

## Hitting the target?

Evaluating the effectiveness of results-based approaches to aid

By Javier Pereira and Carlos Villota





# Presentation structure

1. Why this report? Why now?
2. Research approach and methodology
3. Four key research questions and knowledge gaps
4. Conclusions



# 1. Why this report? Why now?

Pressure on budgets + Need to improve aid effectiveness

Results – monitoring agenda

## Challenges:

- Measuring impact
- Attribution

## Solution?

- Linking aid disbursements to results

But, linking aid disbursements to results ↔ Aid Effectiveness ?

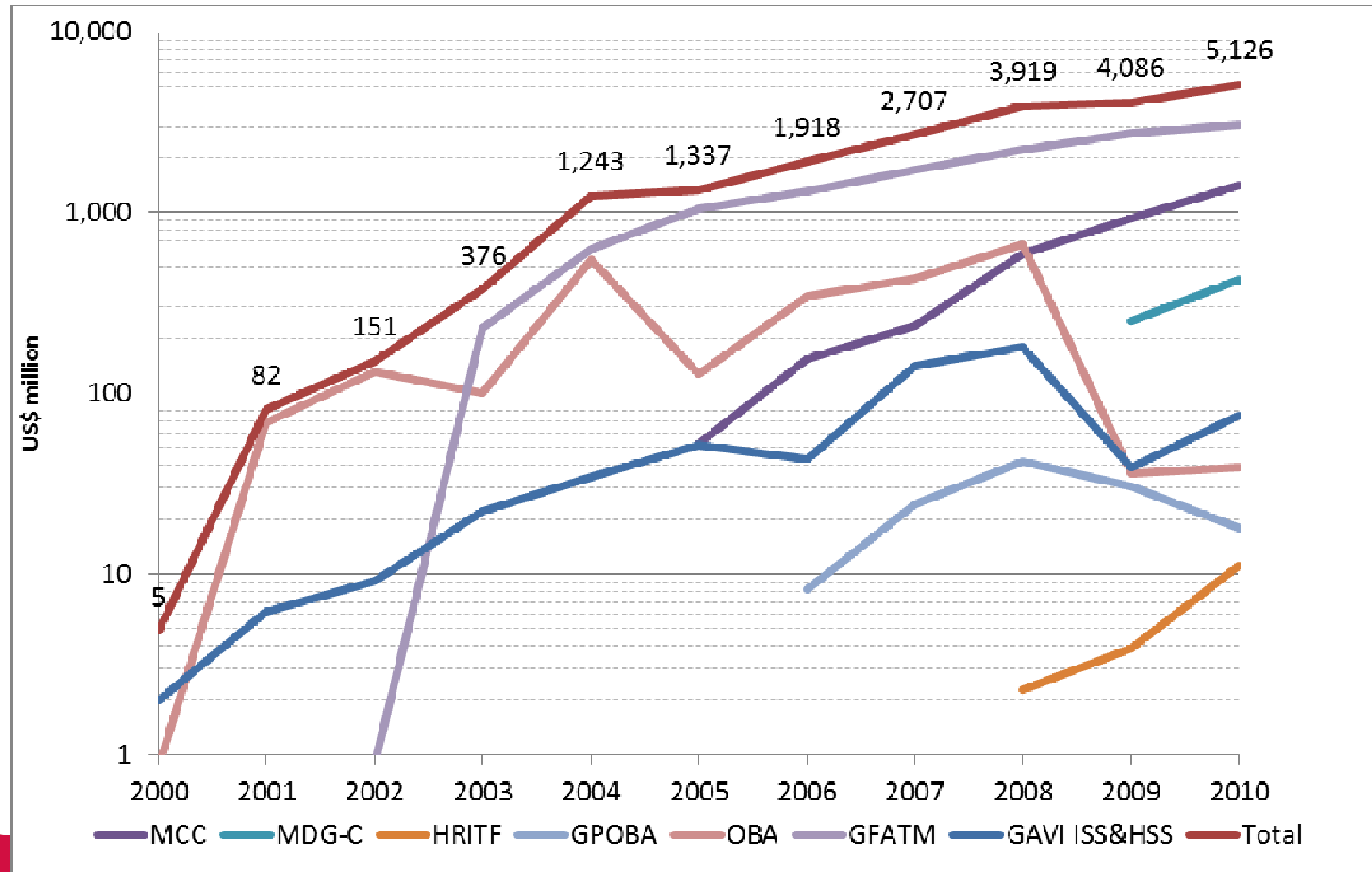


## 2. Research approach

- Results-based approaches: **“transfer of ODA conditional on taking a measurable action or achieving a predetermined performance target”**
- Select **initiatives** and compare against four **key aid effectiveness principles** (theoretical framework)

Initiatives	Aid effectiveness principles
EC MDG-C	Ownership
GAVI (HSS and ISS)	Accountability and mutual accountability
MCC	Harmonisation
Global Fund	Alignment and use of country systems
GPOBA	

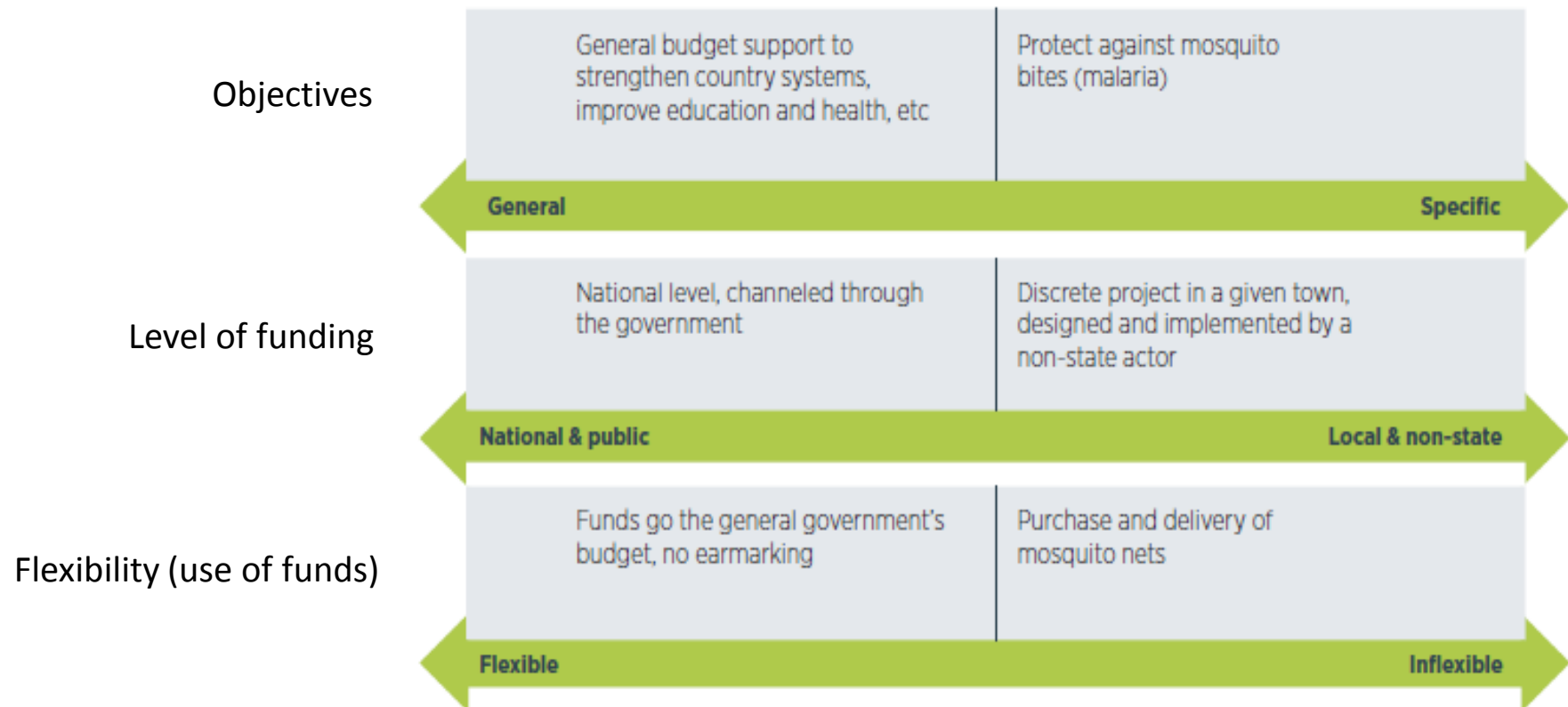
## 2. Research approach





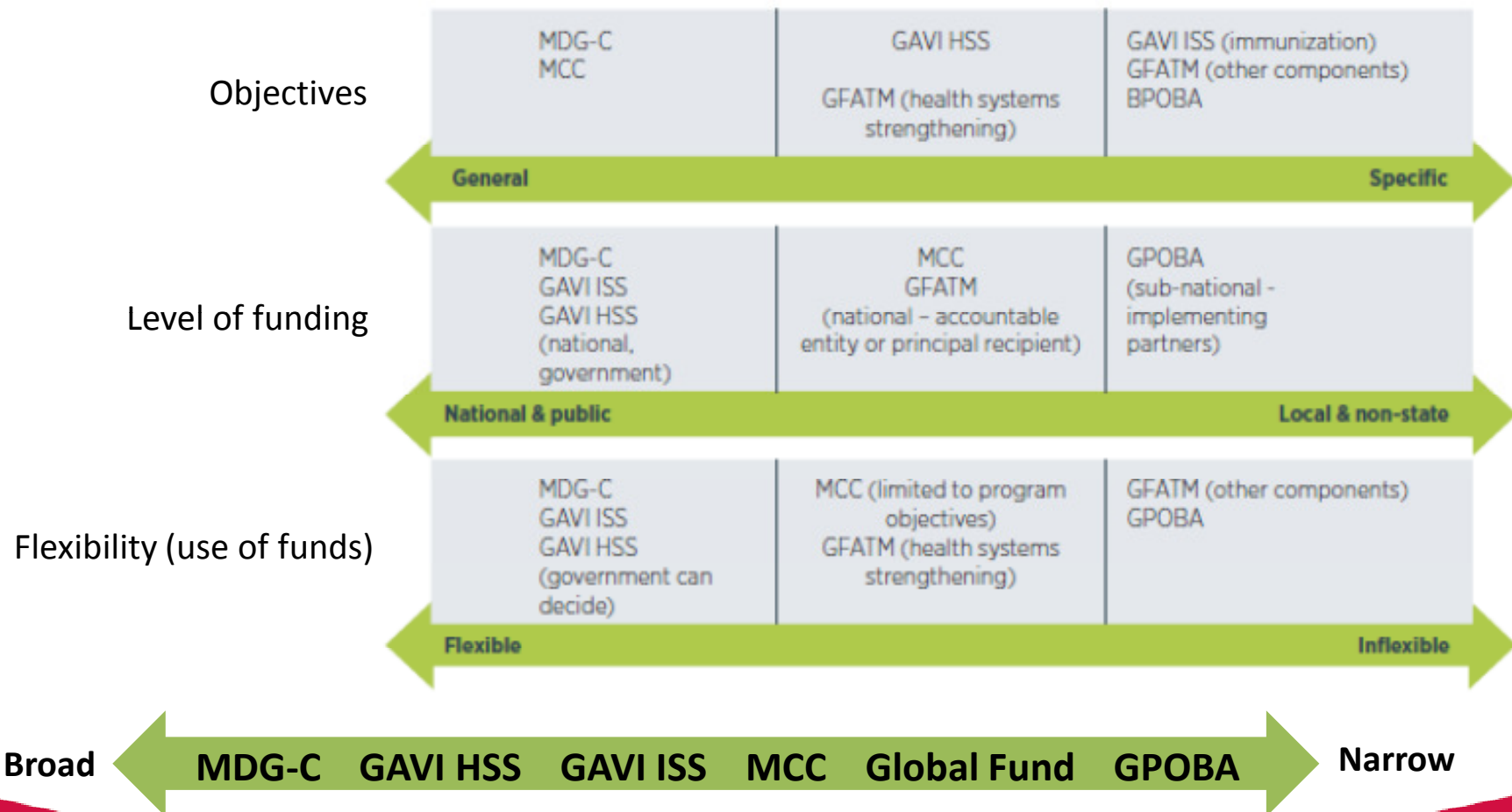
## 2. Research approach

- Narrow and broad approaches



## 2. Research approach

- Narrow and broad approaches



### 3. Four key questions

#### Question 1. Ownership

- Proxy: How RBA are designed.

#### Other relevant findings:

- Strong eligibility criteria can undermine ownership

#### Ownership:

<b>EC MDG C</b>	Responsibility for designing the programs is directly transferred to the partner country government. Eligibility criteria
<b>GAVI</b>	Responsibility for designing the programs is directly transferred to the partner country government. Some guidelines apply
<b>MCC</b>	External team together with government. Strict eligibility criteria
<b>GFATM</b>	A country coordination mechanism (parallel public private partnership) is responsible for the design
<b>GPOBA</b>	No clear guidelines exist

good 
  average 
  low



### 3. Four key questions

#### Question 2. Accountability

- **Results-based approaches tend to reinforce accountability to donors** and in doing so, undermine mutual accountability
- Proxy: mechanisms to hold donors to account, transparency and multistakeholder dialogue

#### Mutual accountability:

<b>EC MDG C</b>	Performance assessed through donor PAFs, fair transparency, multi-stakeholder mechanisms
<b>GAVI</b>	Country performance assessed through IHP+, fair transparency, multi-stakeholder mechanisms
<b>MCC</b>	No mutual accountability mechanisms, fair transparency, insufficient multi-stakeholder dialogue
<b>GFATM</b>	Country performance assessed through IHP+, fair transparency, insufficient multi-stakeholder dialogue
<b>GPOBA</b>	There are no mutual accountability mechanisms, transparency difficult to assess, poor dialogue

good
  average
  low



## 3. Four key questions

### Question 3. Harmonisation

- Proxy: donor coordination structures and common monitoring mechanisms

General use of **parallel structures**

### Harmonisation

<b>EC MDG C</b>	High levels of harmonisation and integration in government processes and systems
<b>GAVI</b>	Some progress, but still tends to use its own channels to provide funding and independent monitoring mechanisms
<b>MCC</b>	It has its own channels for disbursement and independently agreed monitoring mechanisms
<b>GFATM</b>	Some progress, but still relies on parallel mechanisms
<b>GPOBA</b>	Its restricted and experimental nature means that not many efforts are made to harmonise existing projects

good average low

### 3. Four key questions

#### Question 4. Use of country systems

- Proxy: use of developing countries' procurement systems

#### Other findings:

- Several approaches used stringent procurement guidelines that strongly restrict the capacity of developing countries to use procurement systems as a developmental tool.

Use of country systems	
EC MDG C	Use country procurement systems
GAVI	Use country procurement systems. Nevertheless, vaccinations are expected to be procured through UNICEF
MCC	Follow MCC procurement guidelines. No preferences are allowed
GFATM	Can use systems of principal recipient under strict conditions. No preferences allowed
GPOBA	Follows World Bank procurement guidelines
<div> <div></div> good           <div></div> average           <div></div> low         </div>	



### 3. Four key questions

#### Knowledge gaps:

- **Vulnerability, predictability and long term sustainability** – many design options
- **Perverse incentives** and **high costs linked to gaming which** lead to heavy monitoring and verification requirements (particularly in narrow approaches).
  - Costs of administration **RBF 15%-30%** / OECD average 7%. Why donors do not release more information about this?
- **It is difficult to create good indicators.** Qualitative ones are only applied to narrow approaches, even when some broader ones have objectives such as measuring progress on corruption
- Results indicators tend to focus on **short/medium terms outcomes or results**, instead of long term impact

## 4. Conclusions

- Results-based approaches **are not particularly good at supporting aid effectiveness** principles, with the exception of the MDG-C. Broader approaches tend to be better aligned (the more similar to budget support the better)
  - **Ownership** tends to be better when the responsibility for designing programmes falls on recipient governments
  - Results-based approaches tend to reinforce **accountability** to donors and in doing so, undermine mutual accountability. No compensation mechanisms in place
  - The level of **harmonisation** of results-based approaches is generally low because of the general use of parallel structures
  - Only two of the approaches examined in this report use **country systems** to a significant extent: MDG-C and GAVI
- Important **knowledge gaps** in areas such as: form, type and timing of reward, costs and indicators

**“It seems reasonable to use results-based approaches, but to do so cautiously. The aid effectiveness agenda should play a more important role in this regard by serving as a theoretical and reference framework”**

## Hitting the target?

Evaluating the effectiveness of results-based approaches to aid

By Javier Pereira and Carlos Villota

