s, when Tanzania took a deliberate step towards mending the deteriorating aid relationship that culminated from the DPs' withdrawal from honouring aid commitments. Following the recommendations of the Helleiner Report, the GoT developed the Tanzania Assistance Strategy (TAS) in 2002, which subsequently graduated to the Tanzania Joint Assistance Strategy (JAST) in 2006. The JAST was a medium-term framework aimed at consolidating national ownership, harmonisation, and alignment with national structures and processes (Operations Evaluation Department, 2006). The social protection programme was implemented in this framework of country ownership and inclusive partnership.

### **10.5.1 Inclusive dialogue, transparency, and accountability**

The findings from interviews indicate that social protection issues are identified and prioritised through a consultative process via inclusive dialogues and joint planning at all levels, from the DPs to the GoT, communities, and beneficiaries. In collaboration with the GoT, the DPs are coordinated under robust joint programming structures and processes to finance and operate the social protection programme in Tanzania. These include the Social Protection Working Group (SPWG), Joint Review and Implementation (JRIS) Mission, PSSN Donor Coordination Group (DCG), PSSN PROGRAMME Joint Operations Committee (JOC), and several joint Technical Working Groups (TWGs).

Table 10.1 presents evidence of the dialogue—at least, among the GoT, IDPs, and local private sector—and accountability of the TASAF to the DPs. For instance, the MoU between the GoT and DPs indicates that the NSC embraces diverse memberships; namely, all ministries with mandates over the sectors that the TASAF deal with and memberships from the private sector. As noted above, the DPs are also represented in the NSC meetings, the JRIS, and in the social protection TWGs, wherein the DPs have a focal person. This study’s interviews with informants further indicate that the dialogues continue to the lower levels of the local government authorities and beneficiary communities. At the council level, the TASAF has a coordinator who is typically from the Department of Community Development. At the community level, the Community Management Committee (CMC) comprises of community leaders who work with the TASAF coordinator but report to the community assembly.

Since its inception in 2000, the TASAF programmes have embraced a participatory and inclusive approach. This study’s interview respondents revealed that the projects under the TASAF I and II were conceived based on real and felt needs. That is, community members were asked to identify their priority needs, and projects were designed to actualise such needs. Projects implemented during these two phases were mainly concerned with the improvement of infrastructures to provide social services, particularly schools, health facilities, rural roads, water supply projects, and so on. Important milestones were achieved in terms of ensuring that such important health service infrastructures were established. Regarding health, nutrition programmes were implemented through the provision of livestock to ensure that affected households had access to milk to improve their nutrition status.

Even the TASAF III, implemented under the PSSN I programme and continues under the ongoing programme II, has embarked on CCT based on specific conditions, such as hospital visits and improved nutrition. The identification process of potential beneficiary households is jointly conducted via dialogue between TASAF officers/representatives, community leaders, and community members. Households identified by TASAF representatives and community leaders must be confirmed through public opinion to verify that they really are the poorest in the community and need assistance. As such, health services, among other services, have improved to the extent that some households have graduated from the programme, and more than 1,000 other households have applied to graduate. Similarly, the World Bank’s (2020) evaluation of the PSSN I programme indicates that beneficiaries are 100% satisfied with the programme’s implementation. This is an improvement from the less than 30% satisfaction rate with health services in 2010 (Public Affairs Foundation, 2012).

**Table 10.1: Inclusive Dialogue and Joint Policymaking, Planning, Budgeting, and Review for the PSSN Programme**

1	Composition		Activity
	Government entity	IDPs	
National Steering Committee (NSC)	- Private sector - Ministries with social protection mandates <ul style="list-style-type: none"> <li>• President’s Office, Regional Administration and Local Government (PO-RALG)</li> <li>• Finance and planning</li> <li>• Health</li> <li>• Education and vocational Training</li> <li>• Community development, gender, elderly, children, and special groups</li> </ul>	-	-TASAF oversight body -Policy setting -Clearing annual work plans and budgets -Reviewing progress reports and impacts of PSSN programme -TASAF answerable to NSC

1	Composition		Activity
	Government entity	IDPs	
Joint Review and Implementation Support (JRIS) Mission	Members of National Steering Committee (NSC)	DPs represented	-Two meetings annually on progress against targets -Officiate programmes -Field visits
Social Protection Working Group (SPWG)	Chair of the SPWG appointed by the GoT -Members from social protection sectors (education, health, community development, social welfare) -Central ministries: Ministry of Finance and Planning and President's Office-Regional Administration and Local Government (PO-RALG).	IDPs appoint focal point	-Meet quarterly to deliberate on the PSSN programme
PSSN Programme Development Partner Coordination Group (DPCG)		-WB permanent co-chair -IDP co-chair rotates after 2 years	-Harmonisation of DPs to implement PSSN programme -Participate in joint implementation mission -Harmonise reporting, audit, evaluations, and regular reports -Technical support to TASAF
TASAF	-Management -Project management unit -Representatives in project authority areas (PAAs)	-	-Quarterly report to DPs -Semi-annual reports to DPs

Source: TASAF (2020)

## 10.5.2 PSSN programme joint planning and budgeting

The TASAF programmes are financed through their own revenue as well as from the GoT, soft loans, and aid from the DPs. At the outset, mutual financing was designed based on the agreement that the DPs would continue to fund the programmes, but the GoT would gradually take over and fully fund the programmes by 2020 (George et al. 2021). At the initial stage of PSSN programme implementation, the GoT agreed to cover a third of the budget per year. The financial requirements were estimated at US\$ 300 million per year, with the obligations divided between the GoT (US\$ 100 million), DPs (US\$ 100 million), and credit from the World Bank (US\$ 100 million). In reality, the GoT only contributed 4.1% of its 2015/2016 budget towards the total programme costs for that period (George et al. 2021:2)

Furthermore, records indicate that in 2000, when the TASAF was founded, a total of US\$ 60 million from the International Development Association (IDA) was used to fund the TASAF I, and the GoT provided US\$ 3.1 million (URT, 2019). In the current phase, there is still over-dependence on DPs funds. The report from the Controller and Auditor General shows that the PSSN programme is funded by the GoT, the World Bank, the United Kingdom's government (through the DFID), the Swedish Government (through the Swedish International Development Agency (SIDA), the United States (through USAID), the Bill and Melinda Gates Foundation, the UN-AGENCIES, and the OPEC Fund for International Development (URT, 2019:8). Two competing discourses are evident from the literature on the financing of the TASAF programmes. The first literature strand argues that the TASAF is reliant on funding from the DPs. The second strand,

supported by TASAF officials, contradicts the first and contends that the TASAF programmes are largely financed by the GoT, since much of the funds are in the form of soft loans that are eventually paid by the GoT (Interview with TASAF official, 11 August 2022). However, both strands emphasise that funding from the IDPs, whether in the form of grants or soft loans or both, remains of critical importance (ISPA, 2016; World Bank, 2018; George, Myamba, and Urilksen, 2021).

As noted earlier, social protection funding is jointly conducted by the GoT and DPs. The findings from interviews and review of documents indicate that the GoT participates in the funding of social protection either directly through tax financing or through soft loans, which the GoT accesses from the World Bank. As shown in Table 2, the World Bank is the largest funding source for the PSSN I programme. In addition to this loan, there is also an annual budgetary allocation by the GoT for social protection. For instance, as shown in Table 3, in financial year 2019/2020, the GoT committed almost TZS 1.8 billion for social protection activities.

While the TASAF programmes and associated development outcomes can be sustained in several ways, their sustainability has also been disputed. Unlike in the previous phases, the activities implemented under the TASAF III have some sustainable indications. While the first two phases only capitalise on activities such as CCT to poor households, capacity enhancement, and social provision, the third phase deals with social protection by creating a permanent social safety system. The findings of the studies by the REPOA (2015–2017) and UNICEF in collaboration with TACAIDS and other local researchers from 2017–2019 have indicated that ‘cash alone is insufficient’. This compelled the programme implementers to focus on activities that would ensure the longevity of the attained results. Therefore, the TASAF programmes started focusing on cash for health services, imparting technical knowledge to beneficiaries, creating assets, enhancing access to health services, and linking the beneficiaries to income-generating avenues through PWP and saving and credit groups. This has enhanced the sustainability of the TASAF’s activities by ensuring the quality and employability of the beneficiaries (ISPA, 2017). This spirit of investing in people is also supported by the World Bank, who advocates for the implementation of social funds to protect the poor not through relief or welfare handouts, but through investments chosen by people to guard or improve their well-being (World Bank, 2006).

However, there is concern that many of the TASAF’s programmes are not sustainable due to over-dependence on aid from the DPs; subsequently, the sustainability of the TASAF’s projects is at risk in the absence of such aid. Similarly, the GoT has not yet mainstreamed such expenditure in its annual budgetary allocations, which casts doubt on the sustainability of some of the operational aspects of the social protection programmes (George, Myamba, and Urilksen, 2021). Moreover, while many pro-poor growth social protection programmes are largely dependent on external funding, there seems to be no political will among GoT decision-makers to fully finance such programmes internally, despite the evidence to suggest that a non-contributory pension scheme would be possible with 0.7% of Tanzania’s GDP and 3.1% of the GoT’s expenditure (Myamba and Kaniki, 2021:31).

## **10.6 Effect of moderating factors on the social protection programme**

This section discusses the influence of the moderating factors on either the application of the Busan principles or on the impact of the development outcomes achieved. Since independence, Tanzania has generally enjoyed political stability and civic peace compared to its neighbouring East African countries. While Tanzania embarked on democratisation by re-introducing a multi-party competitive system in the early 1990s, only one party, the Chama Cha Mapinduzi as been able to retain power through various elections. Meanwhile, Tanzania has witnessed six rounds of regime change from the first president, Nyerere, to the current president, Samia Suluhu Hassan.

These changes have, in some ways, influenced the direction of development cooperation in Tanzania.

### **10.6.1 Regime change and political commitment**

As aforementioned, former president Mkapa played an instrumental role in the establishment of the TASAF, as many of the partnership principles were established through the TASAF and implemented during his administration. This support continued during the Fourth Phase of Government under President Jakaya Mrisho Kikwete, whose administration highly embraced the DPs' role in contributing to Tanzania's development. For instance, in 2005, aid flow contributed to about 45% of the total Tanzanian budget (URT, 2006). However, the six years of the Fifth Phase of Government under President John Magufuli were dominated by a strained relationship with Western countries, who raised concerns about the deterioration of human rights and squeezed civic space in the country (Kweka, 2020). The European Union (EU), World Bank, and Denmark suspended their financial support to Tanzania following the GoT's crackdown on human rights. The EU suspended EUR 88 million in annual financial support and the World Bank cut a EUR 265 million loan for girls' education in protest against a move to expel pregnant girls from school and prevent them from pursuing education after giving birth (Niba, 2018). Similarly, in 2018, Denmark suspended US\$ 9.8m in aid because of unacceptable homophobic comments by a Tanzanian politician.

Unlike his predecessors, President Magufuli's policies were hinged on cutting aid and thereby significantly reducing over-dependence on foreign aid for national development. Budget support from overseas DPs, as a percentage of total government revenue, contributed only 5.2% in 2015/2016 (Karashani, 2019). As the Minister of Finance stated in his 2015/2016 budget speech, 'the diminishing amount of the assistance is mainly the result of stern conditions put by the DPs and prolonged negotiations, plus delays in implementing some projects that also delays disbursement of funds for the following phases' (Karashani, 2019). This trend may have affected the GoT's move towards the self-financing of TASAF activities.

Results from interviews indicate that variations in terms of the political commitments from one regime to another. In principle, the variation concerns whether the main policy should be based on self-reliance achieved through frugality and austerity measures to restrict dependence on loans and grants provided by the DPs, or to exploit whatever development assistance avenue is available. For instance, on one hand, during the Fourth Phase of Government, more avenues opened up for the DPs' funding of social protection, despite comparatively high inefficiency in executing such projects. On the other hand, under the Fifth Phase of Government, when seeking to operate based on the principles of self-reliance, any funding needed to be adequately justified in terms of relevance before it could be endorsed by the GoT. Moreover, during the same period, stakeholders observed that there was comparatively higher efficiency in the execution of the endorsed social protection programme and activities on the GoT's part. The Sixth Phase of Government, alike the Fourth Phase, seemed to view every avenue for funding as very important. The following quote from one of the DPs interviewed in Dar es Salaam on 15<sup>th</sup> August, 2022 captures these observations: When there is shift in government, it always impacts the programme. When the Fifth Phase of Government came in, the approach was for the government to do it on its own. The fifth president was critical and sceptical about the programme, especially the cash transfer component, as being counterproductive to the government efforts of promoting self-reliance. As such, government approval of the programme required very strong justifications. It, therefore, took a long time to discuss and approve the programme during the Fifth Phase of Government but, once signed, its implementation was smooth. During the Fourth Phase of Government, there were no problems in the discussions and approval of new projects, but the

implementation featured notable challenges. For instance, dispatched funds would take up to one year to reach a respective ministry because the public finance system was not harmonised.

Moreover, the electoral dynamics seemed to influence the adoption of certain types of social protection modes; for instance, the GoT's preference for CCT over other modes. Jacob and Perdersern (2018:4) asserted that the expansion of the CCT to the poorest segments of the population increased when electoral competition became steadily tougher with the reintroduction of multiparty elections in 1994–1995, and, in particular, with the 2010 elections onwards, when a stronger and better organised opposition gradually emerged. This pushed the ruling party increasingly to return to its roots of service delivery by targeting the rural majority.

Apart from the financing from the GoT and the World Bank, as shown in Tables 2 and 3 other DPs (e.g. the DFID, UK; Norwegian Embassy; Swedish Embassy; and UN Agencies, such as UNDP, UNICEF, ILO, UN Women, UN Food and Agriculture Organisation, and the World Food Programme) funded the PSSN I, programme and are currently funding the PSSN II programme. According to TASAF officials, Tanzania boasts ownership of the TASAF programmes because it plays an important role in the financing of such programmes.

**Table 10.2: Financing of the PSSN 1PRPGRAMME (2013–2019) (US\$)**

Funder	Original amount	Revised	Actual amount disbursed
<b>World Bank</b>			
IDA-50930	220,000,000	220,000,000	205,941,024
IDA-58600	200,000,000	200,000,000	196,823,547
<b>Sub-total</b>	<b>420,000,000</b>	<b>420,000,000</b>	<b>402,764,571</b>
<b>Non-World Bank</b>			
Borrower/Recipient	4,000,000	00	00
UK/DFID	16,000,000	150,000,000	00
SPAIN, Govt of	900,000	00	00
<b>Sub-total</b>	<b>20,900,000</b>	<b>150,000,000</b>	<b>00</b>
Total project cost	440,900,000	570,000,000	<b>402,764,571</b>

Source: World Bank (2020).

**Table 10.3: Financing of the TASAF III, 2016-2020**

Organisation	Amount in USD	Amount in TZS
FY 2016/2017		
IDA	94,328,523.80	211,484,550,359.60
UNDP	1,287,432.05	339,926,500.00
Other DPs	47001827.32	1105,483,287,284.84
Total	143,184,243.17	318,577,767,464.44
FY 2017/2018		
IDA	82,070,866.71	185,925,721,528.71
UN Agencies (UNICEF, ILO, WFP, UNDP)		1,503,441,558.00
Other DPs	495,744,027.25	45474163762.47
Total	576,598,893.93	300,971,312,350.66
FY 2018/2019		
IDA	20,424,156.52	46,391,548,221.70
Other DPs	38,508,646.17	124,687,423,503.34
UN agencies (UNICEF, ILO)	1,322,083,057.00	1,322,083,057.00
GoT		4,789,610,510.00
TACAIDS		3,169,999,811.30
Total	62,487,902.94	193,665,882,584.05
FY 2019/2020		
UN agencies (UNICEF, ILO)		596,464,228.01

<b>Organisation</b>	<b>Amount in USD</b>	<b>Amount in TZS</b>
GoT		1,785,890,400.00
TACAIDS		3,627,589,882.30
Other DPs	25,223,068.91	57,584,698,074.23
Total	25,223,068.91	68,460,533,130.14
<b>Grand total</b>	<b>807,494,108.95</b>	<b>877,675,495,529.29</b>

## 10.6.2 Framework and transparent monitoring and review processes

According to the MoUs (2020, 2021) between the GoT and DPs, there are established mechanism, structures, and processes for the delivery of social protection. It is evident that the DPs are committed to the principle of harmonisation, including the alignment of support with government priorities, use of country arrangements to avoid parallel implementation arrangements, and financing through one financial management system (flow of funds, auditing, and reporting), so as to jointly determine the monitoring and evaluation system through the JRIS support mechanisms, and harmonise communication between the DPs and GoT. Moreover, as summarised in Table 1 the DPs that support the PSSN programme not only have self-coordination mechanisms through the PSSN DCG, but also enjoy sector coordination through the PSSN JOC.

There are also joint and independent monitoring and evaluation activities. Loans and grants for financing social protection are issued on the conditions of periodic monitoring, evaluation, and reporting to the IDPs. In some cases, the IDPs form a part of such evaluation and monitoring teams; in other cases, the IDPs conduct their own evaluations or hire independent experts. Such joint and independent outcomes learning arrangements have made the TASAF to do their best in delivering the social protection programme. More importantly, this joint assessment facilitates evidence-based engagement between the DPs and GoT in a manner that enhances collective decisions, trust, and confidence.

## 10.7 Institutional and capacity issues

The above analysis has shown that the TASAF constitutes a good case study of the DPs' application of the country's systems and processes. Rather than creating a parallel establishment to execute the social protection programme, the existing structures are used to implement the TASAF I and II and the PSSN programme. The TASAF programmes' establishment consists of three institutional arrangements: lateral, downwards, and upwards arrangements, with the TASAF located at the centre.

In terms of structure, the NSPF constituents of the NSC are chaired by the Permanent Secretary in the Prime Minister's Office. NSC members include Permanent Secretaries of the Ministries represented in the NSPF, TASAF, Social Security Regulatory Authority, and the President's Office, Local Government Authorities. The NSC comprises of the Secretariat of the NSPF, who operates in the Prime Minister's Office. Financial support for the non-contributory social protection programme is provided by the GoT and the IDPs. The draft document of the NSPF is still underway and awaits its submission to the Cabinet, while the preparation of the operational plan is in progress. The NSPF has not been enacted by the GoT and has no actual committed start date, but was announced close to the 2015 general elections (Ulriksen, 2016). Furthermore, the development of the NSPF has taken a long time because of the struggles between key institutions and ministries, and the Ministry of Labour has been shadowed by the Prime Minister's Office and the Ministry of Finance, (Ulriksen, 2016). The remainder of this paper focuses on the TASAF.

Strategically, the TASAF is housed in the President's Office to ensure its effective execution by providing a chain of command over various government ministries and departments involved in its implementation. The TASAF comprises of the NSC from the TASAF programmes' constituent

sectors (see Table 1), whose members and chairperson are appointed by the president. The programmes are managed by the TASAF Management Unit, which is headed by the executive director—an appointee of the president. The staff work within the TWGs of the sectors that the TASAF deal with.

From the lateral perspective, all ministries dealing with social assistance (e.g. the Ministry of Finance and Planning (MoFP; PO-RALG; Ministry of Community Development, Gender, Women, Elderly, Children, and Special Groups; Ministry of Education and Vocational Training; and the Ministry of Labour, Employment, and Youth Development are assigned focal persons with TASAF responsibilities. Moreover, there is an authority—the Social Security Regulatory Authority (SSRA) under the MoLEYD—who is responsible for the regulation and coordination of social protection matters and the ongoing development of the NSPF (Ulriksen, 2016). Since the programme is housed in the President's Office, it is easy to direct executives in the relevant ministries and departments to implement the programme's activities. However, some DPs have concerns over the challenges that arise when they want to establish cooperation arrangements, as they must consult with specific ministries with mandates on sectors in which the TASAF programme also work in. Instead, the IDPs propose that things would be easier if the TASAF were an independent organ with its own staff and with full mandates over the sectors of intervention. However, this study's interview with a TASAF official indicated that such a position would make it even more difficult to execute the programme due to a collision of responsibilities between the TASAF staff and ministry officials.

From the downwards perspective, there are local government authorities referred to as Project Authority Areas (PAAs). Each district/municipal/city council has a TASAF focal person who coordinates the TASAF activities with the CMC at the community/village level. To ensure the efficient performance of the PSSN programme, there has been sizeable investment in the capacity building of TASAF staff and ministry and local government representatives. Capacity building was first conducted for TASAF staff, then regional PAAs coordinators, and then CMC members. Under the PSSN II programme, training was conducted on Community Savings Investment Promotion (CSIP), and the CSIP team was trained on savings group mobilisation, group dynamics, group constitution preparation, loan management, record keeping, and conflict resolution in the savings groups. This training covered 25 PAAs and 16,263 CSIP management team members. In sum, the training mainly focuses on fund management, disbursement, identification, and the targeting of beneficiaries; the application of information technology in the management of funds; and the training of beneficiaries on proper nutrition, livelihood enhancement through credit and saving groups, and so on. Generally, the identification and targeting of eligible beneficiaries and the disbursement of funds is vested via local government authorities under the oversight of the TASAF.

From the upwards perspective, IDPs are combined with NSC to form the JRIS, which mandates the review of the TASAF programmes' performance. DPs also have a coordination group which provides technical support to the TASAF. In their execution of the TASAF programmes, the DPs' main input concerns the provision of resources; that is, the financing of the social protection programme (shown in Tables 2 and 3 and technical personnel for consultation, research, and programme evaluation and oversight for execution. This is mainly conducted through periodic reporting (quarterly, semi-annually, and annually), joint review meetings, and field visits. As noted earlier, DPs also participate in the baseline, midline, and end-line evaluations.

However, the TASAF faces some challenges. First, there is an uneasy relationship between the TASAF and the President's Office, Regional Administration, which complicates the reporting of procedures. Second, as was noted through an FGD with staff from the Norwegian Embassy, the programmes being implemented are not designed to necessarily include health indicators, and the change in government regimes impacts the programmes' implementation, as the governments do not have specific frameworks, which is problematic.

## 10.8 Assessing the development outcomes of the social protection programme on health services

This section documents the health financing achievements recorded so far through the social protection programme implemented in Tanzania. It focuses on the health performance indicators of the PSSN programme to establish how aid effectiveness contributes to improved health outcomes among the poorest populations.

### 10.8.1 Impact of the PSSN/CCT programmes

The objective of the PSSN programme is to increase the income and consumption of vulnerable populations and to improve their ability to cope with shocks, while enhancing and protecting the human capital of their children. The PSSN programme provides CCT that is conditional on targeted households' participation in education and health related services, as well as community sessions on health, nutrition, and sanitation every two months. Education and health condition are mandatory conditions for a household to receive additional cash on top of the basic allowance provided to each household (TASAF, 2012). CCT has been implemented in two phases: PSSN I programme (2013–2019) and II (2020–). It has had a clear impact on the lives of citizens: under both phases, CCT payment was made to 1,275,193 households from 186 PAAs.

Moreover, CCT has had a very positive impact on poor households in terms of education, health, food, saving groupings, and investment in productive assets and institutions for managing the PSSN programme. Regarding services, Table 10.5 shows that improvement in access is above the target in three of the services.

**Table 10.4: PSSN I Programme Targets and how they were covered**

Covered item	Targeted households	Enrolled until end of PSSN I
<i>Services</i>		
Total households (CCT)	1 million (95%)	1.1
Individuals		5.4 (100%)
PW	283,695 households in 44 PAAs (80%)	253,117 households (89%)
Food consumption	30% -Households below poverty line 68%	44% Households below poverty line 61.1%
<i>Institution building</i>		
Completed basic skills training	60%	72,000 households (100%)
Grievance solving	70%	90%

Source: World Bank (2020).

**Table 10.5: Amount Transferred from November, 2021 to February, 2022 (TZS)**

		Average transfer per household
CCT		
November/December 2021	47,541,277,923	37,281
January/February 2022	47,938,802,507	37,593
Public works		
November 2021 to February 2022	9,318,770,000.00	

Source: TASAF (2022).

Regarding how CCT has impacted beneficiary households, the World Bank (2020) indicates that under the PSSN I programme, 83% of the beneficiaries were from 40% of the consumption distribution, and 48% were from the lowest decile. Table 10.6 shows the percentages that the beneficiary households spent on various items covered by the PSSN II programme.

**Table 10. 6: How cash was spent by beneficiary households**

Covered item	Beneficiary households
Food	66%
Education and health	13%
Productive assets	21%
Improved housing	8%

**Source:** World Bank (2020).

Moreover, the PSSN programme has positively impacted specific groups. Regarding gender relations, under both the I and II programme, 83% are direct recipients, and the managers of transferred cash are female. Equally, of all the beneficiaries, 51% are female. Under the PSSN I programme, the TASAF, in collaboration with UNICEF, targeted the youth and improved their knowledge of modern contraceptives, sexual and reproductive health education, aspirations for higher education, entrepreneurial skills, and business start-up grants.

### 10.8.2 Impact of the PSSN programme on health and health seeking behaviours

To appreciate the salience of the PSSN programme in terms of promoting the wellbeing of the poorest in Tanzania, it is important to underline the fact that the programme covers 4,829,940 direct beneficiaries from 186 PAAs, of which 56.0% are female and 44.0% are male. The total number of households who are currently paid CCT is 1,279,325 households, of which 876,480 households are from old villages and 402,845 households are from new villages, (TASAF, 2022). This suggests that the programme still has a long way to go before it can cover the total population of the poorest households in Tanzania. However, the positive impact of the PSSN programme on health is evident, as the integrated components present a wide range of health outcomes both directly (health and health seeking behaviour) and indirectly (nutrition, living conditions, etc.), as follows:

- The PSSN programme has promoted access to medical treatment among poor households through enrolment in the health insurance scheme under the CHF.
- The PSSN programme has promoted clinic attendance for children aged 5 and under (Odunga, 2018; TASAF, 2016).
- The CCT programme is viewed as effective for encouraging the adoption of healthy behaviour and the increased use of health services in some cases when accompanied by health promotion activities.
- The PSSN programme has played a significant role in terms of healthcare for young children by providing access to healthcare services and health facilities close to their communities (TASAF, 2016).

### 10.8.3 Increased visits to a healthcare provider

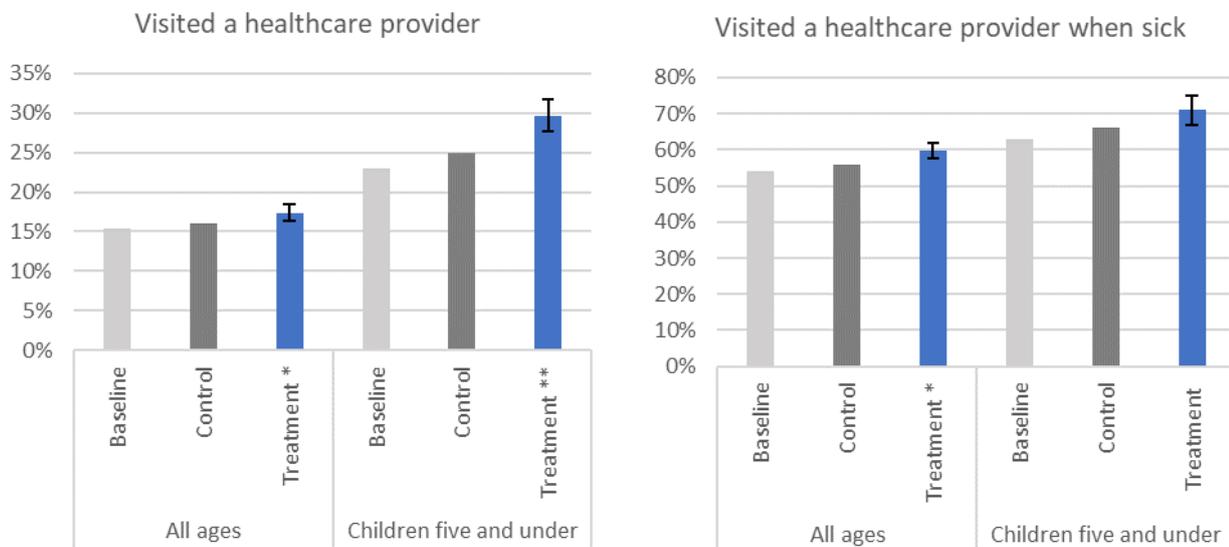
One of the PSSN programme's goals is to increase human capital accumulation in the medium to long term by inducing higher intake of health services, which is low among the target population (World Bank, 2017; TASAF, 2019). Figure 3 shows that regarding regular check-ups for children aged five and under, remarkable improvements have been achieved through the PSSN programme, as follows:

- The PSSN programme has increased visits to a healthcare provider. Beneficiaries of the scheme are **1.4%** more likely to visit a healthcare provider than non-beneficiaries, and **3.8%** more likely to do so when sick.
- Through the PSSN programme, children aged five and under are **4.7%** more likely to be taken for a health check-up, which is an **18.4% increase** relative to those who do not benefit from the programme (mean of 25.5%).

Overall, the PSSN programme has been successful in relieving households' financial constraints, which was highlighted as the main reason for not visiting a doctor at the baseline (World Bank, 2017). It is important to further underline that compliance with regular health check-ups for children aged five and under is a condition for receiving CCT through the scheme.

Figure 10.3 shows that as of 2019, no impact can be seen from the total number of visits or on check-ups among sick children. This can be attributed the fact that there is higher under-utilisation of preventive care.

**Figure 10.3: Percentage of individuals visiting a healthcare provider within last 4 weeks**



**Source:** TASAF 2019.

Furthermore, the PSSN programme has increased household ownership of a mosquito net by 5.8% (up from 80.2), which is a cost-effective way of preventing malaria. However, there is no evidence to show that the PSSN programme has an effect on the likelihood of children aged 0–5 years having illnesses, feeling ill, or on average days sick.

Visiting a healthcare provider results in better health outcomes if coupled with improved quality of healthcare. The NHSS V (2022–2026) confirms that despite a substantial increase in the number of healthcare facilities, the improved availability of medicine remains high, at around 50% of the actual need. Hence, a coordinated supply-side response is required and should be instigated in the joint dialogues and joint planning between the DPs and GoT to close this gap.

#### 10.8.4 A remarkable increase in health insurance registration

As of 2019, households benefiting from the PSSN programme are 21.5% more likely to have

health insurance. This is an almost threefold increase compared to their counterpart's mean of 10.9%. A study on the PSSN programme has suggested that the programme has the potential to significantly increase household spending on health insurance (Evans, Holtemeyer, and Kosec, 2017). Although anecdotal evidence suggests that in practice, the PSSN programme includes messages that actively encourage beneficiaries to enrol in the CHF during the TASAF community sessions, the programme design does not include messaging or other approaches to promote the take-up of health insurance (TASAF, 2019). Although the GoT is considering making enrolment in health insurance compulsory, households currently voluntarily enrol in the Improved Community Health Fund (iCHF) and pay an annual membership fee, which entitles them to access basic medical care and medicine without paying additional co-payments. Prior to the PSSN programme, more than 50% of sick adults and children were not taken to the doctor due to healthcare costs (World Bank, 2017).

Regarding health financing, the aforementioned achievement implies a reduced burden on poor households. Enrolment in the CHF significantly reduces out-of-pocket expenditures on health by 27% (Evans, Holtemeyer, and Kosec, 2017). To appreciate the contribution of the PSSN programme in this case, it is important to note that the overall health insurance schemes in Tanzania cover about 32% of the entire population, where about 8% are covered by the NHIF, 23% are covered by the iCHF, and only 1% is covered by private health insurance, (World Bank, 2020). This means that 68% of citizens do not have social health protection, and are thus exposed to potentially catastrophic health expenditures.

More importantly, not all the uncovered population can afford to contribute. The recent household budget survey conducted by the National Bureau of Statistics (NBS) highlights that 28% of the population in Tanzania constitute those who are living below the basic needs poverty line. The PSSN programme, under the TASAF, targets extremely poor households in the country (approx. 15% of the population). Households use the resources to invest in livestock, insurance, and—for the poorest households— increased savings (Evans, Holtemeyer, and Kosec, 2017). Against the common misconception that the scheme only supports people who are unwilling to work, evidence shows that the investment in agricultural productive assets and livestock increases with CCT, thereby stimulating the economy at the local level (Bastagli et al. 2016). It must be noted that the TASAF beneficiaries are also being encouraged, to some extent, to use their cash benefits to enrol in the CHF.

However, for health insurance to effectively promote the Universal Health Coverage (UHC) the package of minimum benefits must be relatively comprehensive, and the scheme should be able to cater for costs involved in the provision of services. For instance, the CHF scheme faces several challenges, including low enrolment rates in most of the districts, inability to cater for medicines and supplies in healthcare facilities, limited sphere for referrals, and the confinement of services to within the wards or districts (Mujinja, Phares, and Tausi, 2014). The root cause for these challenges is that the iCHF is heavily underfunded. The financial failure of the iCHF to meet the beneficiaries' needs and expectations, especially the persisting medicine stock-outs, has led to low enrolment and even lower re-enrolment rates. Predictability and ability to provide adequate services for health, including social health protection, is necessary for guaranteeing confidence in the health delivery system and increasing enrolment in social health protection systems, such as the NHIF and iCHF.

Nonetheless, the GoT is seeking to pursue a Sustainable national health Insurance Fund to cover all Tanzanians. For this to happen, health financing systems need to be strengthened and cover both curative and preventive services (see NHSSP V 2021–2026). To avoid setbacks in achieving the UHC, health insurance schemes should collaborate with other social protection programmes, such as the TASAF, to learn from their experiences in identifying and protecting vulnerable groups (Afriyie et al. 2021).

### **10.8.5 The PSSN programme and maternal health outcomes**

For most outcomes related to maternal health, there is an overall positive trend among the households benefiting from the PSSN programme, including the utilisation of antenatal (ANC) services, postnatal care services, and delivery facilities. Nonetheless, the utilisation levels remain relatively low. For instance, only 45.5% attended at least 4 ANC visits compared to the national average of 61%. Likewise, only 33.6% had at least 3 post-natal visits, which is almost less than half of the national average. Moreover, only 69.6% of deliveries were assisted by skilled birth attendant which is 10% lower than the national average (URT, 2021). The lack of specific conditions linked to the utilisation of ANC services, postnatal care services, and delivery facilities may account for lower maternal health outcomes.

Meanwhile, no impacts are shown on the health measures for children aged 5 and under, such as stunting rate, underweight rate, wasting rate, weight-for-age, height-for-age, body mass index for age, and arm circumference for age. As reiterated in most of the assessments, of maternal and child health, these health outcomes may take more time to materialise.

### **10.8.6 Impact of the PSSN programme on youth well-being and their safe transition to adulthood**

The PSSN I and II programmes also focus on youth wellbeing by providing sexual and reproductive health rights education, family planning services, entrepreneurial education, and grants for venturing into income-generating activities. UNICEF has been at the forefront of these initiatives to contribute to youths' safe transition to adulthood. Among other impacts, the PSSN programme has resulted in a marked improvement in the youths' sexual and reproductive health practices, has reduced sexual violence, and has promoted mental health, as follows (UNICEF, 2018):

- The PSSN programme has delayed the sexual debut among females to almost four months later.
- The PSSN programme has increased knowledge of contraceptives, increased HIV-prevention knowledge by 5.2%, and increased HIV testing in the previous 12 months by 6.3%.
- The PSSN programme has increased visits to healthcare facilities among boys.
- Health facilities have become more adolescent-friendly following the supply side strengthening and linkages to services as part of the PSSN programme.
- The cash plus programme (which is funds for business loans) has reduced experiences of sexual violence by 3.7%.
- The PSSN programme has reduced depressive symptoms but has not reduced self-perceived stress.
- There has been an increase in gender-equitable attitudes and self-esteem.

The findings from this study's interviews and assessment of evaluation reports indicate that contrary to some studies, like Wuyts (2006) and Ulriksen (2016), social protection programmes are not limited to the management of behaviour through CCT. Instead, these programmes have transformational potential and may enhance capability, since a significant number of children from households that have been supported by the PSSN programme have grown up in good health and have completed various levels of schooling, from primary school to university (Groot et al. 2021; Handa et al. 2021). At the general level, the PSSN programme has contributed to multiple development targets articulated globally and nationally, including the SGD targets for health and poverty reduction, the National Health Policy (NHSSP V, 2021–2026), and National Development Vision 2025. Despite several remaining gaps to be fixed, the joint financing of the PSSN programme has been conducted in line with the Busan principles, as discussed in Section five above.

## **10.9 Conclusion: effectiveness of development cooperation principles on development outcomes in the social protection sector**

This study addresses two key objectives: (i) the extent to which the application of the Busan principles have improved health outcomes in the social protection sector, and (ii) the lessons learnt on how the process can be enhanced to improve health financing in particular and the social protection sector in general. The main purpose of these objectives is to appreciate the scope of the Busan principles through the impact that they have had on the social protection sector and health sub-sector in Tanzania. The key conclusions on these objectives are presented below.

### **10.9.1 The moderating and mediating roles of the Busan principles**

The institutional arrangements, structures, and processes of monitoring and evaluation has enhanced local ownership of the social protection process in the health sub-sector by allowing effective participation with GoT policymakers, government agencies, and non-state actors, including local communities. Specifically, the GoT has established robust structures, processes, and mechanisms for joint dialogue, transparency, and mutual accountability. In particular, social assistance structures for the TASAF programmes can be described as operating upwards with the DPs; downwards with the Local Government Authorities (LGAs) and beneficiary communities; and laterally with ministries who have mandates over sectors covered by the TASAF under social protection, with the TASAF located at the centre in the President's Office. Specifically, the NSC plays an oversight role in policy setting and budget plans, and its members are appointed by the president of the GoT from a myriad of sectors, including the private sector, whereas the TASAF implements the day-to-day activities of the programme. The DPs have also formed a coordination group, the DCG, for themselves, and a joint operation committee (JOC) with the GoT. Based on this arrangement, joint coordination, periodic review, evaluation, monitoring, and reporting, followed by joint dialogue and learning, are conducted to ensure transparency and accountability.

From the lateral perspective, ministries with mandates on sectors in which the TASAF programmes intervene have a TASAF focal person who, in collaboration with the TASAF, performs social assistance-related issues in the relevant ministries. From the downwards perspective, TASAF coordinators have been established in all councils. These coordinators work with TASAF staff, community leaders, CMC, and the community assembly to identify and target vulnerable households eligible for CCT to improve health, nutrition, education, public works, saving and credit groups, and sexual and reproductive health education rights. This process at the LGA and community level ensures ownership in that the beneficiaries of the programme are determined by community members themselves based on locally determined insecurity criteria.

### **10.9.2 Regime change and political commitment**

Regarding regime change and political commitment, there is generally a shared understanding between the GoT and DPs on the role that social protection and safety nets can play in mitigating the effects of poverty. For this reason, since its inception during the Third Phase of Government under President Mkapa, the social protection sector has survived and thrived through the TASAF programme. However, the GoT's varied political regimes have revealed different commitments to the fulfilment of this goal. For example, the Fourth Phase of Government under President Kikwete took a more liberal approach, whereby DP funding was a very important means of implementing the social protection programme, while the Fifth Phase of Government under President Magufuli insisted on self-reliance, whereby external funding had to be very clearly justified. However, once

justified and disbursed, the implementation process was less bureaucratic under the Fifth Phase of Government than under Fourth Phase of Government.

The political economy of social protection assistance in the health sub-sector also reveals a strong sense of ownership, especially in the areas of financing and inception of interventions. Regarding financing, the funding of the TASAF programmes is jointly conducted by the DPs and GoT. While the GoT finances social protection through the repayment of soft loans provided by DPs (especially the World Bank) and through budgetary allocations, the DPs do so through loans, grants, and technical advice. Regarding the inception of interventions, beneficiary communities and LGAs are involved. However, more effort is needed to locate the root causes of poverty and deprivation. In particular, the livelihood improvement programme does not focus on the revitalisation of agriculture and livestock-keeping—and the associated value-added chains—as a measure to target the majority of poor Tanzanians who work and significantly depend on these sectors.

### **10.9.3 Development outcomes**

The smooth implementation of the TASAF programmes has resulted in positive outcomes in the health sector, especially through the construction of health facilities. This has been particularly noteworthy under the TASAF I and II, which are dedicated to vulnerable households' utilisation of labour to improve health service infrastructures in return for payment. This has attempted to bring health services to 275,000 vulnerable households, though the evaluation of such households indicates that the utilisation of such services has been lower than expected. This fact, according to TASAF officials, has prompted the TASAF III's implementation through the PSSN I and II programmes, and has led to:

- The improvement of child and maternal health through eased access to health services as well as improved nutrition via CCT. The PSSN I and II programmes have reached 1.1 million households countrywide, which is around 5.5 million people.
- The improvement of sexual and reproductive health education and contraceptive services for youth to contribute to their safe transition to adulthood. This component is funded by UNICEF and is annexed as a part of the PSSN I and II programme.
- The enhanced access to health insurance through the CHF, for which some of the beneficiary households have been able to pay through savings accumulated from payments for supplying labour for public works. As aforementioned, it is estimated that 21% of the PSSN I and II programme beneficiary households have CHF cards.

### **10.9.4 Lessons learnt for more effective development cooperation**

- Although the GoT participates in the financing of social protection sector through loan repayment and budgetary allocation, a sustainable social protection sector calls for increased funding from the GoT. This would prevent the risk of underfunding in case the interests of the DPs shift from social protection to other aspects, such as climate change or the COVID-19 pandemic.
- Tanzania's institutional arrangement for the implementation of the PSSN programme to provide health services, among others, is very robust. The placement of the programme in the President's Office makes it easy to direct executives in the relevant ministries and departments to implement the programme's activities. This also integrates the programme into different government structures, which, in turn, enhances ownership of the process and the outcomes of the social protection programme.
- The provision of social assistance through health services in particular and other areas of social assistance in general is a loose legal instrument in Tanzania. This situation harbours the risk of the social assistance programme being abandoned when political regimes change. This calls for legal instruments to protect such important social arrangements.

- The prominence of the role of social protection in health depends on the condition of the entire health sector. If the services provided in this sector are poor, then transferring cash to poor households to enable them to attend to health facilities may produce limited results, as they may attend but still miss the services or be poorly served. This calls for the improvement of the entire health sector so that when the beneficiaries of the PSSN programme receive payment for health services, they can access reliable and good quality health services.
- While the programme has contributed to the improvement of health conditions and the development of human capability, it is equally important to invest in addressing the root causes of poverty; for example, by revitalising the agriculture and livestock-keeping sectors, which employ the majority of poor households in Tanzania. Accordingly, the livelihood component of the social protection programme should include investments into these sectors in terms of the provision of extension services, value added to raw products, and reliable markets for such products.

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# Chapter 11: Role of Busan's effective development cooperation principles in delivering Uganda's social protection sector outcomes

*Ibrahim Kasirye  
Florence Nakazi  
Smartson Ainomugisha  
Tiffany Akurut*

## 11.1 Introduction

Social protection is a globally recognised tool for reducing poverty and inequality by enhancing income security and resilience to shocks, improving human capital and productivity, and fostering social cohesion, political stability, and inclusive growth. The 2030 Agenda for Sustainable Development prioritises social protection as a means to achieve the Sustainable Development Goals (SDGs) and a mechanism to ensure that 'no one is left behind'. Social protection contributes to ending poverty (SDG target 1.3), achieving healthy lives and wellbeing (SDG target 3.8), gender equality (SDG target 5.4), decent work and economic growth (SDG target 8.5), and reducing inequality (SDG target 10.4). This implies that increased investments either through development cooperation or domestic financing in social protection are necessary, as reflected in the SDG target on resource mobilisation (SDG target 1.a) and the SDG indicator on measuring public spending on social protection, health, and education (SDG indicator 1.a.2). In particular, SDG target 1.3 calls on countries to implement nationally appropriate social protection systems to achieve universal coverage and protection for all.

At the national level, Uganda's right to social protection is enshrined in its 1995 Constitution. Furthermore, the Government of Uganda (GoU) has included social protection in Uganda's Vision 2040, which aims to transform Ugandan society from a peasant to a modern and prosperous country within 30 years, starting from 2010. With support from Development Partners (DPs), the GoU has implemented several social protection interventions. These include the Social Assistance Grant for Empowerment (SAGE) under the Expanding Social Protection (ESP) Programme implemented starting in 2010, and the Northern Uganda Social Action Fund (NUSAF), which started in 2003. Other schemes include the Girls Empowering Girls Social Protection Programme for Adolescent Girls in Kampala established in 2019 and the Child-Sensitive Social Protection (CSSP) programme in the West Nile sub-region and refugee-hosting districts in 2021.

In 2011, the Fourth High-Level Forum on Aid Effectiveness in Busan, South Korea (of which Uganda was a part) established the Global Partnership for Effective Development Co-operation (GPEDC) under the Busan Partnership agreement<sup>84</sup>. The Busan Partnership agreement sets out principles, commitments, and actions that provide a foundation for effective cooperation to support international development. Specifically, the Busan Partnership document highlights four common principles that are key to effective development cooperation. These include (i) ownership of development priorities by developing countries, (ii) a focus on measurable results, (iii) inclusive partnerships, and (iv) transparency and mutual accountability.

Having embraced the Busan effective development cooperation principles, Uganda was selected in 2016 to be among the ten countries to undertake a pilot to demonstrate the impact of effective development cooperation within the GPEDC's framework at the country level (MoFPED, 2020).

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<sup>84</sup> GPEDC is a multi-stakeholder platform intended to advance the effectiveness of efforts by development actors towards the attainment of SDGs.

Under the leadership of the Ministry of Finance, Planning and Economic Development (MoFPED), and with technical support from the United Nations Development Programme (UNDP) and the GPEDC Secretariat, Uganda undertook its pilot study on the global partnership for effective development cooperation in 2019. The findings from the study in Uganda recognise the need to update GPEDC principles—as the country context and stakeholders change constantly—to take stock of successful approaches and share key lessons on implementing effective development cooperation (MoFPED, 2020).

Against the above background, Uganda’s Economic Policy Research Centre (EPRC), in partnership with Southern Voice, a network of over fifty think tanks from Africa, Asia, and Latin America, has conducted a study to examine the effectiveness of development cooperation in Uganda’s social protection sector. The study has been conducted under the auspices of the ‘Development Effectiveness’ project, spearheaded by the Centre for Policy Dialogue (CPD) to explore how different sectors (agriculture, education, social protection) have responded to the Busan principles.

As mentioned earlier, the focus of the current study is the social protection sector in Uganda. Based on the four Busan principles of development effectiveness, this study shares evidence regarding the relationship between the Busan effective development cooperation principles and indicators of development in the social protection sector in Uganda. Specifically, the current study examines the factors that have facilitated or constrained the application of the Busan Principles in Uganda’s social protection sector. In addition, it examines the factors that influence the improvement in delivering social protection development targets. Based on the above aim, the study answers the following research questions:

- I. What are the development outcomes observed in the social protection sector?
- II. To what extent have the Busan principles on effective development cooperation been adopted in Uganda?
- III. What are the most significant moderators and mediators that drive the relationship between the Busan principles and the development outcomes observed in Uganda?

The study focuses on the SAGE and NUSAF programmes—the two major direct income support programmes<sup>85</sup> that have extensively benefited from donor financing in Uganda.

The rest of the study is structured as follows: Background of the social protection sector in Uganda, an overview of Development Assistance and its contribution to social protection, methodology, analysis and findings, and conclusions.

## **11.2 Background of the social protection sector in Uganda**

Various approaches have been adopted to improve social protection in Uganda. During the pre-colonial period, local institutions and traditions championed the provision of social protection in Uganda. These institutions include family and clan support systems, mutual help schemes, burial groups, and neighbourhood support groups. These social protection initiatives played a significant role in assisting individuals and families during times of need and distress. However, these traditional community-based social protection initiatives have declined over time; only a few still exist today to support vulnerable groups (MGLSD, 2015).

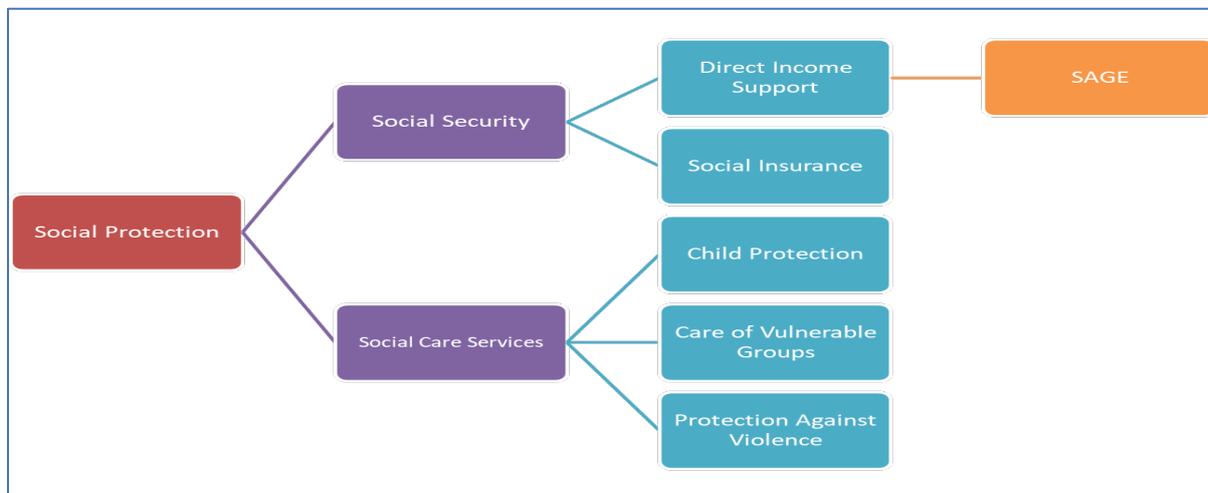
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<sup>85</sup> Uganda’s National Social Protection Policy (NSPP) defines direct income support as non-contributory, regular, and predictable cash and in-kind transfers that provide relief from deprivation to the most vulnerable individuals and households in society.

Uganda anchored social protection interventions in several regulatory frameworks. In 2006, together with the Ministry of Gender, Labour, and Social Development (MGLSD), the GoU started working on promoting social protection to address poverty and vulnerability as a core part of the country’s development strategy. In 2010, a breakthrough was achieved when Uganda’s Vision 2040 and its attendant National Development Plans (NDPs) were launched, outlining the government’s commitment to expanding social protection as a strategic tool for reducing poverty and vulnerability by enhancing household resilience to shocks and supporting human capital development for sustainable and inclusive growth. The same year, the Cabinet approved the ESP Programme, including the SAGE.

Another significant milestone was achieved in 2015 when the Cabinet approved the National Social Protection Policy (NSPP), which outlines the government’s vision for a well-coordinated national social protection system. It is noteworthy that social protection was, for the first time, defined in Uganda’s context in the NSPP (2015) as ‘*public and private interventions, protective and preventative, to address risks and vulnerabilities exposing individuals to income insecurity and social deprivation, thus leading to undignified lives*’. Figure 11.1 illustrates the pillars of social protection, which include social security and social care services and their respective components.

**Figure 11.1: Pillars of social protection in Uganda**



**Source:** ESP (2022).

Regarding policies and plans, Uganda’s overarching social protection policy is the NSPP (2015). The MGLSD developed the NSPP following the realisation that social protection interventions were being implemented in a policy vacuum environment. In addition, the Social Development Sector Plan (SDSP) of 2015-2016 and 2019-2020 prioritised five thematic programme areas, including social protection for vulnerable and marginalised groups. Specifically, the plan aimed to establish policies, systems, and structures for social protection, expand coverage of existing programmes, and provide direct income support and holistic social care and support services to vulnerable individuals and households (MGLSD, 2016).

As indicated earlier, SAGE is a component of the ESP Programme. At its inception, SAGE comprised two types of grants: a Senior Citizen Grant (SCG) or social pension for older people aged 65 years and above (60 years in Karamoja region) and a Vulnerable Family Grant (VFG) targeting very vulnerable families even if the recipients were below 65 years of age. However, the VFG was discontinued in 2013 because it was complex to implement and became unpopular in the communities, according to MGLSD (2020). The beneficiaries of the SCG started by receiving Uganda shillings (UGX) 22,000 per month, however, the amount was increased to UGX 25,000 over the years. In the pilot phase (2010-2015), SCG covered only 15 districts in Uganda. The SCG

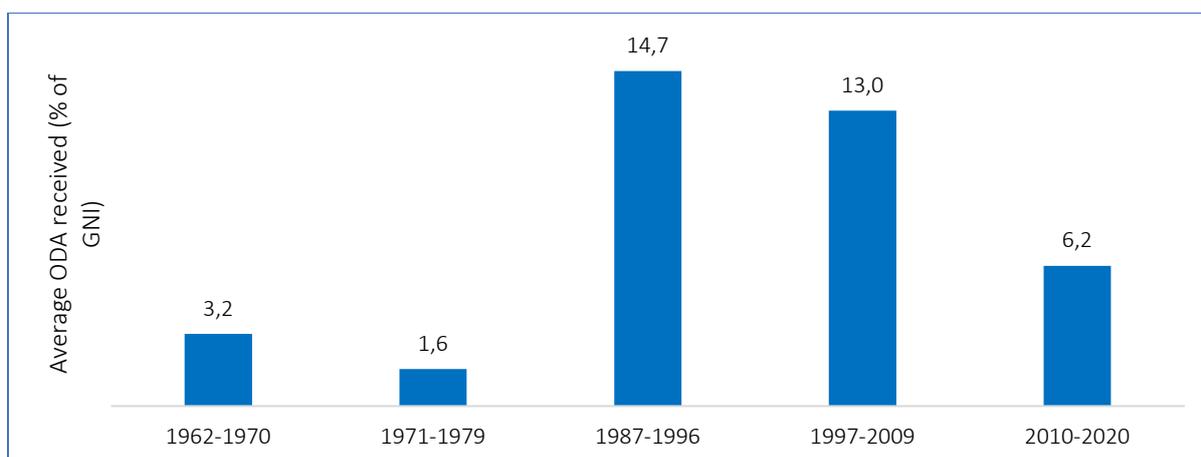
was later expanded to an additional 40 districts in a phased rollout over five years starting in 2016. In November 2018, the GoU announced the national rollout of the SCG beginning in the FY 2019-2020 to all 146 districts, but with an increase in age to 80 years and above for new beneficiaries while retaining those already enrolled during the pilot and phased rollouts.

Meanwhile, the NUSAF has geographically focused on the northern region of Uganda as part of efforts to address development gaps mainly created by the effects of the Lord's Resistance Army (LRA) conflict that lasted for over two decades in the region. The NUSAF was implemented in three phases, which include NUSAF 1 (2003-2009), NUSAF 2 (2010-2015), and NUSAF 3 (2016-2021). The NUSAF phases comprised various components, including the Labor-Intensive Public Works (LIPW), through which beneficiaries from poor and vulnerable households receive a seasonal direct cash transfer in return for their participation in LIPW. According to one of the interviewed officials from the MGLSD, the NUSAF is not considered a direct social protection intervention but a complementary service to social protection. Such complementary services play an important role in building resilience among the poor and vulnerable, and therefore, contribute to the realisation of social protection objectives. More importantly, NUSAF has played a pivotal role in the journey of Uganda's social protection sector through direct cash transfers.

### **11.3 Development assistance in Uganda and its contribution to social protection**

Historically, development assistance has played a critical role in Uganda's development. Between 1962 and 1970, official development assistance (ODA) to Uganda averaged 3.2% of the gross national income (GNI). Uganda was plunged into political and economic turmoil under the regime of President Idi Amin from 1971 to 1979, which saw a decline in ODA to its record low. After Amin was ousted in 1979, the structural adjustment programme/Economic Recovery Programme (ERP) under the auspices of the International Monetary Fund and World Bank was introduced in 1981, however, it did not take off until 1987. The period of ERP saw increased external support from donors as it was mainly donor-driven, with ODA averaging 14.7% of GNI between 1987 and 1996. The Poverty Eradication Action Plan (PEAP) ensued from 1997 to 2010, overlapping with the Enhanced Structural Adjustment Facility (ESAF) from 1997 to 2000 (Lakuma & Sewanyana, 2018). The PEAP period was also characterised by increased donor funding, with ODA averaging 13.0% of GNI between 1997 and 2009. Since 2010, Uganda has been implementing Vision 2040, phased through the five-year NDPs, and the country is currently in its third NDP phase (NDP III). While external assistance has further increased during the NDP period in absolute terms, it has declined as a percentage of GNI compared to the structural adjustment programme and PEAP periods, averaging 6.2% between 2010 and 2020. Figure 11.2 shows the average ODA received from 1962 to 2020.

**Figure 11.2: Average ODA received (% of GNI)**



**Source:** World Bank Development Indicators (2022).

Uganda’s landscape of development assistance has dramatically changed following the rise of aid from non-traditional donors, especially China. China has continued to provide development assistance to Uganda through interest-free loans and grants, dominating the bilateral composition of debt stock with 74% of the share by the end of 2020 (MoFPED, 2021). China’s aid is attractive to Uganda, similar to other African countries, because it does not interfere in the GoU’s domestic affairs. Furthermore, China’s financial support mainly goes into developing productive infrastructure, particularly roads, transport, and energy sectors, which were not favoured by traditional donors (Kasirye and Lakal, 2019).

Relatedly, there has been a shift in the nature of aid to Uganda from grants to loans and equity investments not only in the case of China but also for the Organisation of Economic Co-operation and Development’s (OECD) Development Assistance Committee (DAC) donors and International Financial Institutions (IFIs). The shift to loans was partly guided by a focus on infrastructure-related interventions—especially for roads and dams—by development partners. The emergence of new players and instruments in external development finance has increased competition, providing the GoU more choices and arguably more bargaining power (Kasirye and Lakal, 2019). Loans from IFIs consistently increased between 2018 and 2020, with a notable 124% increase between 2019 and 2020, whereas the expected borrowing from China is to account for almost 80% of non-ODA loans until 2025 (MoFPED, 2020; Owori, 2021). According to MoFPED (2021), non-ODA loans are expected to constitute 70% of new government borrowing until 2025-26, amounting to \$7.4 billion in value.

In terms of contribution to social protection, DPs have played an important role in developing Uganda’s social protection sector right from the outset, especially in supporting programming and direct income support interventions. The support for social protection has been in the form of grants and loans as shown in Table 11.1.

**Table 11.1: Contribution of Development Assistance to Social Protection**

Programme /Project	Funder	Amount (USD)	Nature of funding
SAGE 2017/18	FCDO & Irish Aid	11.9 million	Grant
2018/19		10 million	Grant
2019/20		14.8 million	Grant
NUSAF 1	World Bank	100 million	Loan
NUSAF 2	World Bank	100 million	Loan
	DFID	35 million	Grant
NUSAF 3	World Bank	130 million	Loan
	Japanese Social Development Fund	2.85 million	Grant
Other schemes			

DRDIP	World Bank	150 million	Grant
	IDA	50 million	Loan
Child-sensitive social protection in West Nile <sup>86</sup>	SIDA	30,000	Grant
Girls Empowering Girls (GEG) <sup>87</sup>	Belgium	4.8 million	Grant
	UNICEF		
ALREP	European Union	23 million	Grant
KALIP	European Union	17.3 million	Grant

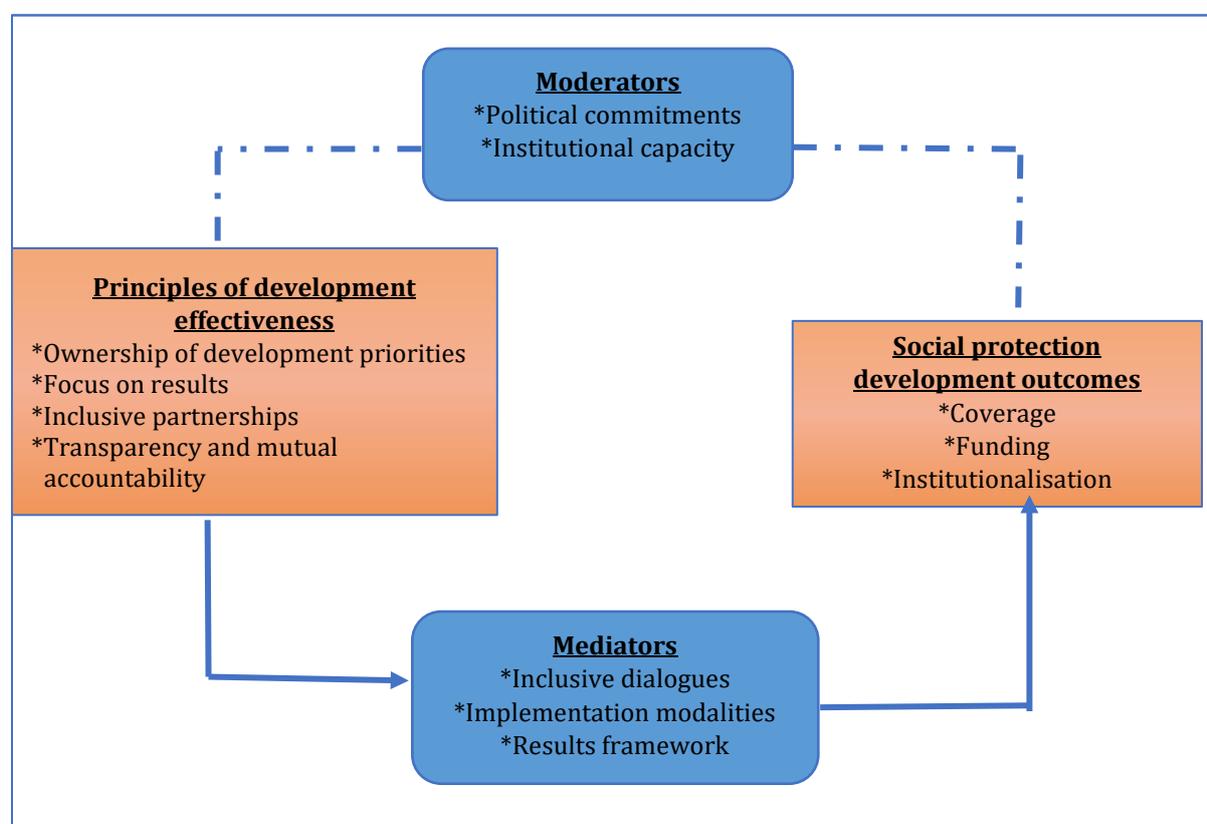
**Source:** Authors' compilation using project/programme documents.

## 11.4 Methodology

### 11.4.1 Conceptual Framework

This study adopted the 'Mediator-Moderator' framework to examine the extent to which the Busan aid effectiveness development principles have been achieved in Uganda's social protection sector (Figure 11.3). This study used two moderators relevant to social protection in Uganda—political commitments and institutional capacity. Regarding the mediators, inclusive dialogues, implementation modalities, and the results framework were considered for this study. In terms of sector development outcomes, this study considered three indicators pertinent to the sector's development: (i) coverage, (ii) funding, and (iii) institutionalisation. Figure 11.3 outlines the pathways through which moderators and mediators are linked to development outcomes.

**Figure 11. 3: Mediator-Moderator framework of development effectiveness of Social Protection**



**Source:** Authors' own construction.

<sup>86</sup> The Child-Sensitive Social Protection (CSSP) programme in refugee hosting districts in West Nile is a five-year programme and includes a nutrition-sensitive cash transfer component. It is jointly implemented by UNICEF and WFP with funding from the Swedish International Development Cooperation Agency (SIDA).

<sup>87</sup>GEG for Adolescent Girls is a four-year programme that was rolled out within 5 divisions of Kampala in 2019. The project is led by the Kampala Capital City Authority (KCCA) with support from UNICEF.

## 11.4.2 Data

The study utilised both secondary and primary data sources. Secondary data were obtained from the Programme Management Units (PMUs) of the ESP, NUSAF, and MGLSD<sup>88</sup>. Other key literature was obtained from a review of relevant policy documents, reports, and previous studies on social protection in Uganda. Notable among these were the Uganda NSPP (2015), Uganda Social Protection Sector Review (2019), Uganda’s Development Partnership Review (2020), and programme documents. Primary data were collected through key informant interviews (KIIs) with selected key experts/stakeholders in Uganda’s social protection sector from June to July 2022. The experts/stakeholders comprised three categories: (i) government, (ii) development partners, and (iii) civil society organisations (Table 11.2). An interview guide (Annex I) was developed following the ‘Mediator-Moderator’ framework, and stakeholder interviews were conducted physically and virtually.

Qualitative information from stakeholders was analysed through the following steps: a) transcribing the qualitative responses; b) applying critical thinking regarding the most frequent ideas and creating themes; c) writing narratives to describe the themes and comparing them to related publications on social protection studies, and d) examining quotations appropriate to illustrate some main ideas. For ownership of the study findings, a validation workshop was held on 30<sup>th</sup> August 2022 with key representatives from the social protection sector.

**Table 11.2: List of social protection stakeholders interviewed**

Category	Name of Institution
Government	Ministry of Gender Labour and Social Development (MGLSD)
	Office of the Prime Minister (OPM)
	Ministry of Finance, Planning and Economic Development (MoFPED)
Development partners	Foreign, Commonwealth & Development Office (FCDO), Uganda
	World Bank
	Irish Aid
	European Commission
	United Nations Children’s Fund (UNICEF)
Civil Society Organisations	Uganda Parliamentary Forum on Social Protection (UPFSP)
	Save the Children Uganda.

## 11.5 Findings and discussion

This section presents the findings on social protection outcomes, key moderators for social protection, and progress on principles of development effectiveness and mediators in social protection as outlined in the conceptual framework (Figure 11.3).

### 11.5.1. Social protection development outcomes

In examining the critical outcomes for social protection in Uganda, the analysis focused on coverage, funding, and institutionalisation as key indicators and how these indicators have changed over time. Findings reveal that coverage for social protection is still low. Robust

<sup>88</sup> PMUs are responsible for the day-to-day management of the programmes.

institutions to deliver social protection exist, however, with limited capacities. In addition, although funding is still very low, the government has demonstrated a strong commitment towards social protection.

### 11.5.1a Coverage for social protection

Despite the progress registered over the past decade, Uganda's social protection coverage remains low. Less than 4.5% of Uganda's population has access to some form of social protection, leaving approximately 95% of Uganda's population without any social protection support (MoGLSD, 2019). For SAGE, in particular, SAGE beneficiaries have continuously increased over the years since 2016-17 (Table 11.3), however, the number of beneficiaries remains low compared to the needs of the country. SAGE, since its inception, has provided the SCG to only 393,284 older persons in all 146 districts and cities, while the 2014 Population Census indicated that older persons accounted for approximately 1.4 million people in Uganda.

**Table 11. 3: Cumulative Number of SAGE Beneficiaries**

FY	Female	Male	Total Beneficiaries
2016/17	92,941	63,899	156,840
2017/18	92,700	63,399	156,099
2018/19	101,684	70,427	172,111
2019/20	174,297	123,637	297,934
2020/21	182,662	126,944	309,606

Source: Expanding Social Protection Programme 2021, MGLSD.

In the pilot phase, the SCG covered older persons aged 65 years and above in all districts and 60 years (for districts in the Karamoja sub-region). In the second phase, SCG covered the oldest 100 persons per sub-county in the additional targeted districts while retaining the beneficiaries already enrolled in the pilot districts. In the national roll-out, all older persons aged 80 years and above are being covered while retaining those already enrolled during the pilot and phased rollouts (Figure 11.4). The national roll-out extended the SCG to cover all 146 districts to include all older persons aged 80 years and above. It is anticipated that the number of beneficiaries accessing SAGE will be over 1.04 million in 2024-25 if the eligibility age is lowered from 80 years. According to the stakeholders interviewed, the high age threshold of 80 years for SAGE excludes millions of older potential beneficiaries. To this effect, there is increasing pressure from all stakeholders (district local governments, older persons, politicians, CSOs, etc.) to lower the eligibility age for enrolment to SCG from 80 to at least 70 years.

**Figure 11.4: The Senior Citizens Grants Journey**



Source: Expanding Social Protection Programme.

Apart from the age limitations, the SAGE programme still experiences enrolment and eligibility-related challenges. Some would-be beneficiaries have not accessed the grant because of national ID-related challenges and incomplete migration of SCG beneficiaries who were enrolled in the Programme by Post Bank Uganda (the previous payment service provider) to Centenary Bank

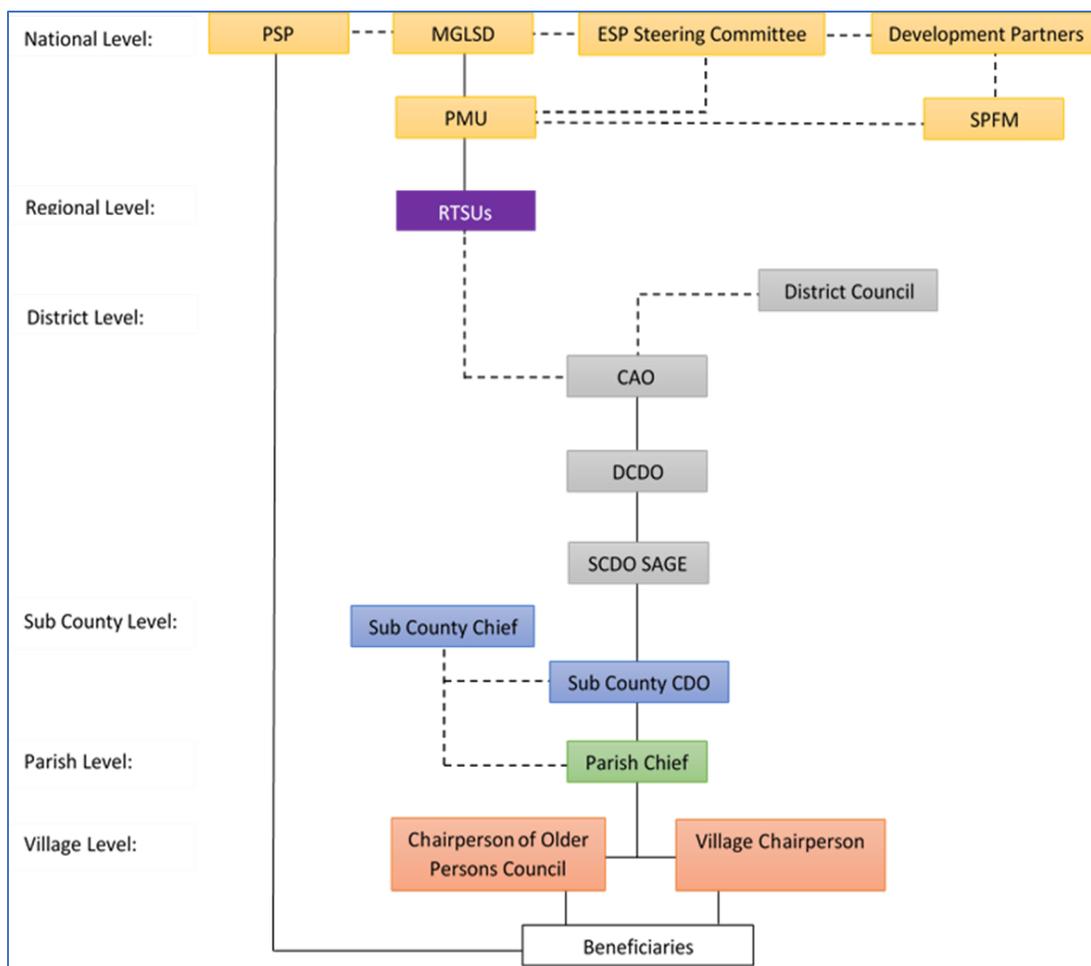
(the current payment service provider). The progress achieved through SAGE is directly shaped by the capabilities of the political coalitions that have formed around it. In addition, the progress achieved so far is attributed to the extensive support of donors in terms of funding and technical guidance.

Regarding coverage of the NUSAF, NUSAF 1 was implemented in only 18 districts of northern Uganda. The number of districts was increased to 40 under NUSAF 2, and the project was expanded to include some districts from the Eastern region. Under NUSAF 3, the project was planned to cover 56 districts in the West Nile, Acholi, Lango, Teso, Karamoja, Elgon, Bukedi, and Bunyoro sub-regions, and six larger districts were split into new ones, thus bringing the total to 62 districts (World Bank Implementation Status & Results Report, 2019). There was also a notable increase in the number of beneficiaries receiving income from labour-intensive public works, from 46,825 beneficiaries in May 2017 to 57,593 beneficiaries by January 2018 (World Bank, 2019). The total number of direct beneficiaries of NUSAF 3 was 606,338, up from 29,087 beneficiaries that received cash transfers (LIPW) during NUSAF 2. The interviewed stakeholders reported that NUSAF had registered impressive results in terms of coverage by expanding its scope beyond the northern region. However, the number of beneficiaries remains low compared to the population of poor and vulnerable people in these areas and Uganda at large.

#### *11.5.1b Institutionalisation*

Uganda has robust institutions mandated to deliver social protection led by the MGLSD, however, their capacity to deliver their duties effectively is lacking. The NSPP (2015) clearly outlines the roles of different institutions involved in social protection in Uganda. At the national level, the MGLSD, through the Directorate of Social Protection, is the leading institution for implementing all social protection interventions (inclusive of SAGE), given its constitutional mandate for social development and the protection of vulnerable groups. Other ministries, departments, and authorities (MDAs) such as the MoFPED and the National Planning Authority (NPA), civil society organisations (such as the Uganda Parliamentary Forum on Social Protection which was established in 2013 and is comprised of over 200 members of parliament and is noted to be the first of its kind in Africa), and private sector players all have clear roles stipulated in the NSPP (2015). However, a number of them are not active. Bukenya and Hickey (2019) noted similar findings of strong institutionalisation for social cash transfers. At the programme level, different institutions are involved in the implementation of varying social protection interventions as shown in Figure 11.5 for SAGE and Figure 11.6 for NUSAF.

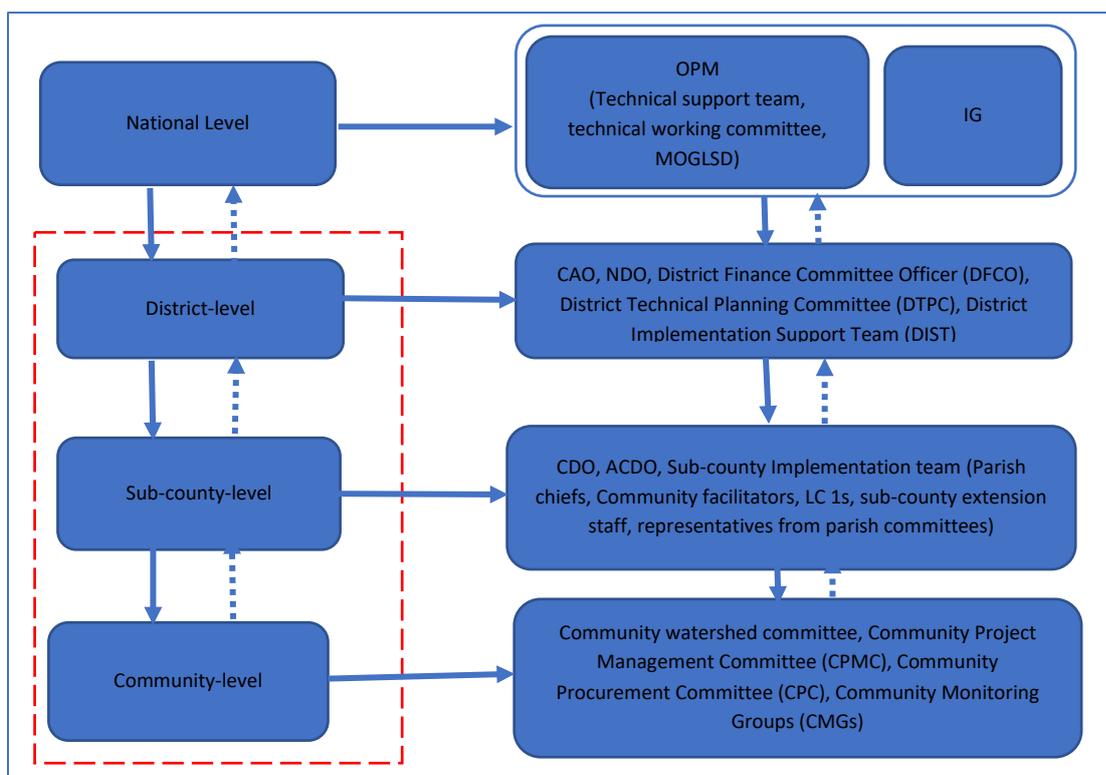
**Figure 11.5: Institutional Arrangements and Coordination for SAGE**



**Source:** Expanding Social Programme (2022).

In terms of coordination of the various institutions, the interviewed stakeholders reported that the delivery of SAGE and NUSAF continues to involve a multiplicity of well-coordinated institutions and mechanisms from the national to grass root levels where activities are implemented, with the streamlined involvement of DPs.

**Figure 11.6: Institutional Arrangements and implementation structure for NUSAF**



**Source:** Authors' own construction.

Key

- Political activities of Residential District commissioners (RDCs), Members of parliament (MPs)
- Implementation systems
- ⋯→ Reporting structure

### 11.5.1c Funding

Funding for social protection is still very low, however, government commitment to funding social protection has been growing. In particular, SAGE funding has been mainly contributory (a combination of government and DPs) and evolved from being primarily donor-funded in Phase 1, contributory by both government and donors in Phase 2, and eventual government takeover (Table 4). Worthy of notice, the GoU funding for SAGE has been increasing over time. However, there are funding gaps that have exacerbated arrears. For instance, the total government budget provision in FY 2022-23 for social protection comprises only \$32 million out of the required \$39 million, leaving a shortfall of \$7 million. Nevertheless, the beneficiaries can access their funds later when the MoFPED provides funds to clear the arrears.

**Table 11.4: SAGE funding by GoU and DPs**

FY	GoU USD (Millions)	Donors USD (Millions)	Total USD (Millions)
2017/18	7.84	12.93	20.77
2018/19	8.81	9.88	18.68

2019/20	16.93	14.94	31.87
2020/21	16.76	-	16.76
2021/22	34.20	-	34.20
2022/23	32.17	-	39.10

**Source:** Expanding Social Protection Programme (2022).

Regarding the funding of the NUSAF, the project has been primarily donor-funded since its inception, as indicated earlier in Table 11.1. NUSAF 1 was funded by the concessional World Bank loan of \$133 million to the Government of Uganda. Similarly, NUSAF 2 was financed by a World Bank loan of \$100 million and a contribution of £24 million from the Department for International Development (DFID). The most recent third phase of the programme (NUSAF 3) was financed by a US\$130 million World Bank loan. The initial project funding from the World Bank was \$130 million, while total disbursements amounted to \$131.87 million. The additional funds were due to foreign exchange gains of \$1.87 million. The project also received an additional \$2.85 million from the Japanese Social Development (JSD) Fund (OPM, 2021). Allegations of mismanagement of resources and misappropriation of donor funds by OPM that came to light in the public domain in 2012 led NUSAF 2 to strengthen its transparency accountability and anti-Corruption (STAAC) component overseen by the Inspector General of the government for effective delivery (World Bank, 2016).

Nonetheless, social protection has not yet emerged as a top priority of the GoU and is still allocated meagre funds. According to the interviewed stakeholders, the MoFPED still considers social protection as a consumption rather than an investment expenditure. Consequently, the MoFPED is reluctant to commit a vast amount of resources for social protection. Similarly, some stakeholders observed that DPs commit the smallest share of their budgets to social protection, even though it may appear high in Uganda's context.

## **11.5.2. Adoption of development effectiveness principles in social protection**

### *11.5.2a Ownership of social protection development priorities*

Uganda has demonstrated strong ownership of social protection interventions. As revealed by interviewed stakeholders, most social protection interventions are often initiated by the GoU through the MGLSD and supported by DPs. Even when DPs fully fund interventions such as the NUSAF, the line ministry or a government agency (in this case, the Office of the Prime Minister) leads the implementation. DPs are guided by proposed government interventions to determine their support depending on their priorities or resource envelope. For instance, the NUSAF was part of the broader Northern Uganda Reconstruction Program (NURP)<sup>89</sup>, a government initiative to support the Northern region to catch up with the rest of the country's development agenda and programs after the conflict at the hands of the Lord's Resistance Army rebels.

Similarly, SAGE is part of the ESP Programme, a GoU initiative implemented under the MGLSD in partnership with DFID, Irish Aid, and UNICEF. Other social protection interventions such as the Girls Empowering Girls Social Protection Programme are led by the Kampala Capital City Authority (KCCA) and the Development Response to Displacement Impacts Project (DRDIP) is implemented under the OPM. However, there are a few cases where DPs are at the forefront of implementing social protection interventions, such as the CSSP programme in West Nile jointly implemented by UNICEF and the World Food Programme (WFP).

Furthermore, Uganda has aimed to align development cooperation for social protection with national priorities over the years. Since 2010, when the era of NDPs began, all MDAs and DPs are required to align their interventions with the NDP. To this effect, the NPA issues certificates of

<sup>89</sup> NURP is the broad umbrella investment program for Northern Uganda to which all donors contribute, managed by the Office of the Prime Minister.

NDP compliance, and the OPM oversees the implementation of social protection interventions. In addition, the MoFPED is responsible for negotiating and signing project financial agreements (for on-budget projects) and ensuring compliance with the Partnership Policy, NDP, sector strategies, and budgets. The biggest challenge, however, is that majority of externally financed projects are off-budget. The reduction in budget support and willingness to use government systems, coupled with increasing moves towards implementation through NGOs/CSOs and the private sector, limit the government's ability to influence, and thus, lead to limited ownership of social protection development priorities.

#### *11.5.2b Inclusive partnerships*

Although there are several inclusive partnerships in the social protection sector in Uganda, gaps still exist. According to the interviewed stakeholders, formulating social protection policies and plans is an inclusive process involving all stakeholders, including IDPs. This was the case while developing the NSPP (2015); it was a nationwide consultation process involving the GoU, local governments, and IDPs through the Development Partner Social Protection Working Group (DPSPWG)<sup>90</sup>, the private sector, and civil society. Stakeholders' input was managed through a series of meetings and workshops with the private sector, IDPs, line ministries, and local governments (OPM, 2017). Partner and sector development plans were presented and discussed within sector working groups and, in the process, updated to sector working plans. To this effect, interview participants noted that the sector working groups (SWGs) for social protection were active and inclusive. The NDP III (2020-2025) has witnessed a shift to programme-based budgeting committees in place of SWGs, which are almost similar except at the programme level, with many line ministries involved.

However, consultation efforts are often hindered by low participation, especially at lower levels of the government, which is attributed to the 'high cost of local mobilisation and apathy among the population arising from a discontent with the budget performance at grassroots' (Kasirye and Lakal, 2019). Therefore, the government and other relevant stakeholders need to develop a comprehensive mechanism for ensuring that all stakeholders participate in established dialogue mechanisms for better outcomes.

While the OPM developed the Partnership Policy in 2013 to provide a new framework for conducting relationships between the government and IDPs, representatives from both interviewed noted that this partnership policy is too broad for all sectors, with no social protection sector-specific angle. With the absence of overarching policy decisions/regulations that govern partnerships and the development cooperation of social protection, different IDPs sign separate Memorandums of Understanding (MoUs) with the GoU for the programmes or projects they support, without including other key social protection stakeholders. This has been the case for both SAGE and the NUSAF. In addition, the interviews revealed that individual IDPs still prefer to work directly with the GoU outside the DPSPWG through MoUs, which was attributed to IDPs having different interests at times that may not be well served in a group. Furthermore, the budgeting process is not inclusive and most IDPs pointed out that they are rarely involved in these processes, and at times, only gain access to budget documents in the final stages.

#### *11.5.2c Transparency and mutual accountability*

Transparency and mutual accountability are still challenging areas in the domain of social protection in Uganda. Different social protection interventions have different management information systems (MISs), which are uncoordinated and data is not shared among all stakeholders. IDPs have data regarding funds, disbursements, and respective periods of different

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<sup>90</sup> DPSPWG includes other agencies such as the Swedish International Development Cooperation Agency (SIDA), the European Union Delegation in Uganda, USAID, and the UNHCR.

social protection interventions they support. However, data about beneficiaries is often managed and stored by PMUs that take custody of its relevant data, but they do not share this data with other stakeholders (MISs), which has created challenges of duplication and double-dipping in the past. In response, the GoU, through the MGLSD and development partners including the World Bank, Irish Aid, UNICEF, and DFID through the ESP, invested in developing a single social registry towards an integrated and consolidated social protection system. It is envisaged that the single social registry will provide consolidated information on beneficiaries, for instance, who is receiving what, where, and when as well as support the targeting of recipients for social protection interventions. Currently, the single social registry is in operation and connected to the NUSAF and SAGE MIS.

In addition, there is no clear forum to hold IDPs accountable for their approaches and corresponding results. IDPs rarely sit face-to-face to hold each other responsible. More so, it is not common for donors to supply data to MoFPED for social protection projects in which the government is not an implementing partner. Such unclear accountability mechanisms allow actors (GoU and donors) to behave in line with their individual preferences, driven by domestic (political) pressures at the expense of the benefits to the broader group of stakeholders, thereby deviating from joint development effectiveness concerns.

Noteworthy, while corruption remains a big challenge in Uganda at the national level, this has not been the case in the social protection sector. SAGE in particular has not encountered corruption issues. In addition, accountability under NUSAF 3 was strengthened by incorporating a transparency, accountability, and anti-corruption (TAAC) component implemented by the Inspector General of the government. The NUSAF 3 deployed a robust social accountability mechanism, which builds on community committees to identify, document, and report cases and programme incidences. This mechanism helped form a strong accountability structure underpinning the efficiency and effectiveness of the programme. Furthermore, both the NUSAF and SAGE are audited by the Office of the Auditor General and report to the Ugandan parliament, partly justifying the strong accountability manifested in the interventions.

#### 11.5.2d Focus on results

Different social protection interventions have independent results frameworks, which affect efforts towards achieving common goals. At the national level, NDP III has specific social protection targets and the MGLSD has a five-year strategic plan, it is unclear how individual social protection interventions feed into the strategic plan and contribute to NDP III targets. Specifically, the NUSAF operates under a results framework, while SAGE has a logical framework with clear indicators, but none seem aligned to targets in the strategic plan (Table 11.5).

Regarding the formulation of the results framework, the interviewed government stakeholders noted that they are developed by IDPs ‘who pay money’, although the MGLSD may be involved in the process.

**Table 11.5: An extract for selected DIS result areas for the NDP III period**

Interventions	output	Output indicators	Baseline 2019/20	Target 2020/21	Target 2021/22	Target 2022/23	Target 2023/24	Target 2024/25
Expanding the scope and coverage of	SAGE rolled out	No. of beneficiaries	167	305	946	977	1008	1041

Direct Income Support for the most vulnerable groups		accessing SAGE ('000s)						
Expanding provision of livelihood support and public works programmes to the poor and most vulnerable	Labour Intensive Public Works Implemented	No. of Labour Intensive Public Works programmes in place	2	3	4	5	6	7
		Number of beneficiaries on labour-intensive public works	24,234	25,234	26,234	27,234	28,234	29,234

**Source:** MoGLSD Strategic Plan (MGLSDSP) 2020/21 -2024/25.

There are increasing efforts by IDPs to use implementation modalities that help avoid working directly with the central government through the off-budget support mechanism, making it difficult for both the government and DPs to share joint ownership of the results of programmes implemented outside the government systems. The government should, therefore, ensure that each social protection intervention contributes to targets as indicated in the national results framework in the strategic plan.

### 11.5.3 Moderators

In terms of political commitment, there is growing political commitment towards social protection in Uganda. First, social protection is enshrined in the 1995 Constitution of the Republic of Uganda. Second, Uganda has ratified the Livingstone Call to Action (2006), which obliges the African Union Member States to implement costed plans for direct income support programmes. Further, Uganda's Vision 2040 launched in 2010 and its attendant National Development Plans outline the government's commitment to expanding social protection as a strategic tool for reducing poverty and vulnerability by enhancing household resilience to shocks and supporting human capital development for sustainable and inclusive growth. The GoU also endorsed the 2030 SDG agenda, which includes Goal 1.3, which calls upon countries to implement nationally appropriate social protection systems and measures for all to achieve substantial coverage of the poor and the vulnerable by 2030. In addition, the cabinet approval of ESP that includes SAGE in 2010 and the NSPP in 2015 and the programme plan of implementation (PPI) to implement the policy demonstrated strong political commitment.

According to the interviewed stakeholders, political commitment has played a pivotal role to achieve the national roll-out and budget allocation of public funds towards SAGE. In particular, the Uganda Parliamentary Forum on Social Protection sensitised the members of parliament regarding the value of SAGE and mobilised them to support its national roll-out, a big milestone registered in 2018. Therefore, political commitment has been critical for increasing funding and coverage of social protection in Uganda. Moreover, most social protection interventions must achieve political acceptability, especially from top-level offices, to be successfully implemented in Uganda. This has been true for SAGE, the NUSAF, and other social protection interventions. A similar observation was made by Bukenya and Hickey (2019) and Grebe and Mubiru (2014), who applauded the role of politics in shaping Uganda's social protection.

Despite the progress made, government stakeholders observed a need for stronger political commitment towards social protection in Uganda, expanding to the informal sector. In addition, social protection should be shifted from a consumption to a development expenditure in national accounts by the MoFPED. Furthermore, strong political commitment is critical for the broad

appreciation of social protection by different MDAs, as several interventions go beyond the MGLSD.

Regarding institutional capacity, the institutions with the most significant influence on social protection outcomes and the implementation of the Busan principles mainly include the MGLSD, NPA, MoFPED, and OPM. These four institutions are expected to coordinate effectively with each other for the effective implementation of social protection interventions. The MGLSD assumes the constitutional mandate for social protection, whereas the NPA ensures that social protection is a part of NDPs. The MoFPED is primarily responsible for providing resources to implement social protection interventions, with resources mobilised internally or externally. Even for projects or programmes entirely funded by DPs, the MoFPED is involved in the processes and holds MGLSD to account through its control of the budget process. The OPM has the mandate of monitoring and evaluating the implementation of government policies and programmes, including those implemented by MDAs, regardless of whether they are funded by the GoU or DPs.

One would expect that MGLSD, the lead institution for social protection planning, would also direct development cooperation. However, this is not the case since MoFPED still commands more influence over decision-making for development cooperation and investment decisions in the sector. The government stakeholders interviewed noted that MoFPED took a long time to accept investment for social protection due to its perception of being a consumption good. While MGLSD has registered significant success in promoting social protection to where it is currently, there are concerns that the ministry still has limited capacity to steer the implementation of multiple social protection interventions as narrated by one DP representative:

‘MGLSD is the lead institution for social protection, but it is one of the weakest institutions in terms of capacity...’ (KII, July 2022).

Other responses regarding the issue of limited institutional capacity were expressed by a government official:

‘There is limited coordination of institutions mandated in the national social protection policy (2015) to spearhead social protection. While MGLSD is supposed to lead the thrust for social protection through issuance of guidelines for different actors to align their priorities at the beginning of every financial year, this is rarely done’ (KII, July 2022).

At the project level, institutional capacity has been developed through evolutionary phases. For example, the NUSAF has evolved from NUSAF 1, NUSAF 2, and NUSAF 3, with institutional capacities being strengthened following lessons from the predecessor phases. Such efforts have been harnessed through training and technical backstopping of existing local institutions, including communities. Under the NUSAF 3 implementation arrangement, local governments designated officers at the district level to assist the Chief Administrative Officers in coordinating project activities. In addition, in order to ensure good governance and accountability for funds under NUSAF 3, measures were taken to institutionalise the STAAC component at the community level through the formation and training of Community Monitoring Groups (CMGs) to minimise the misuse of project resources.

#### **11.5.4 Mediators**

The inclusion of critical social protection actors has been identified in Uganda. Inclusive dialogues for implementing social protection interventions are prominent at the national level compared to the local government level. During the formulation of the NSPP (2015), stakeholder mapping and identification of relevant stakeholders in the social protection sector (some of whom formed the SWG<sup>91</sup>) were conducted. This information was subsequently involved in all policy processes and

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<sup>91</sup> SWG, a government-chaired group responsible for coordinating support within the sector, comprises representatives from MGLSD and other relevant MDAs, donors, NGOs, and the private sector.

provided room for joint policy-making and inclusive dialogues in the sector. Although MGLSD provided leadership, it cannot single-handedly formulate policies or programmes for social protection. Policy formulation to guide the sector is a collaborative process involving all relevant parties.

While most relevant stakeholders are involved in policy formulation processes, a review of the policy implementation or programmes is rarely conducted jointly, according to some development partners interviewed. Consequently, it becomes challenging to determine whether the government or DPs fulfilled their earlier commitments or whether the stakeholders assigned responsibilities are performing to meet the expectations.

Joint planning and budgeting are still a challenge in social protection interventions in Uganda. Most stakeholders (IDPs) indicated they are rarely involved in the planning and budgeting processes and learn about social protection plans when the NDP is in the final stages or published. Therefore, DPs are not necessarily the key planners of social protection. Regarding budgeting, MGLSD and MoFPED develop budgets for social protection, while other key stakeholders, especially DPs, are not involved in most of these processes. This explains why the NDP III only comprises social protection targets without discussing how they have been achieved, which stakeholders contribute to specific targets, and by how much, as emphasised by a government stakeholder:

‘...joint planning and budgeting for social protection is not there in Uganda; it is at God’s mercy’ (KII, July 2022).

Regarding the results framework, the national social protection framework reflecting the successes and failures of targeted interventions is currently non-existent. Each of the social protection programmes or projects has its independent results framework agreed upon by relevant parties. This is partly attributed to the fact that DPs are required to have a clear and explicit results framework before committing resources to implementation. For instance, the NUSAF and SAGE have independent results frameworks, and neither is complimentary. However, the disjointed nature of results frameworks sometimes results in duplication and wastage of resources, which could be avoided if all implementers followed joint planning processes to agree upon the resulting areas of focus.

Without a sector-specific results framework, project-specific outcomes are rarely evaluated to assess results, given that the government’s interest in assessing development outcomes is not as high as those of DPs. While the government has more influence on assessing national-level outcomes since tracking the progress of NDPs and SDGs requires aggregate statistics (Kasirye and Lakal, 2019). Thus, donors have a decisive say on programme-level assessments, which directly accounts for each donor’s performance.

During the consultation undertaken as part of this study, the Director of social protection revealed that funding for social protection donor aid is delivered either through budget support (using the mainstream government system) or off-budget (through standalone projects). These mechanisms influence the decision-making process and development outcomes arising from the funding. With budget support, the donor grants the government autonomy over crucial decisions, and sector budget decisions are negotiated through SWGs. However, donors make the most critical decisions with off-budget backing. Decisions between donors and the government are often approached through a collaborative process and are not dictated by any party. Negotiations consider strategic/policy-level and operational issues but remain within the scope of the NDP, which feeds into Vision 2040. Negotiations take place according to frameworks put in place by the government, such as the medium-term expenditure framework and SWGs. In addition, sector strategic plans are developed for all donors to follow. While donors support the development of these plans, it is led by the government through ministries. (Kasirye and Lakal, 2019).

Over time, the fragmented nature of the programme results framework has made donors recognise the importance of a joint results framework requiring accountability by all. An overall assessment of the World Bank's performance recommended the role of consolidating individual project results and targets into a single results framework to aid in monitoring progress (World Bank 2016).

Regarding implementation modalities, social protection interventions are implemented through existing country systems. Both the NUSAF and SAGE use local and national existing government structures (as seen in Figures 5 and 6) to deliver key social protection interventions, which have helped strengthen country ownership through capacity building of state institutions. These local government structures have played an important role in engaging stakeholders at all levels, building trust with beneficiaries, and generating buy-in for project activities from local communities, thereby strengthening legitimacy and country ownership. The Director of social protection revealed that:

'The government has always supported donors to fund social protection using on-budget systems to reduce fragmentation and prevent the creation of parallel systems by development partners that can potentially undermine the development of government institutions and capacities' (KII, July 2022).

All IDPs interviewed noted that the use of existing government systems has enabled the projects to cut programming costs and enhance the sustainability and participation of stakeholders at all levels. This, to some level, has been successfully implemented for both the NUSAF and SAGE through existing local government structures. Available evidence (World Bank, 2016) shows that the mainstreaming of NUSAF 2 within local governments through engagement with district officers and the identification of NUSAF 2 desk officers has strengthened the delivery of the project at the local level and provided space for communities and local authorities to work jointly in the delivery of the project at the community level.

Secondly, participatory and geographical approaches are applied in targeting social protection interventions. SAGE initially targeted a particular age group (all elder persons aged 65 years) and geographical area<sup>92</sup> of Karamoja, though it was sequentially rolled out to all regions (Table 6). Following a phased approach to expansion, in 2015-2016, the oldest 100 senior citizens in a sub-county were targeted for enrolment into the programme across 20 districts. This approach was adopted until 2018-2019 when the government approved the universal coverage of all older persons aged 80 years and above. This development illustrates the critical role played by IDPs in allocating social protection resources geographically.

Regarding the NUSAF, targeting was informed by the geographical distribution of 'historical' poverty for marginalised areas. NUSAF 1 was based on the Peace, Recovery, and Development Plan (PRDP) priority areas, and was designed around a watershed approach. Once the watershed areas were identified, the selection of recipients was based on community-based targeting<sup>93</sup> based on pre-defined criteria of poverty and vulnerability (MoGLSD, 2019). Using this approach, the poorest of the poor in the community are identified using expanded participatory rural appraisal wealth ranking methodologies by the community. Communities are further involved in the identification and selection of projects under NUSAF based on community needs. The use of participatory approaches to identify beneficiaries and community priorities has empowered the local people, strengthened ownership of development projects funded by IDPs, and has further

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<sup>92</sup> Geographical targeting aims at the selection of areas that are deprived of social services and sparsely populated, among other criteria.

<sup>93</sup> Community targeting involved participatory identification of the poorest of the poor and the active poor for labour-intensive public works by the selected communities. The poorest of the poor include marginalised persons, pregnant women, the sickly, and older adults.

enabled beneficiaries to influence the decision-making processes during the formulation and implementation of sub-projects.

**Table 11.6: Targeting methodologies used in SAGE and NUSAF**

Programme	Age category	Geographical restriction	Universal	Community-based selection	Region covered
SAGE phase 1 (2011-2015)	65years and above	Yes	No	Yes	Karamoja
SAGE Phase 2a (2015/16)	Oldest 100	Yes	No	Yes	
SAGE phase 2b (2016/17-to 2018/19)	80 years and above	No	Yes	Yes	National
NUSAF 1 (2003-2009) LIPW	Working age	Yes	No	Yes	Karamoja
NUSAF 2 (2010-2015) LIPW	Working age	Yes	No	Yes	Karamoja and Eastern
NUSAF 3 (2016-2021) LIPW	Working age	Yes	No	Yes	West Nile, Acholi, Lango, Teso, Karamoja, Elgon, Bukedi and Bunyoro sub-regions

**Source:** MoGLSD (2019).

Regarding budgeting for IDP funds, the funds are budgeted using varying financial management systems. Donor funding for SAGE is off-budget and not integrated into the annual budget cycle and the preparation of MGLSD’s Budget Framework (MoGLSD, 2019). The funds are directly transferred to the programme through a fund manager to manage financial risk from the donors’ perspective. As a result, government financial systems that could be key in achieving the principle of mutual accountability and transparency are not being strengthened. However, the NUSAF 1, 2, and 3 budget processes are mainstreamed into the GoU budgeting procedures (on budget) under the OPM budget lines. The final project budgets are approved by the ministry and incorporated in the budget framework paper for submission to the parliament. Funds are disbursed from the OPM to districts, the sub-county level, and communities. This mechanism has helped to strengthen public financial management systems, including the planning and annual budget process.

Finally, the transfer of funds to the beneficiaries is conducted using a well-streamlined local government structure. Funds for cash transfer and payment of wages to communities for work done under the NUSAF labour-intensive public works are disbursed directly from the District NUSAF 3 sub-projects funds (chief administrative officer) to the community-based bank accounts managed by the respective Community Project Management Committees (CPMCs). In addition, financing agreements are signed between the respective community committees and the district chief administrative officer before the funds are transferred. The CPMC uses community accounts as signatories. For SAGE, beneficiaries receive payments through contracted banks (Centenary and Post Banks).

## 11.6 Emerging messages

Project-based social protection interventions are largely aligned with Uganda's development agenda, as articulated in the NDPs. For example, SAGE contributes to the government agenda of increasing direct income coverage while NUSAF has played a critical role in the recovery of the Northern region after decades of political insurgence in line with NURP objectives.

Social protection funding is largely IDP-driven and geared towards off-budget projects. This signals differences in funding priorities between IDPs and the government, leading to fewer synergies built around social protection interventions.

Further, it is observed that funding for social protection is inadequate to bring about the desired outcomes of reducing the vulnerability of the Ugandan population. This implies that the extent of the impact of social protection interventions is sub-optimal.

The political economy of social protection plays a crucial role in its coverage, funding, and institutionalisation. For example, SAGE was perceived by some beneficiaries—who did not benefit from the pilot stage—as a political reward for supporting the government. To this effect, non-beneficiaries used their members of parliament to lobby for its national roll-out, which was achieved.

Implementation structures play a pertinent role in the sustainability of social protection. Both SAGE and NUSAF were implemented through existing local government structures and beneficiaries are aware of these structures. Local government structures are involved in mobilising, monitoring, reporting, and supervising the progress of social protection interventions.

Finally, institutional capacities for effective development cooperation are built over time. The NUSAF has evolved from NUSAF 1, NUSAF 2, and NUSAF 3, with institutional capacities being strengthened through training and technical backstopping of all institutions involved and following lessons from the predecessor phases. This has enabled the project to develop a strong accountability system that delivers substantial social protection outcomes.

## **11.7 Conclusion and action areas**

The social protection sector in Uganda, with support from IDPs, has implemented several social protection interventions, with the two largest direct income support programmes being SAGE and NUSAF. However, the role of development cooperation in social protection has not been assessed. This study examined the role of the Busan effective development cooperation principles in delivering development outcomes in the social protection sector in Uganda. The study findings identify significant milestones in funding, coverage, and institutionalisation for social protection, though with mixed results of low funding, limited coverage, and lack of coordination among the multiple institutions involved.

Regarding adopting the Busan principles, there is strong ownership of development priorities through government alignment of development cooperation with Uganda's priorities and government commitment through the takeover of SAGE, in which the government had no commitment regarding monetary terms in 2010 to 100% government funding in 2022. Transparency and accountability, however, remain low. There is limited focus on outcomes due to fragmented results frameworks among implementers, and inclusive partnerships are limited at the local government levels where interventions are implemented. Regarding the moderators, Uganda exhibits growing political commitment towards social protection, however, more efforts are required to prioritise social protection to be allocated sufficient resources. In addition, Uganda has various institutions mandated to deliver social protection led by the MGLSD, however, their capacities to effectively deliver positive outcomes are lacking. In terms of

mediators, interventions are delivered using existing national systems. Nonetheless, limited inclusive joint planning and budgeting and a lack of a universal results framework have constrained the success of social protection in Uganda.

This case study has offered valuable insights into the progress of Busan's development cooperation principles and key factors that have facilitated or constrained the delivery of social protection outcomes. Going forward, the following issues must be prioritised by the GoU for effective development cooperation in Uganda's social protection interventions:

- a) Institutional accountability systems need to be strengthened to ensure funds are channelled through on-budget support. The increased use of off-budget systems to finance social protection in project implementation points to IDPs' lack of trust in Uganda's accountability systems. Efforts should be geared towards lobbying for increased use of on-budget systems by IDPs to ensure increased ownership and accountability.
- b) There is a need for a universal social protection results framework for all IDPs and social protection stakeholders to be held accountable for their jobs. Given the fact that DPs have recognised the importance of a joint results framework, it is time for the other stakeholders to step up on its formulation. This can be achieved by harmonising existing social protection programme-based results frameworks to develop a comprehensive results framework to which all actors will contribute. To ensure that the universal social protection framework delivers the desired results, efforts should be streamlined to ensure its monitoring.
- c) Given the national role of the government in increasing social protection coverage, there is a need for a long-term financing strategy for SAGE. The government should boost domestic resource mobilisation to reduce pressure on external borrowing. Domestic revenue mobilisation strategies could also be explored.
- d) There is a need to strengthen the coordination mechanism for social protection delivery stakeholders at various levels.
- e) There is a need to address data accessibility issues and gaps for development cooperation by strengthening the capacities of both MDAs as well as, local government technocrats to update and verify data for international aid reporting. In addition, there is a need for harmonising information from the programme-based MIS and National identification and Registration Authority (NIRA) to ease the identification of vulnerable populations and enhance data availability. This will enhance the utilisation of aid data for conducting effective dialogue with DPs.
- f) There is a need to scale up efforts to collate and disseminate social protection data on relevant social protection platforms. Given that Uganda has a parliamentary forum on social protection, this should be viewed as an opportunity for increased transparency.
- g) Institutional challenges in terms of capacity and resources should be addressed. All IDPs should be encouraged to continuously mentor and train the members of social protection institutions for improved government outcomes and sustainability.
- h) The government and other relevant stakeholders need to develop a new mechanism for ensuring that all stakeholders participate in established dialogue frameworks for joint planning and delivery of social protection. Given that nationwide consultation processes have not been effective due to low participation, efforts should be geared towards increasing regional and district-level consultations for the participation of affected beneficiaries.

Regarding development cooperation partners, the following actions may help increase the effectiveness of development cooperation in Uganda's social protection sector:

- a) DPs not using on-budget systems should aim at funding social protection through on-budget systems to increase the government's ability to monitor progress and effectively report to the IDPs. This can be accomplished by using relevant social protection indicators and recognising synergies in interventions being conducted by parallel IDPs.
- b) DPs should continue supporting the government in capacity-building and strengthening the national social protection programme. DPs should, however, intervene to ensure that institution coordination is strengthened.
- c) DPs should encourage the explicit use of Uganda's social protection indicators as much as possible to measure outcomes to enable the country to track and report development outcomes based on its priorities.

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## Annex I: Interview Guide

1. How long and in what capacities have you been associated with the social protection sector in Uganda?
2. Could you please provide a policy timeline for the sector/partnership? Are there any flagship programmes running? If yes, please provide details.
3. Which ministries/departments/agencies are responsible for planning and implementing social protection plans/strategies? (e.g. NSPP, Sectors Plan)
4. Which stakeholders (including international development partners (IDPs) such as a visiting diplomat, consultant or a long-term expert in the country, among others) were involved, and when, in preparing the sectoral strategy/plan/document? (e.g. Social Development Sector Plan (SDSP) 2016/16, National Social Protection Policy, National Social Protection Policy Framework and its costed implementation plan)
5. What are the key policy decisions/regulations governing partnerships and the development cooperation of social protection in Uganda?
6. What is the status of the adoption/implementation of the principles of development effectiveness in Uganda's social protection? Is this agenda a priority? - (Busan principles: Ownership of development priorities, focus on results, inclusive partnerships, and transparency and mutual accountability): Do you apply the Busan principles when implementing social protection?
7. Has any policy decision enabled Uganda ownership in case of development partnerships?
8. How would you describe the progress observed in Uganda's social protection?
9. To what extent are the social protection strategy/policy objectives aligned with the national development plan?
10. What are the key indicators that denote development outcomes in the sector? How have these indicators changed over the last years? (coverage, funding and institutionalisation)
11. How is the policy focus on the results ensured? Is there a results framework that all actors agree on? Do you think it is useful?
12. Do you consider a joint-policy-making process (high-level) in Uganda's social protection? Can you describe it?
13. What were the critical factors that explain the decision of the government to adopt and scale social protection schemes originally funded by DPs?
14. Has there been joint planning and budgeting? How would you describe this process?
15. Are there spaces for dialogue within the sector? Can you describe them?
16. How are transparency and mutual accountability issues ensured in the policy regulations governing the social protection partnerships?

17. Was official data on aid/budget concerning the social protection strategy available in a timely manner? Was it accessible to only the concerned stakeholders, or was it publicly accessible?
18. Was official data on aid utilisation and social protection outcomes concerning the sector available in a timely manner? Was it accessible to only the concerned stakeholders, or was it publicly accessible? If available, to what extent and how was it used by donors or the government?
19. How has the establishment of NUSAF secretariat affected its implementation? Was it a joint decision of government and development partners to establish the secretariat?
20. Do you think these factors (such as joint policy-making, inclusive dialogues, transparent monitoring, etc.) have supported the social protection sector in reaching its objectives? Which do you think has been most relevant?
21. What are some of the practical steps taken to improve the development outcomes of social protection?
22. How have the political commitments of Uganda affected the development of outcomes of social protection? (Coverage, funding and institutionalisation) and the decision to scale social protection programs? (e.g. SAGE)
23. To what extent did any other factor or externality affect the outcomes of the social protection sector (coverage, funding and institutionalisation)?
24. Which actor(s) drive the coordination of the social protection partnership? Is it the IDPs, or is it Uganda's government (which agency)? Is there any role for non-state actors in this process? (Academia, Civil Society, Private sector)
25. How do overarching policies and priorities of individual IDPs influence their involvement in donor coordination in Uganda's social protection?
26. How do the policy regulations ensure that these social protection partnerships are inclusive?
27. Are all IDPs sufficiently in line with the GPEDC/Busan principles in Uganda and are there important variations between them? Why or why not?
28. Following our discussion on joint policy-making, inclusive dialogues, transparent monitoring etc., what do you think are the factors that enabled these initiatives to be put in place? For those that have not taken place, what factors limited them?