2 OWNERSHIP OF DEVELOPMENT POLICIES AND STRATEGIES

The Paris Declaration on Aid Effectiveness placed partner countries' ownership of policies and programmes at the centre of an international reform agenda to make aid more effective. The subsequent Accra Agenda for Action reflected a broadening and deepening of international commitments in this area, considering in greater detail the role of a range of development actors going beyond the state. Has partner country leadership over development policies and strategies improved since 2005? To what extent has the quality of national development strategies improved, and are local governments, parliaments and civil society organisations more involved in policy processes in developing countries? Are efforts being made to promote demand-driven capacity development, and are issues of gender equality better addressed through development policies and strategies? This chapter draws on a range of evidence, including the results of the 2011 Survey on Monitoring the Paris Declaration, to answer these important questions.

Ownership of development is about leadership at the political level, as well as the effective participation of a broader range of stakeholders

Ownership – one of the five pillars of the Paris Declaration on Aid Effectiveness – is a field in which partial progress has been made but where areas for further progress have been identified. In 2005, the Paris Declaration placed emphasis on "ownership" as referring primarily to developing country governments' abilities to "exercise leadership over their development policies and strategies and co-ordinate development actions". Commitments emphasised the articulation of development priorities through national development strategies, with partner countries taking "the lead in co-ordinating aid at all levels in conjunction with other development resources". Since the Paris Declaration, international dialogue has tended to give increasing recognition to the need for broader definitions of ownership, and to avoid limiting the scope for aid efforts only to the executive branches of central governments.

The Accra Agenda for Action marked an evolution of this consensus, according greater recognition to the role of societies more broadly as owners of development efforts, alongside the executive branches of government. In Accra, developing country governments committed to work more closely with parliaments and local authorities in the development and implementation of national development policies and plans, and also to engage constructively with civil society. Donors committed themselves to strengthen country ownership by supporting demand driven efforts to increase the capacity of all development actors. This means working through representative bodies such as parliaments, as well as civil society organisations (CSOs), the media or political parties, research institutes and the private sector. Both donors and developing countries agreed that national development policies – on which donors commit to align their support – must be consistent with international commitments on gender equality, human rights, disability and environmental sustainability.

The explicit recognition of a broader range of stakeholders as development actors in their own right implies that donors and partner country governments have an obligation to provide an enabling environment to help maximise their contributions to development. This inclusive approach also involves a commitment from CSOs to look at how they can apply relevant aid effectiveness principles in their work.

Capacity development is essential for the achievement of sustainable development results. Developing countries need an enabling environment, strong institutions, systems and local expertise to fully own and manage their development processes. While the Paris Declaration recognises that capacity development is the responsibility of developing countries with donors playing a support role, the Accra Agenda for Action identifies a series of actions to make country-led capacity development a priority and to move away from traditional supply driven approaches to build capacities or fill capacity gaps.

IMPROVING PARTNER COUNTRY LEADERSHIP OVER DEVELOPMENT POLICIES AND STRATEGIES

■ Operational development strategies (indicator 1)

The proportion of partner countries assessed as having sound national development strategies in place has more than tripled since 2005

The Paris Declaration emphasises the importance of partner countries' efforts to exercise leadership in developing and implementing high quality development strategies, and in ensuring that these are results-oriented and inform resource allocations. One of the indicators agreed in Paris (indicator 1) considers the extent to which partner countries have national development strategies with clear strategic priorities linked to a medium-term expenditure framework and reflected in annual budgets. The target was that at least 75% of partner countries have operational development strategies by 2010.

Indicator 1 is scored through an assessment of qualitative evidence, considering three criteria, namely the existence of:

i) an authoritative country-wide development policy (*i.e.* a unified strategic framework);

ii) a realistic development strategy that clearly identifies priorities;

iii) well-costed policies that can be funded (*i.e.* linking strategies to budget allocations).

In the 2011 Survey, information was gathered through a structured questionnaire discussed by government and other stakeholders (*e.g.* donors, civil society) at the country level. This information is reviewed by the World Bank using established criteria, and a score is allocated to each country on the basis of these. Scores range from A (high – progress is sustainable) to E (low – little action has been taken).[1] For the purpose of assessing progress towards the global target established for 2010, a country is considered to have an operational development strategy if it has a score of A or B for indicator 1.

Findings from the 2011 Survey indicate that the quality of countries' national development strategies has increased since both 2007 and 2005. Despite this progress, the Paris Declaration target – that 75% of countries should have a score of A or B – has not been met. The comparison of scores of countries over the three subsequent surveys is displayed in Table 2.1.

Table 2.1 Do partner countries have operational development strategies? Indicator 1 (2005-10)

Score		2005 No. of countries	2005 %	2007 No. of countries	2007 %	2010 No. of countries	2010 %
High	A	0	0%	0	0%	2	3%
	B	5	11%	8	17%	26	34%
Medium	C	27	60%	31	66%	25	33%
	D	12	27%	8	17%	22	29%
Low	E	1	2%	0	0%	1	1%
Number of countries assessed		*45*		*47*		*76*	

Note: data are available for an increasing number of countries over time. Where countries did not participate in previous rounds of the survey, historical data for these countries have been included in the analysis above where it is available.

As Table 2.1 shows, only 37% of the countries participating in the 2011 Survey are considered to have an operational development strategy in place. When the subset of 32 countries that participated in both the baseline and 2011 Surveys is considered, the proportion of countries meeting the target increases to 52%. Half of the countries participating in the 2011 Survey are located in Africa. In this region, 41% of countries were considered to have operational development strategies, compared with 33% of countries from other regions. The more successful countries have prepared and implemented the second or third generations of medium-term national development strategies that are better linked to sectoral and subnational strategies where the latter exist and have prioritised targets linked to the MDGs and cross-cutting issues. These strategies serve as a point of reference for policy and sector planning, budgeting and monitoring and are linked closely with the budgeting process through various means that aim to encourage performance orientation and an alignment of resources with goals.

When looking at how individual countries' scores have evolved over time, the data show that 14 of the 32 countries participating in both the baseline and 2011 Surveys improved their performance against indicator 1 between 2005 and 2010. Three countries from the same group experienced setbacks against this indicator over the same period. Two countries (Rwanda and Tanzania) improved their scores from B to A on this indicator – the first time countries covered by the Survey have received the highest score on the five-point scale. Kenya has also shown considerable progress since 2005, evolving from a score of D in 2005 to B in 2010; Sudan's score improved from D to B over the period 2007 to 2010.

Closer examination of the three criteria underpinning indicator 1 shows that the third criterion – linking strategies to budget allocations – is the most challenging for many countries. Of the countries participating in the 2011 Survey, 72% scored C or below (compared with 59% and 61% respectively for the first two criteria). This element of the planning process is crucial in ensuring that resources are allocated to development priorities, and in turn contribute to the realisation of development goals at the country level.

Sector-specific evidence shows encouraging progress as well. All 32 countries taking part in the 2011 monitoring exercise of the Education for All Fast Track Initiative (Chapter 7) have education plans in place that have been formally endorsed by donors in those countries (EFA FTI, forthcoming). In the health sector, programme-based approaches (chapter 4) have made an important contribution to strengthening country ownership through country leadership of the development agenda, the health reform processes and management of aid relationships (OECD, forthcoming a). In the agriculture and rural development sector, the situation is more challenging. Despite apparent government ownership of national priorities and policies, evidence based on the review of 16 projects in 4 countries suggests that national strategies may fail to set priorities and actual sector orientations can be undermined by conflicting macroeconomic policies (*e.g.* Mozambique) (Global Platform for Rural Development, forthcoming).

Evidence generated through the 2011 Survey on Monitoring the Fragile States Principles – conducted jointly with the Survey on Monitoring the Paris Declaration – highlights specific challenges relating to the quality of national development strategies in situations of fragility. In particular, national development strategies were not always found to be the most appropriate framework for articulating development objectives, hindering effective prioritisation where it is needed most. Moreover, development strategies often overlook peacebuilding and statebuilding objectives which are often a prerequisite to effective aid and development results. Fragile states are complex and rapidly changing environments, and dialogue in several countries pointed to the fact that events can quite quickly make national development strategies outdated or less relevant (*e.g.* Central African Republic, Comoros, Somalia). The scores for indicator 1 obtained by the 12 countries participating in both surveys tend to confirm this finding: only one of these countries (Togo) obtained a score of B, with the majority scoring D.

Linking strategies and budget allocations remains challenging

Gender equality and development policies and strategies

The Accra Agenda for Action makes specific reference to gender equality in the design of policies. While no indicator for assessing the gender dimension of national policies and strategies was agreed in Paris, the 2011 Survey saw an optional survey module rolled out to participating countries to assess the extent to which gender equality and women's empowerment are grounded in national development strategies. The module also sought to generate qualitative evidence on whether donors were meeting their commitments on gender equality. The gender equality module was piloted on a voluntary basis by 24 partner countries in 2011.

The design of national development strategies involves consultation with a broader range of actors in many countries

Responses to the qualitative questions indicate that all partner countries' national development strategies address gender equality. Most often, it is considered as a "cross cutting" issue in a few or several areas or sectors. In some countries, a number of sector strategies also include the promotion of gender equality (*e.g.* Peru's Transport Sector Strategy). Around half of the countries state that they have also identified at least some gender equality objectives or targets. However, very few have allocated specific budgets to help meet these targets. Nearly all countries note that gender equality is a national priority, but that little or no financial resources are allocated for implementing specific activities and monitoring progress.

Evidence on the extent to which donors allocate sufficient human and financial resources to implement their Accra commitments on gender equality is at best limited. Joint donor-partner country gender equality working groups are in place in several countries. However, a number of countries note that donors often have limited resources to support initiatives to promote gender equality, sometimes resulting in insufficient consideration of the gender equality dimension in certain donor-supported activities (*e.g.* road construction). Stakeholders in some countries also noted the limited use of national technical expertise on gender equality as a challenge.

In addition to the collection of qualitative information on progress and challenges, the optional module on gender equality (Chapter 7) invited countries to propose an overall performance score for a pilot indicator: "Gender equality and women's empowerment are grounded in a systematic manner in national development strategies". Using a similar approach to indicator 1 of the Survey on Monitoring the Paris Declaration, respondents were provided with criteria and invited to propose a score for their country on a five-point scale. Most countries (17 out of 24) rated their efforts as "C – action taken".

BROAD PARTICIPATION IN DEVELOPMENT POLICIES

As outlined above, the Accra Agenda for Action placed increased emphasis on the participation of a much broader range of development actors in policy dialogue in developing countries. Evidence of efforts in this area is relatively scarce, or often very subjective in its nature, making systematic monitoring of progress challenging.

In response to these measurement challenges, the 2011 Survey piloted an optional module on "inclusive ownership", developed to allow countries to provide information on national policy processes and the extent of stakeholder participation at the country level (Chapter 7). Despite limitations to the process (completion by a limited number of countries; self-reporting) the responses from the 14 participating countries offer interesting insights into issues of participation in policy processes:

– Respondents in all participating countries stated that national development strategies were formulated through a participatory process involving – at least to some extent – parliament, local government actors and non-state stakeholders (*e.g.* civil society, private sector stakeholders, unions and donors).

– Although there may have been broad and effective stakeholder participation at some stages of the development and implementation of national development strategies, none of the respondents identified ongoing, systematic, and unified mechanisms to support the continuous engagement of these stakeholders in the policy process.

Furthermore, the countries that responded lack mechanisms to assess the effectiveness of the participatory process in a systematic manner.

– Responses suggest that participatory approaches tend to emphasise information sharing and consultation with a range of stakeholders. Most respondents pointed to the engagement of actors beyond the government in the formulation of national development strategies, though very few pointed to the same level of engagement in implementation and monitoring activities. In a few instances, a participatory process was reported to have covered the whole policy cycle, from formulation through approval, implementation, monitoring and evaluation (*e.g.* Mali).
– Most respondents described the role of the media with regard to the national development strategy as being focused on the dissemination of information. Most of the responses suggested a very limited role played by the media in generating critical analysis, and in one case respondents attributed this to fear of reprisals. Only one response suggested that the media had played a major role in stimulating debate around the national development strategy.
– There are divergent views on the effectiveness of participatory processes around the formulation and monitoring of national development strategies. In most countries that undertook the optional module, respondents felt that the views and needs of a broad range of stakeholders were taken into consideration and that the development strategy reflects a common vision which builds on consensus. In some countries, however, respondents felt that consultation remained a formality providing few opportunities to help shape national development strategies, either because the level of participation of some stakeholders was insufficient, or because the outcomes of consultations did not result in changes to policy decisions.

Respondents to the optional survey module also provided views on the nature and quality of donor support for participatory policy-making processes. Stakeholders in these countries noted that donors contributed to the development and monitoring of national development strategies both as participants in consultations around the strategies and as providers of technical cooperation in the formulation and implementation stages. This includes examples of assistance to civil society organisations in support of their role in these processes. While some respondents noted the benefits of donor engagement in these ways, others pointed to what they see as excessive pressure exercised by donors in consultations and negotiations.

Efforts to support domestic accountability in developing countries aim at broadening participation and bolstering the ways in which citizens hold governments to account. This is done through institutions such as parliaments, civil society organisations, the media, political parties, audit institutions, and processes such as elections, budgeting and service delivery. Over the last two decades, support for domestic accountability has been a growing component of donor support in partner countries through a range of aid modalities, but it has met with challenges in implementation. This work was motivated by concerns over the need to avoid skewing accountability toward donors and away from domestic constituencies and state institutions, as well as by the commitment of donors to better support the capacity of accountability processes and actors.

In-depth case studies have provided an evidence base for donors to address challenges and improve their support to domestic accountability (OECD, forthcoming). A common finding is that donors have tended to prioritise a silo approach, strengthening capacity in one institution at a time, rather than grouping accountability actors and working with systems of accountability. They often provide support to particular actors, not always taking into account wider systems such as service delivery in sectors or budget processes. There are, however, interesting exceptions, with successful examples of a system-wide approach, supporting links between actors and areas of support where feasible (*e.g.* budgeting for results in Peru; CSO financing in Mozambique).

Internalising commitments on ownership – and in particular those related to inclusiveness – remains difficult in many fragile states and situations, often receiving inadequate attention from international actors. 2011 Survey material from fragile states points to particular challenges that hamper ownership, for example situations in which the national government may not have effective control over its territory (*e.g.* D.R. Congo), where its legitimacy may be contested (Somalia) or where the capacity of the state to fulfil its key functions is particularly weak (Chad, Guinea-Bissau, Haiti, Liberia, Togo, South Sudan). Some stakeholders also noted that donors do not always provide sufficient support in fostering dialogue and building consensus among various actors on a shared development agenda, undermining inclusive ownership (*e.g.* Haiti, Somalia). Stakeholders in Timor-Leste on the other hand reported increasing support from donors to strengthen dialogue.

Local governments

Local governments play an important role in development processes – they are often the principal point of citizen-state engagement, assuming responsibility for service delivery. The Accra Agenda for Action committed central and local governments in partner countries to work closely in preparing, implementing and monitoring policies and plans. Donors also committed to support local governments' capacity development efforts. Evidence on the participation of local government in national development strategies remains limited. Responses to the optional survey module note the participation of local governments in the formulation of national development strategies in more than three-quarters of participating countries.

The active participation of local governments seems to be motivated at least in part by a pragmatic interest in influencing overarching strategies that will impact on development at sub-national levels. Some countries stated that such participation stimulated better co-ordination among local governments and contributed to strengthening their capacities (*e.g.* Ecuador, Nepal). Other countries pointed to insufficient human and financial resources at the sub-national level as major limiting factors to fuller participation of local governments (*e.g.* Malawi, Mali, Togo). A series of studies conducted by donors in seven countries (Benin, Cambodia, Ghana, Indonesia, Mozambique, Peru and Uganda) provides some complementary insights: in most of these countries, mechanisms to consult sub-national governments in the elaboration of a national development or poverty reduction strategy have been introduced. However such consultations are often described as rather mechanical and superficial (DeLOG, forthcoming).

Ownership of local governments is not limited only to their capacity to contribute to, shape and implement the national development strategy. Local governments also have a role to play in the elaboration and implementation of credible plans at sub-national levels. Some case study evidence suggests that where local planning processes are in place in developing countries, challenges to fuller and more effective citizen participation remain in many of them, and linkages between planning and budgeting often need to be strengthened to ensure sustainability (DeLOG, forthcoming).

Parliaments

In most countries, parliaments are responsible for creating the legal framework for development activities, voting on strategies and plans, setting overall priorities, approving the national budget, and controlling the actions of the executive. They also have a constitutional mandate for domestic accountability and oversight of government expenditures, including those funded by aid. For these reasons, the Accra Agenda for Action committed partner governments to work more closely with parliaments in preparing, implementing and monitoring policies and plans. Donors also committed to support efforts to increase the capacity of parliaments.

The views gathered through the inclusive ownership optional survey module suggest that participation of parliaments in the formulation of national development strategies and the review of development budgets remains limited. In around half of the 14 countries, respondents state that parliaments are involved in the formulation of the national development strategy. In almost one-third of the countries, these strategies are not discussed in parliament, and

Box 2.1 The Istanbul CSO Development Effectiveness Principles

Endorsed in September 2010 and developed through a global consultative process, the Istanbul CSO Development Effectiveness Principles set out a consensus on basic principles guiding CSO efforts in support of development. Eight principles were endorsed as a starting point for efforts to enhance the effectiveness of CSOs:

1. Respect and promote human rights and justice
2. Embody gender equality and equity while promoting women's and girl's rights
3. Focus on people's empowerment, democratic ownership and participation
4. Promote environmental sustainability
5. Practice transparency and accountability
6. Pursue equitable partnerships and solidarity
7. Create and share knowledge and commit to mutual learning
8. Commit to realising positive sustainable change

The principles are seen as a building block for an International Framework on CSO Effectiveness, which will support their fuller operationalisation.

Source: Open Forum for CSO Development Effectiveness (2010).

none of the countries reported having specific parliamentary working groups to oversee the national development strategy. While the evidence generated through this survey module offers a limited snapshot of the role played by parliaments, other studies tend to confirm these general findings (*e.g.* Draman, 2007; IPU, 2009; Pereira, 2011).

A number of bilateral donors, multilateral organisations and international parliamentary networks and organisations provide support to strengthen the capacities of parliaments in developing countries. Despite increased use of budget support as an aid modality in recent years, aid provided by donors for parliaments remains small in comparison with other areas of governance (Hudson and OECD, 2009; OECD, forthcoming b). Support to parliaments focuses not only on the budgetary oversight function, but also on strengthening the various capacities of parliament. Existing studies suggest that many donors face challenges in supporting parliamentarians, given the "complex governance landscapes in which parliaments are situated" (Hudson and OECD, 2009). A review of five studies undertaken by donors identified the need for longer-term approaches, strong national ownership and an understanding of political context as important factors in successful support to parliamentarians (OECD, forthcoming c).

Civil society organisations

CSOs can be defined as all non-market and non-state organisations in which people organise themselves to pursue shared interests in the public domain. The Accra Agenda for Action calls for an enrichment of the Paris Declaration principles, based on an understanding of the roles of CSOs as development actors "in their own right". It also invites CSOs to consider their own effectiveness. The Istanbul Principles on CSO Development Effectiveness mark an important step forward in this regard (Box 2.1).

The Accra Agenda for Action also committed developing country governments to engage more closely with CSOs. Evidence of CSO participation in development policy processes is mixed. Responses to the optional survey module on inclusive ownership suggest that CSOs participate in the development and monitoring of national development strategies, generally through networks or umbrella organisations. While broad civil society participation was noted in some countries (*e.g.* Nepal, Mali, Togo), respondents in others noted that relevant CSOs were not invited to consultations, or they felt that their contributions were disregarded. Respondents cite a number of reasons for limited participation by CSOs, including insufficient financial resources, poor internal organisation, limited legitimacy and lack of timely access to information concerning

participatory processes. Respondents in six countries considered that CSO participation in the national development strategy is now stronger than in the past, and only one considered that it is becoming weaker (the remaining seven countries did not respond to this question).

While these findings drawn from the optional module are based on a limited number of countries and through a self-reporting tool, other sources of evidence tend to point to an equally mixed picture of progress. For example, the results of two studies that together analyse CSO participation in seven countries conclude that in four of these countries space for dialogue and civil society participation has expanded since 2008, situations remain relatively unchanged in two countries, and in one case space was narrowed (Meja, 2011; Pereira, 2011). One study notes that increasing space for CSO involvement does not necessarily imply a major impact on development policies, as structures for dialogue do not necessarily include clear accountability mechanisms, or only involve CSOs after decisions have been taken (Pereira, 2011).

Donors also entered into commitments in support of CSOs in developing countries and, in particular, to support efforts to increase the capacity of CSOs to take an active role in issues of development policy and the role of aid. While OECD statistics show that aid from DAC donors and the EU Institutions channelled to and through non-governmental organisations (NGOs) in 2009 represented 13% of total ODA, no data on the assistance provided to strengthen the capacity of CSOs themselves are available. Griffin and Judge (2010) suggest that donor support to CSOs based in partner countries is increasing, even if there is little core support for local organisations. A survey among the aid agencies of DAC donors and seven umbrella bodies of NGOs shows that donors use a variety of modalities and channels to support the activities of CSOs. The majority of DAC donors (20 out of 24) report that they provide direct support to local CSOs based in partner countries, and 11 have decentralised mechanisms for funding CSO activities. A total of 19 donors stated that they engage in policy dialogue with partner country governments to enhance the enabling environment for CSOs, and 20 donors reported that they encourage partner country governments to engage directly in policy dialogue with CSOs. Most of the NGOs consulted considered that DAC donors could do more to support an enabling environment for CSOs in partner countries (OECD, forthcoming d).

Despite stronger involvement of non-state actors in national development processes, challenges persist in providing an enabling environment for civil society in some partner countries

There has been improvement in engaging non-state actors, especially CSOs, in national health policy and planning processes (OECD, forthcoming a). It can be attributed in part to global health programmes that give high priority to civil society participation. But engagement is not always consistent or meaningful and remains constrained by political factors, strong donor influence, unclear roles, and limited capacity. In the education sector, the Education for All Fast Track Initiative (EFA FTI) promotes sustainable engagement with national CSOs through local education groups which serve as a platform for improved dialogue and coordination among government, donors and CSOs. National CSOs are members of these groups in about 60% of the countries surveyed for the EFA FTI 2011 Monitoring Exercise (Chapter 7). Difficulties for national CSOs to engage fully in sector processes include weak capacity, lack of sustainable funding, weak CSO coordination, and lack of principles for engagement (EFA FTI, forthcoming). The agriculture and rural development sector has also experienced successful attempts (*e.g.* Mali, Mozambique) to bring together various stakeholders to form interest groups able to influence policies, reforms and specific programmes or to be part of some contractual arrangements (Global Platform for Rural Development, forthcoming).

Evidence of efforts by partner countries to provide an enabling environment for CSOs that maximises their contribution to development is less positive. Several studies and reports express concerns about a tendency in some countries to limit space for CSOs, and in particular for those who monitor government development policies and practices, seek to influence these policies, or defend human rights. These restrictions take a number of forms and vary in their degree of severity (Act Alliance, 2011; Tiwana and Belay, 2010; Meja, 2010; Gaventa and Barrett, 2010; ICNL, 2010; ILO, 2008). The growing trend to approve restrictive legislation that limits the creation, functioning and funding of NGOs is of particular significance.

THE GAP BETWEEN POLICY AND PRACTICE IN PROMOTING DEMAND-DRIVEN CAPACITY DEVELOPMENT

The Paris Declaration commits developing countries to integrate specific capacity strengthening objectives in national development strategies and pursue their implementation through country-led capacity development strategies where needed. The Paris Declaration also commits donors to align their analytic and financial support with partners' capacity development objectives and strategies, make effective use of existing capacities and harmonise support for capacity development accordingly.

The Accra Agenda for Action goes further and calls upon developing countries to systematically identify areas where there is a need to strengthen the capacity to perform and deliver services at all levels – national, sub-national, sectoral, and thematic – and design strategies to address them. Developing countries and donors also commit to work together at all levels to promote operational changes that make capacity development support more effective.

The 2011 Cairo Consensus on Capacity Development provides a basis for reform processes drawing on lessons learned related to good/bad practice for priority Accra capacity themes: (i) the enabling environment; (ii) sectors; (iii) country systems; (iv) civil society; (v) technical co-operation; and (vi) fragile states (High Level Group on Capacity Development, forthcoming). As yet there is only modest evidence on the extent to which partner countries have progressed in addressing capacity issues more systematically (OECD and LenCD, 2010). A few have adopted a national capacity development strategy and action plan, and put in place institutional arrangements for an operational approach with political leadership (*e.g.* Rwanda's Public Sector Capacity Building Secretariat; Liberia's Capacity Development Plan within the Ministry of Planning and Economic Affairs). Several countries are testing less comprehensive approaches, including, the use of a sector-level strategic approach to capacity, long-term partnerships with national and international stakeholders, learning by doing, or a greater involvement of local communities, civil society and the private sector (*e.g.* Afghanistan, South Africa). Some promising country-led initiatives aim at greater national leadership specifically in the provision and management of technical assistance (*e.g.* Afghanistan, Cambodia, Tanzania).

Progress may be more visible at sector level. In the health sector, seven countries of the ten countries surveyed in 2010 reported having a human resources plan in place, although it was fully integrated with the national health plan in only three of them (Burundi, Mali, and Mozambique) (IHP+ Results, 2011). Challenges also remain including weak national ownership and capacity to manage technical assistance and continued provision of short-term bilateral assistance (OECD, forthcoming c).

Support for capacity development remains supply-driven rather than responding to genuine needs

The imperative of country ownership requires donors to strengthen their own capacity and skills and to support demand-driven capacity development. The Accra Agenda for Action specifically calls upon developing countries and donors to jointly select and manage technical cooperation and to promote the provision of technical cooperation by local and regional sources, including through south-south co-operation. Many DAC donors do not have a specific and comprehensive capacity development policy or strategic framework although several of them have less binding documents which set out their approach and tools designed to help staff at the operational level (OECD, 2010). An increasing number of donors (Australia, Denmark, EU Institutions, France, Germany, Japan, Netherlands, UK, Asian Development Bank, UNDP, World Bank) are reforming their internal business processes along the Accra lines (OECD, 2010). The most commonly used point of departure is the reform of aid-funded technical assistance. The ultimate impact of these reforms has yet to be measured, although anecdotal evidence suggests cases of more systematic partner country involvement in the management of aid-funded technical co-operation (*e.g.* Australia's Remuneration Framework and a Public Sector Transparency Initiative; the European Commission's technical co-operation reform).

The Paris Declaration indicator 4 on co-ordinated capacity development provides some evidence on the extent to which developing countries and donors are jointly managing technical co-operation. Despite progress in co-ordinating support to capacity development, there is room for further progress in delivering technical assistance through country systems and fully untying its provision (Chapter 3). The tendency of donors to focus on pre-defined, measurable outputs and indicators – often at the level of what they deliver themselves, constitutes another limiting factor to providing demand-driven support to capacity development. It is well acknowledged today that capacity development is a long term process mainly dependent on partner country action. The challenge remains to find ways to define and measure capacity development results that take account of the need for an approach that simultaneously satisfies aid agency reporting systems, while providing the flexibility to realistically track and adjust to the fundamental change processes needed for long term impact (High Level Group on Capacity Development, forthcoming).

South-south co-operation can provide a model of good-fit technical co-operation that is context responsive and provides incentives for policy and institutional change through mutual learning. Such benefits can be promoted through triangular cooperation, when DAC donors or international development organisations help developing countries to exchange experiences among themselves. Sustainability of such efforts and scaling up is challenging as activities are often implemented through limited-size and one-off projects (TT-SSC, 2010).

Evidence from the 13 countries and territories participating in the 2011 Fragile States Survey confirms that most donors are aware of the potential harm caused by their interventions. "Brain drain" of public servants to donor agencies was one of the most commonly cited challenges in the survey consultations. This undermines national capacities in contexts in which they are often particularly weak, and efforts to retain talent and consolidate institutional capacity in national administrations. At the country level, donor representatives tended to recognise that their recruitment practices can exacerbate the problem (*e.g.* Togo, Haiti), though some measures to address this were identified, such as the approach adopted by the World Bank, which mitigates this problem to an extent by requiring that government officials and civil servants may only be hired if they are on leave of absence without pay and are not being hired by the agency for which they were working immediately prior to leaving office. Co-ordinated donor recruitment policies are a notable exception (*e.g.* D.R. Congo), though their effectiveness has not been assessed and their impact on salary differentials remains marginal.

FUTURE CONSIDERATIONS

- Important progress has been made in improving the quality of national development strategies. Strengthening ownership and capacity – including that of non-state actors – to develop, implement and monitor evidence-based and prioritised strategies and policies should be seen as a longer-term endeavour.
- Measuring the extent to which commitments on "ownership" have been implemented remains challenging. Continued efforts to generate evidence on the broader dimensions of ownership – including citizen participation and the environment in which non-state actors operate – could help to strengthen dialogue at the country level and support fuller implementation of commitments on ownership.
- Donors can play – and have actually played – a significant role in supporting the development and implementation of sound development strategies, as well as the participation of non-state stakeholders in these. It remains important that donors' views and accountability requirements support rather than undermine efforts to strengthen domestic accountability.
- Efforts to address strategic issues of partner country capacity are promising but have yet to provide substantive data or analytical conclusions. To maximise the impact and sustainability of capacity development efforts, it would be important for donors to make further efforts to systematically support genuine demand-driven and performance-oriented initiatives. This includes the need to further untie technical co-operation.

NOTES

1. The 2011 Survey builds on experience from previous rounds of the survey by combining elements of self-reporting and joint country-level assessment with continued and consistent scoring undertaken by the World Bank using the same criteria as applied in the 2006 and 2008 Surveys. The major change between the surveys relates to the sourcing of evidence, which was in previous years the subject of a desk review process led by World Bank staff. For a detailed explanation of the scoring criteria applied, see World Bank (2007), pp. A14-A15.

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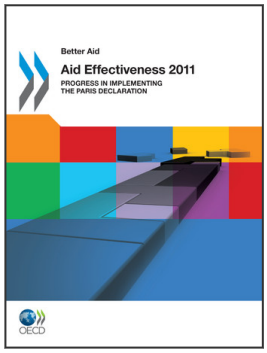

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