

# PCR SYNTHESIS REPORT 2005

## An Analysis of Projects and Programmes in Prism 2000-2005

by  
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## Review of Findings and Lessons Learned

by  
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## **ACKNOWLEDGEMENTS**

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## EXECUTIVE SUMMARY

This synthesis summarises the main findings from Project Completion Reports (PCRs) produced in DFID since **2000**. The analysis was requested by DFID's Management Board in order to track and communicate progress on corporate goals. The study was carried out in 2 parts: Part 1 jointly by Evaluation Department (EvD) and Corporate Strategy Group (CSG) drawing on around 1000 PCRs from the past 5 years looking at trends in performance, including success ratings and the sectoral and size distribution of projects. Part 2 carried out by an independent consultant, Brian Thomson, is more qualitative and summarises some of the main themes from the lessons learned sections of PCRs, as recorded by staff involved in the final project completion reviews.

### Key Findings

- DFID rates more than half of its projects as 'completely' or 'largely' achieving their goals (Rated 1 or 2), an average of **68%** across all projects.
- This percentage rated as successful or largely successful is on an upward trend from **65%** to **71%** and the pattern of scoring shows a high level of consistency across regional divisions.
- Higher success ratings are more common for projects with MDG/PIMS markers relating to HIV and AIDS, Malaria, TB, Income Poverty and Hunger. Governance and Human Rights are shown to be less successful but the sample size is limited for these sectors.
- The general trend on risk shows an increase in success among Medium Risk projects but very little differences in the High and Low Risk categories. These ratings have only been mandatory since 2003 and the reliability of these indicators will improve with added compliance and newly introduced guidance on risk assessment.
- Compliance rates on project scoring have increased significantly since new mandatory requirements (including the 'expenditure block') were introduced in 2003
- The average size of DFID projects continues to rise steadily from **£3.5m to 5.8m**. Around **1 in 20** DFID projects are now over **£20m** in value, compared with **1 in 50** projects at the start of the period.
- The move towards higher value projects over time is particularly evident in **Asia Division** where the number of projects in the commitment range **£5-£9m** increased from **4 in 2002/2003** to **35 in 2004/ 2005**
- The analysis of distribution by sector indicates that health and economic broad sectors account for around **18%** of the total commitment. Governance and humanitarian sectors are increasing their share.

The main findings from **lessons learned** sections in the PCRs include:

- The organisation is very supportive of the PARIS/ UNDP agenda. The lessons here demonstrate consensus and support for the latest guidance on aid effectiveness
- The need for local ownership and involvement is a strong theme. Local ownership must be broad-based and institutionally rooted and strong personal relationships are crucial.
- There are widely differing views on influence and conditionality, and on whether and how DFID should use their power to exert influence or control, contrast for example lessons from Uganda and Mozambique Programme Aid.
- On budget support, several PCRs (Rwanda, Mozambique, Malawi and Uganda) argue the need for more predictable funding and one (Uganda) for a graduated approach to reducing funding when things go wrong.
- There is a good deal of comment on rights based approaches and accountability of government to citizens and how these may fail if they antagonise powerful groups. People are more likely to access their rights if these are directly linked to their basic needs. The analysis indicates that initiatives to empower the poor should integrate improved livelihoods in their strategy.
- Lessons from projects in conflict and post-conflict zones point to best practice in relation to staff security and risk management, sensitivity to the local situation and the ability to adapt and respond flexibly. In these situations, however, pressure for urgent action may not be consistent with normal management systems and comments are divided on whether this leads to good or bad outcomes.
- There is surprisingly limited comment on cross-cutting issues like HIV and AIDS and Gender and an absence of comment on the environment. There is very little reference to DFID experience with the private sector.
- There is no strong pattern emerging from less successful projects. Only 23 projects within the sample were rated as failing to meet their objectives and the general messages were similar to those emerging from the sample as a whole; stronger local ownership and strengthened local capacity, better analysis so that interventions are more appropriate and effective and better management.

## **Implications**

- Interpretation of these findings must be informed by the knowledge that the system of recording programme data has not kept pace with DFID's evolving aid modalities. DFID's move upstream into policy oriented country-led approaches is not easily captured in a system designed to monitor downstream projects and programmes. The new ARIES development, which will incorporate PRISM, must reflect these new ways of working and have the ability and flexibility to adapt to future monitoring and reporting demands.
- Evaluation as an institutional discipline must be taken on board across the organisation. EvD provides in-depth expertise and support, providing lessons and accountability through particular programmes of study. However, PD and regional programmes must build evaluation into their own programmes/ project cycle. The resulting baselines and data will build the foundation for the corporate management systems and improved organisational learning.
- The process of producing this report has given us a foundation on which to build in the future. However, there is currently insufficient evidence/ data for robust statistical analysis. In order to build upon on-going portfolio qualities initiatives, PRISM and related monitoring and evaluation systems must be consolidated and successfully integrated into central corporate systems (ARIES).



**Part 1**

**PROJECT COMPLETION REPORTS**

**An analysis of projects and programmes  
in PRISM 2000 -2005**

By

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Corporate Strategy Group



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**Glossary of Terms**

ACC	Anti-Corruption Commission
ADB	Asian Development Bank
CARICOM	Caribbean Community
CIDA	Canadian International Development Agency
CSO	Civil Society Organisation
CSG	Corporate Strategy Group
DBS	Direct budget support
DFID	UK Department for International Development
EvD	Evaluation Department
EU	European Union
FCO	UK Foreign and Commonwealth Office
GBS	General budget support
GoB, GoG etc.	Government of Bangladesh, Ghana etc
GTZ	German technical assistance agency
ICRC	International Committee of the Red Cross
ICT	Information and communication technology
IEC	Information, education and communications
IFI	International financial institution
IMF	International Monetary Fund
INGO	International non-government organisation.
IWPR	Institute for War and Peace Reporting
M&E	Monitoring and evaluation
MDG	Millennium Development Goals
MSF	Medecins sans Frontieres
MIS	Management information system
NGO	Non-government organisation
OPR	Output to Purpose Review
OCHA	UN Office for the Coordination of Humanitarian Affairs
PCR	Project Completion Report
PIMS	Policy Information Marker System
PRGF	IMF poverty reduction and growth facility
PRBS	Poverty Reduction Budgetary Support
PRBS	Poverty Reduction Budgetary Support
PRISM	DFID project database
“Project”	relates to both Project and Programme Aid activities in this report
PRSC	World Bank poverty reduction support credit
PRSP	Poverty reduction strategy paper
PSA	Public Service Agreement
QMR	Quarterly Management Report
SCF	Save the Children Fund
SWAp	Sector-wide approach
TA	Technical assistance
TC	Technical cooperation
TCO	Technical cooperation officer

TORs	Terms of reference
WFP	World Food Programme
WHO	World Health Organisation
UNDP	United Nations Development Programme
UNFPA	UN Population Fund
UNHCR	UN High Commission for Refugees
UNICEF	UN Children's Fund
UNOPS	UN Office for Project Services
VfM	Value for Money

## **1. Introduction**

This report analyses the details from Project Completion Reports (PCR) input into DFID's corporate Performance Reporting Information System for Management (PRISM). It has been compiled by Corporate Strategy Group (CSG) and updates a previous report on PCRs from 1986 -1999.

This report aims to highlight the main trends in performance of DFID's projects and programmes from 2000 to 2005, and identify key lessons that should be shared widely across DFID.

## **2. What is a Project Completion Report (PCR)?**

A PCR is a mandatory performance review required for all eligible projects, programme aid and budgetary aid allocations of £1 million or more in DFID.

PCRs assess the extent to which planned project / programme outputs have been achieved at the completion stage and capture lessons for the future. PCRs are completed and submitted at one of following points:

- 1) within the last three months of a project before the project team has disbanded;
- 2) when actual expenditure reaches 95% of the total commitment threshold; or
- 3) when the stage of the project is recorded as closed in DFID's Management Information System (MIS).

The form used to complete PCRs has changed over the last few years. The new PCR introduced on 1 November 2004 and the separate PCR form for Poverty Reduction Budgetary Support (PRBS) and Sector Wide Approaches (SWAPs) and guidance on scoring can be accessed at:

<http://appweb01/pwp2/homearena/PRWordDocs.htm>

<http://appweb01/pwp2/homearena/PrScoring.htm>

### 3. Why does DFID need Project Completion Reports?

Effective performance measurement and lesson learning are key to how DFID monitors and measures its performance against agreed targets. PCRs are important processes in:

- managing the project / programme cycle;
- comparing actual progress or impact;
- measuring purpose or outcomes against performance indicators.

Reporting and monitoring processes also provide a means of:

- encouraging ownership and participation through working closely with partners and other donors;
- ensuring all funds, both DFID and those of partners and other donors, are used effectively and efficiently, to deliver outputs / outcomes within the agreed budget;
- ensuring continuous learning and quality control for DFID, partners and other donors both during the implementation of specific projects and in the design and development of new initiatives.

### 4. What are the main questions raised in this report?

*- The following five questions form the basis of discussion in this report and the answers are highlighted in the summary boxes in each section*

1. Is the sample representative of PCRs over the last few years?
2. Is there a relationship between the risk category of a project and meeting the value for money aims and objectives?
3. Are there differences by sector in meeting aims and objectives?
4. Are there differences by MDG / PIMS in meeting aims and objectives?
5. What percentage of spend is meeting its approved commitment by the end of the project?

### 5. Methodology

a) A total of **918** PCRs completed and loaded into PRISM between **1 January 2000 and 31 May 2005** have been included in this report. Only PCRs scored for both purpose and output performance ratings have been used. The commitment ceiling of £1 million or over has been used to determine the lower level of financial eligibility when compiling the list of PCRs for this report. Some projects below the mandatory £1m threshold receive PCRs. Any duplicate PCRs loaded in PRISM have been excluded from this analysis.

b) Some analyses in this report have been broken down into three time periods as follows:

PCR Dates	Total
1 January 2000 – 31 December 2001 <i>(shown as 2000 – 2001)</i>	144
1 January 2002 – 31 December 2003 <i>(shown as 2002 – 2003)</i>	387
1 January 2004 – 31 May 2005 <i>(shown as 2004 – 2005)</i>	387
<b>Total</b>	<b>918</b>

*Note: 2004 – 2005 covers only 17 months compared with 24 months in the previous two time periods, and the total number of PCRs in this period (387) is the same, coincidentally, as the previous period 2002- 2003*

c) All commitment and expenditure data in this report are shown in current prices.

d) Key comparisons and trends in this report look at the current DFID divisional names. They appear as:

- Africa - Africa Division;
- Asia - Asia Division;
- EMAD - Europe Middle East & Americas Division;
- Other – non regional divisions.

The term “Other” has been used to group the following non-regional divisions together, since for individual non-regional divisions, numbers were often too small to warrant separate analysis:

- IKCD - Information Knowledge & Communications Division;
- CRD - Central Research Division;
- ETID – Europe Trade & International Financial Institutions Division;
- Policy – Policy Division;
- UNCD – United Nations & Commonwealth Division.

e) Other comparisons include:

- **Broad sector groups:** There are eight sector groups used to identify where funding will be spent. See Table 5a.
- **MDG / PIMS markers:** DFID’s Policy Information Marker System (PIMS) was introduced in 1993. It tracks the targeting of bilateral and non-core multilateral contributions on priority policy objectives. It is used, for example, to improve accountability, inform policy debate, and assist project design. The PIMS marker set was revised in October 2002 to focus on the Millennium Development Goals. This new set of markers are shown in Figure 6a.

- **Risk category:** The analysis of risk is an essential part of the design of any DFID activity and risk management is carried out continuously, and at the time of the PCR review. A risk is a factor that could adversely affect the outcomes of an activity. Risk is categorised as High, Medium or Low, using a methodology when the potential impact of a risk and probability of it happening are combined to give a single risk score. See Figures 2a-2b.

- **Performance purpose scores:** Projects are scored at the end of the project on whether the aims and objectives of the project were met. See Figures 7a-7c. There is a five point scale scoring system. Scores of 1 to 3 mean all or some of the purpose objectives are likely to be met, scores of 4 or 5 are less likely or unlikely to meet purpose objectives. For more information on scoring see Appendix 5.

- **Value for Money:** Some analysis looks at DFID's PSA target which looks at the VALUE of projects scored 1 and 2 against the VALUE of the entire portfolio. See Tables 11, 12 and 13.

f) The number of projects in different categories is shown in much of the analysis in this report, not the value of projects, to give equal weight to all the activities DFID is undertaking. However Section 8 does give some breakdown on the basis of Value for Money indicators.

g) Some of the information entered on PCRs and stored in PRISM, now differs from the data used by Evaluation Department in their Evaluation Report (EV637) November 2001. As a result, direct comparisons cannot be made between this report and that.

h) The number of PCRs recorded as either PRBS or SWAPs is too low to justify producing any meaningful data for these sub groups. Also, the recording of Programme Aid and Project Aid is not shown separately in PRISM and hence has not been analysed separately. They are included in the overall data used in this report.

i) The quantitative analysis shown in this report is divided into two sections: the first shows the profile of the portfolio and the second moves on to look at project scores and the factors that influence these. In interpreting findings in the second section, readers may wish to refer back to the earlier section to see how the portfolio looks in terms of different characteristics.

## Conclusions and Recommendations

### Summary Box 1

Improved PCR compliance has allowed more PCRs to become available in PRISM. This permits more meaningful analysis and more confidence that statistical analyses using the data truly reflect the entire portfolio of DFID's completed projects and programmes that are eligible for PCRs.

### Summary Box 2

The Low Risk category contains the greatest percentage of projects meeting their aims and objectives, ie where a purpose score of 1 or 2 is awarded in the PCR. Conversely High Risk projects are less likely to completely or largely achieve their goals. Over the period 2000-2005 there has been a modest overall increase in the proportion of projects / programmes whose PCRs give a score of 1 or 2.

### Summary Box 3

In 2004 - 2005 between 52% - 92% of projects scored 1 or 2 by sector. Projects in the Humanitarian Assistance sector appeared most likely to completely or largely achieve their goals. Projects in the Governance sector appeared least likely to achieve their goals.

### Summary Box 4

Projects addressing Malaria, TB and Other Diseases<sup>1</sup>, HIV/AIDS and Income Poverty and Hunger appear particularly successful, while those addressing Human Rights and Good Governance were less likely to be scored as having achieved their objectives over the period 2000-2005

### Summary Box 5

Over the period of this report 73% of all projects spent in the range 90%-100% of their approved commitment

- Producing a report of this nature requires good quality data. This involves both a high compliance rate of PCRs completed and loaded into PRISM, and good quality information being contained within those PCRs. The relatively low compliance in terms of PCRs input during 2000 2001 hampers analysis of trends in performance scoring in this period; however for subsequent years compliance is far higher. The perseverance of the PRISM team and the Management Board in the compliance issue exercise is paying off.
- Producing a report of this nature also requires the PCR forms to be capturing useful data and PRISM to be a flexible tool which allows analysis of the data in a meaningful way. Improvements of the system over time are reflected in the report.

### **Recommendations**

1. It is important that the new ARIES system continues to permit analysis of this kind; in fact, tables along the lines of those in this report should perhaps be produced as standard reports under the new system.
2. With the ARIES project, there will be a further evolution in the way data are stored and can be analysed in our corporate systems. It is of vital importance that improvements in the quality of data in the last 12 months are maintained and continue. The country offices and UK depts need to ensure that this continues, so that the migration of performance data from PRISM to ARIES in 2007/08 is a success. There is a need to keep the momentum going during the transition stage.
3. ARIES also offers the opportunity to alter our systems so that they allow more information to be captured (for example, more information on aid instruments and project/ programme history information). It is vital that we make the most of this opportunity.

## 6. Section A: Portfolio Profile

### a) Response

During 2005 there has been a determined effort to increase compliance with the completion of PCRs and their input into the PRISM system. Previously, quite high numbers of PCRs that might have been completed, were not loaded into the system. It is not possible to identify the number of projects / programmes that should have had a PCR but did not, over the period covered by this report.

Analysis of the profile of available PCRs and understanding of the reasons they might not have been put into the system, does not lead to the belief that there is any systematic bias in the selection of PCRs used in this report. For example, we do not think that lower or higher value projects are particularly likely to have missing PCRs, nor that PCRs for particular sectors or divisions are notably more likely to be missing. It is however clear that the greater number of missing PCRs are from 2000-2001.

The impact of the drive to increase compliance can be seen in the report as the number of PCRs being completed and loaded into PRISM has grown, particularly over the last 18 months.

In attempting to make corporate data systems more useful for analysis and to get staff across DFID to focus on performance management, DFID initially placed considerable emphasis on getting the annual reviews, previously called Output to Purpose Reviews (OPRs), into PRISM. Compliance here improved significantly after the spending block procedure was applied in October 2003 -with operational projects it is possible to withhold future funding until required reviews have been undertaken.

However the “threat” of a spending block cannot be applied to projects due a PCR, since these reviews become due after the project is completed. The volume of PCRs loaded into PRISM gained significant momentum after CSG began recording the PCR compliance data in the QMR, and the Management Board placed more emphasis on improving PCR compliance

### Summary Box 1

Improved PCR compliance has allowed more PCRs to become available in PRISM. This permits more meaningful analysis and more confidence that statistical analyses using the data loaded in PRISM truly reflect the entire portfolio of DFID’s completed projects and programmes that are eligible for PCRs.

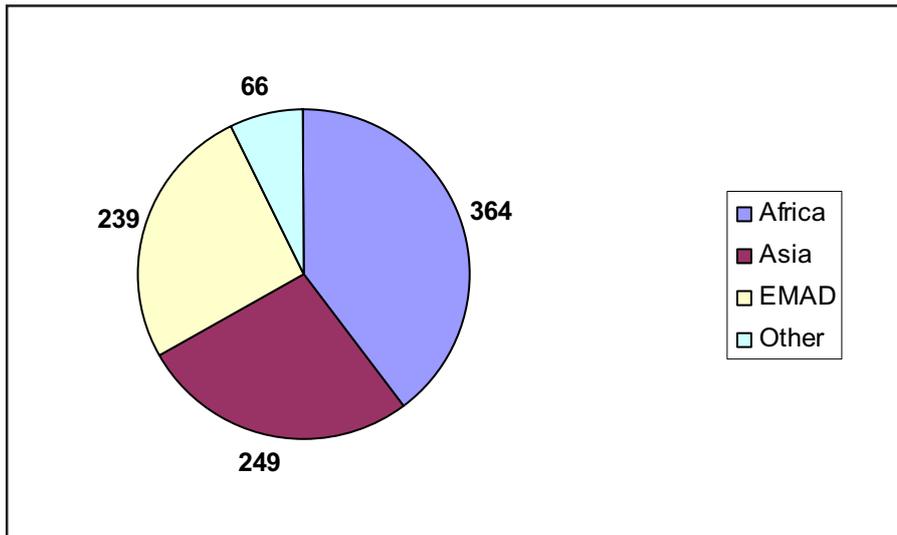
### b) Breakdown of PCRs

This section summarises key characteristics of projects with PCRs included in this report before going on to look at project performance scores. These characteristics will later be analysed in relation to project scores to see whether factors such as the Division, risk level, commitment value and sector or MDG / PIMS marks influence the final project outcome.

**Divisional Breakdown of PCRs**

Figure 1a displays the divisional breakdown of the number of PCRs used in this report. It can be seen that Africa Division is most represented, while Asia Division & EMAD have similar numbers of PCRs to one another.

**Figure 1a**  
**Total period 2000 – 2005 Divisional Breakdown of PCRs**



Figures 1b & 1c display the divisional breakdown by period, and show the improvement in PCR compliance in all divisions over time.

**Figure 1b**  
**Divisional breakdown of number of PCRs over time**

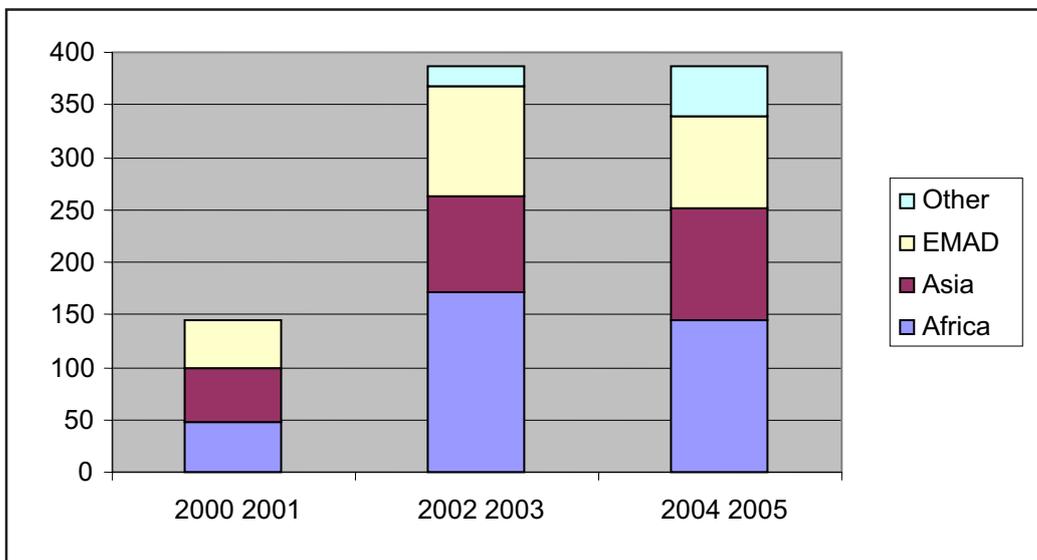
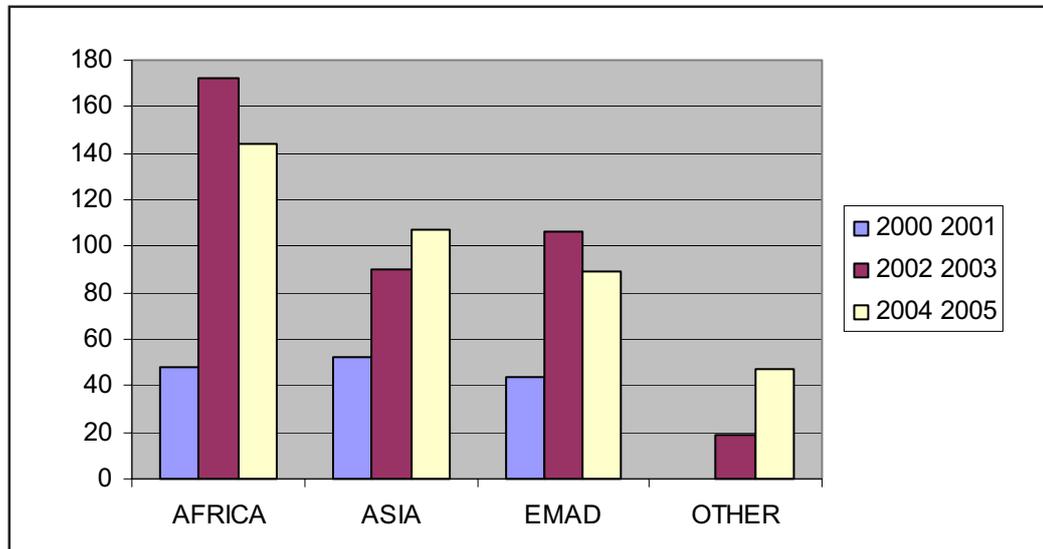


Figure 1c displays the details already shown in Figure 1a but divides the details by divisions by period of time.

**Figure 1c**  
**Divisional breakdown of number of PCRs over time**



**Risk Category of PCRs**

The Risk categorisation became mandatory in 2003, so some projects / programmes that pre-date this have no risk category. Such cases are labelled 'Not Stated' or excluded from the analysis in this section.

Figure 2a displays the proportion of projects included in this PCR report whose Risk category is assessed as High, Medium or Low over time. Overall the Medium Risk category is the most frequently chosen category when determining the risk of the project, followed by Low risk and then High risk. The High risk category is given to just over 10% of projects / programmes in total. Over time, it can be seen that the proportion of projects with risk category 'Not Stated' has gone from just under half to nil.

**Figure 2a**  
**Risk Profile over Time**

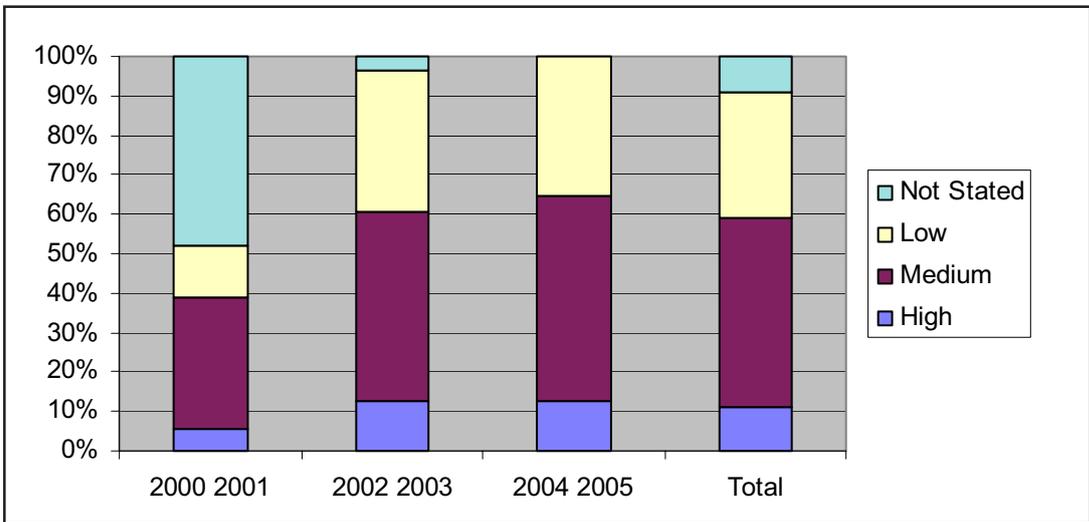
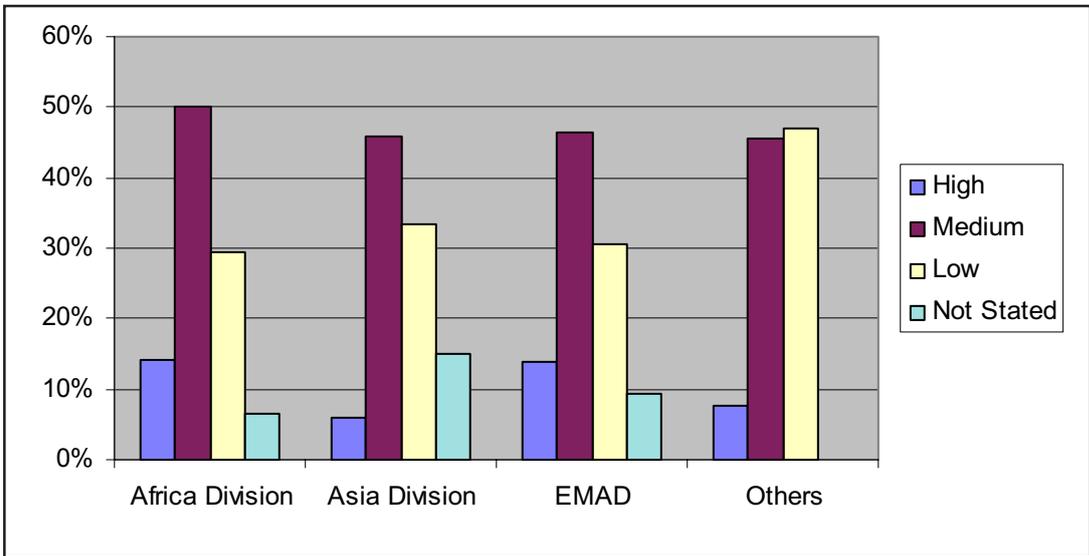


Figure 2b shows risk by division over time. It can be seen that projects / programmes with PCRs included in this report are more likely to be classified as Medium risk in all Regional Divisions.

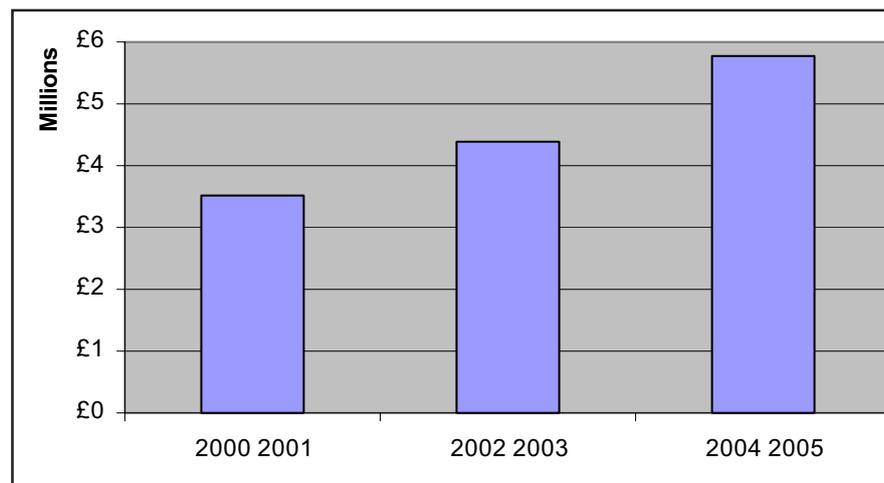
**Figure 2b**



**Commitment Value of PCRS**

Figure 3a displays the average approved commitment value of all PCRs loaded into PRISM in the period of this report. It can be seen that over time, the average value has increased substantially, from £3.5 million to £5.8 million.

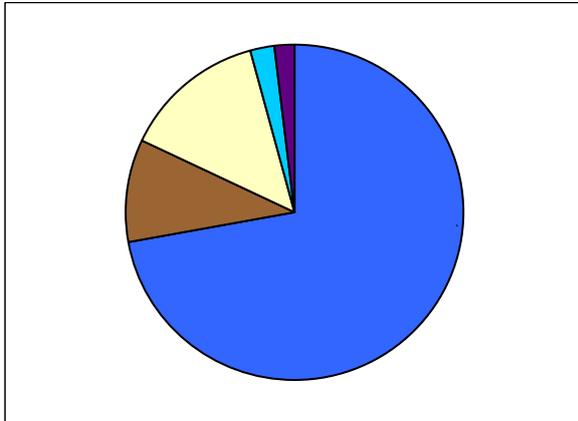
**Figure 3a**  
**Average Commitment Value all PCRs over time**



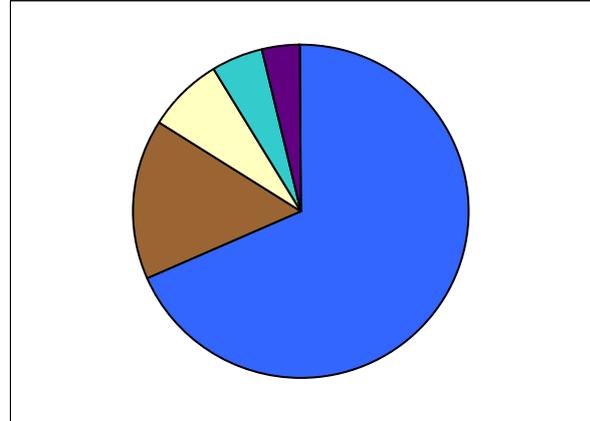
Figures 3b – 3e display the distribution of projects by approved commitment value over time. The trend over the periods 2000 to 2005 shows the lowest value projects (£1m - £3m) declined in percentage terms from 72% to 55%, whilst the highest value projects (£20m & over) increased from 2% to 5%. This indicates that there are more PCRs being undertaken for higher value projects during 2004 – 2005 compared with 2000-2001.

### Commitment Distribution Over Time

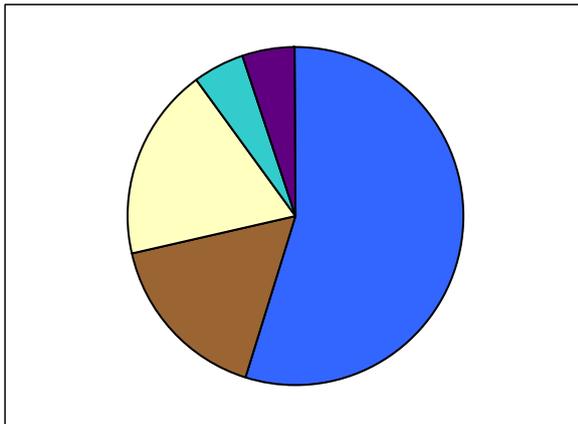
**Figure 3b 2000 – 2001 (144 PCRs)**



**Figure 3c 2002 – 2003 (387 PCRs)**



**Figure 3d 2004 – 2005 (387 PCRs)**



**Figure 3e Total Period (918 PCRs)**

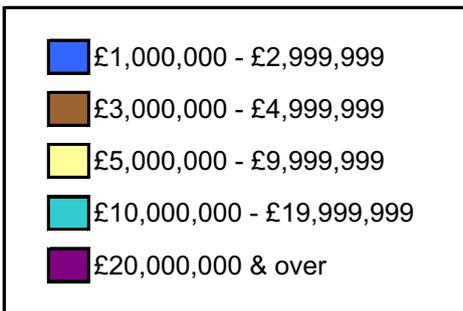
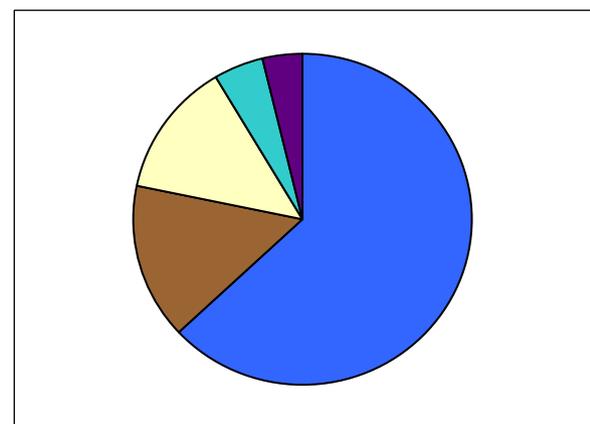
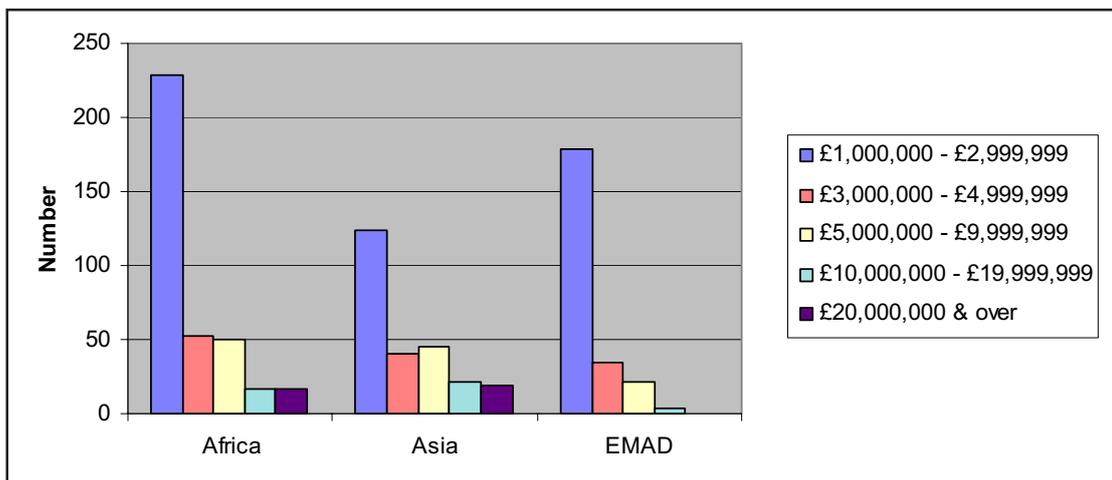


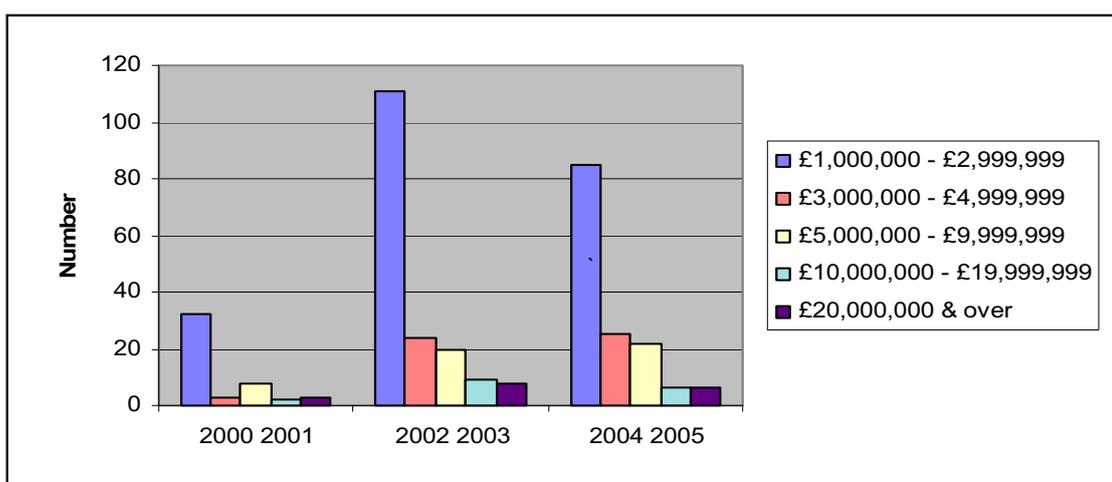
Figure 4a shows the commitment pattern of PCRs in each of the regional divisions. The lowest value projects / programmes are clearly predominant in each region over the entire period 2000 -2005. The highest value projects / programmes are not represented in EMAD at all.

**Figure 4a**  
**Total period 2000 – 2005 Commitment distribution by Regional Division**

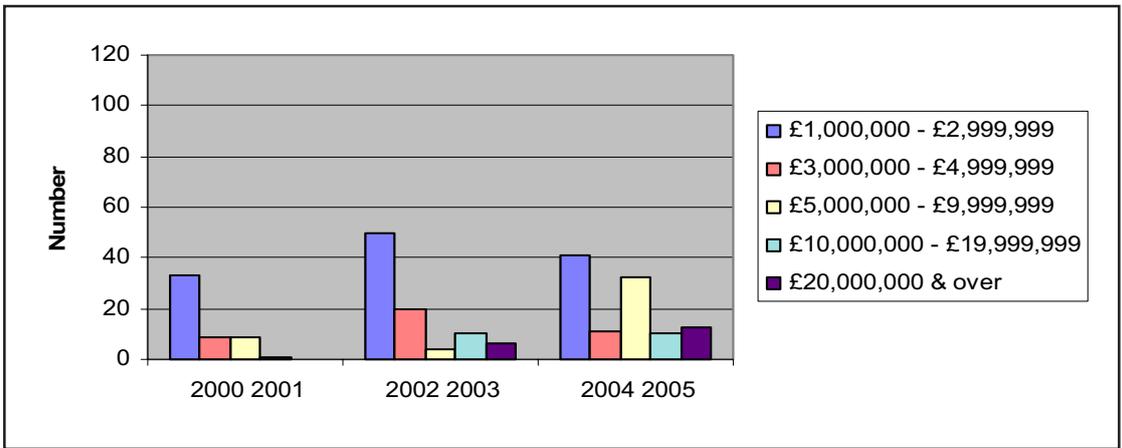


Figures 4b – 4d display the distribution of projects across the three regional divisions over time by approved commitment. The move towards higher value projects over time is particularly evident in Asia Division where the number of projects in the commitment range of £5m - £9m increased from 4 in 2002-2003 to 35 in 2004-2005. EMAD is also clearly showing an increase in the number of PCRs against the higher commitment range values.

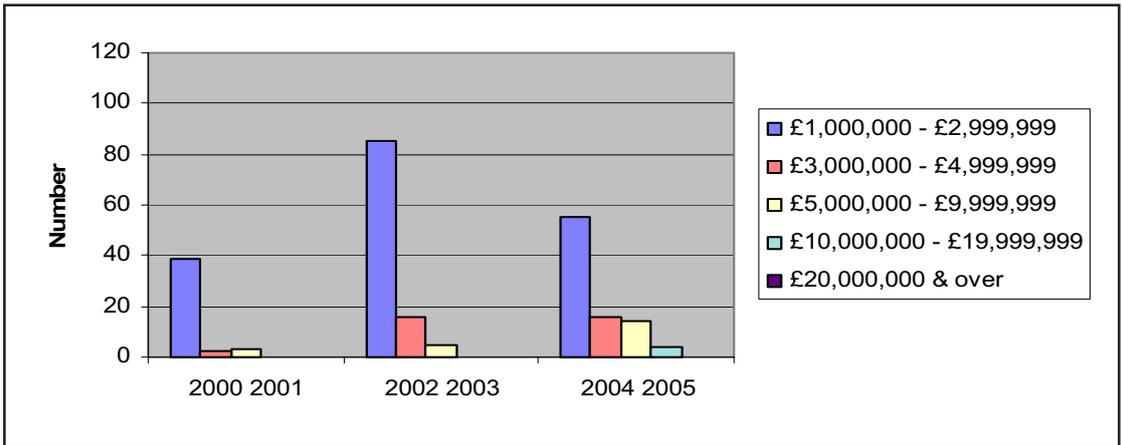
**Figure 4b**  
**AFRICA - Commitment distribution by Number of Projects over time**



**Figure 4c**  
**ASIA - Commitment distribution by Number of Projects over time**



**Figure 4d**  
**EMAD - Commitment distribution by Number of Projects over time**



<b>Sector Differences of PCRs</b>
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Table 5a displays the number and percentage of PCRs by Broad Sector over time and Figure 5b is a graphic interpretation of Table 5a.

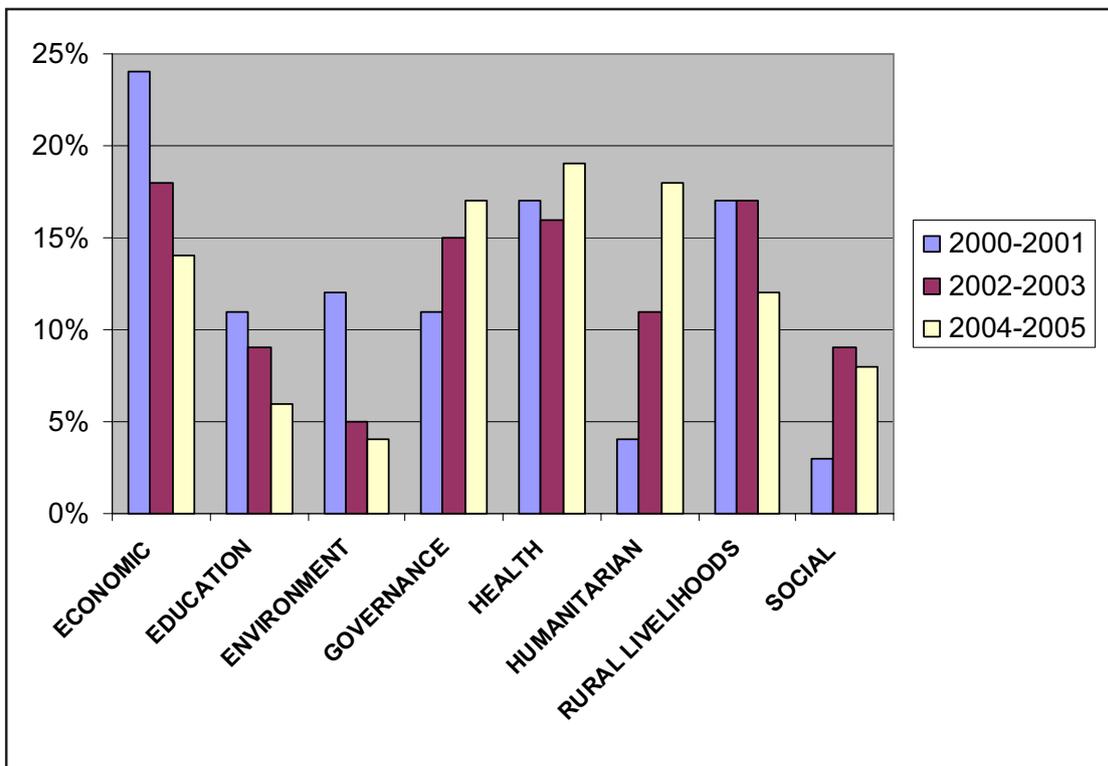
In total the most frequent broad sectors used are Health (161 in number, 18%) and Economic (160, 17%). In 2000 – 2001 the most frequent broad sector used was Economic (35 in number, 24 %), in 2002 – 2003 it was also Economic (69 in number, 18%). Over the period 2000 to 2005 the major trends have been an increase in PCRs for Governance and Humanitarian Assistance projects/programmes, and a decrease in the number of projects/programmes focused on the Economic, Education and Environment sectors.

**Table 5a**  
**Number & Percentage of PCRs by Broad Sector over time\***

	2000 - 2001		2002 - 2003		2004 - 2005		TOTAL	
	No.	%	No.	%	No.	%	No.	%
<b>HEALTH</b>	25	17%	62	16%	74	19%	161	18%
<b>ECONOMIC</b>	35	24%	69	18%	56	14%	160	17%
<b>GOVERNANCE</b>	16	11%	59	15%	65	17%	140	15%
<b>RURAL LIVELIHOODS</b>	24	17%	64	17%	48	12%	136	15%
<b>HUMANITARIAN</b>	6	4%	41	11%	71	18%	118	13%
<b>EDUCATION</b>	16	11%	36	9%	25	6%	77	8%
<b>SOCIAL</b>	5	3%	33	9%	31	8%	69	8%
<b>ENVIRONMENT</b>	17	12%	20	5%	16	4%	53	6%
<b>OTHER</b>	0	0%	3	1%	1	0%	4	0%
<b>TOTAL</b>	<b>144</b>	<b>100%</b>	<b>387</b>	<b>100%</b>	<b>387</b>	<b>100%</b>	<b>918</b>	<b>100%</b>

\*Since October 2002, up to 6 broad sector codes can be specified for each project. For each code selected a proportion of total commitment which is expected to be spent on that sector is indicated on the Project Header Sheet as a percentage. For analysis purposes the largest percentage only has been used in this report. Prior to October 2002 all projects were allocated a single broad sector.

**Figure 5b**  
**Percentage of PCRs by Broad Sector over time**



**MDG/PIMS Marked PCRs**

Analysis using PIMS / MDG markers are not shown by year because there are too few cases in some categories to permit this.

Figure 6a shows the number of projects / programmes which have been marked for different MDG / PIMS markers over the period covered by this report. The bars are split to show whether the markings are ‘Principal’ or ‘Significant’. The number of projects included in each bar is shown beside the name of the MDG / PIMS marker. The range is from 26 for Malaria, TB & Other Diseases, to 296 for Good Governance.

**Principal** objectives are those which are fundamental to the design of a project or programme, without which it would not be undertaken. **Significant** objectives are those which, although important are not one of the primary reasons for undertaking the activities. It is important to note that projects can be awarded more than one MDG / PIMS marker.

It can be seen that more projects have the Good Governance marker than any other and that Gender Equality is the next most popular. This marker is particularly likely to appear as Significant rather than Principal as would be expected given gender mainstreaming activities.

**Figure 6a**  
**2000 - 2005 Millennium Development Goals (MDG) related Policy Information Markers (PIMS) by number of projects**

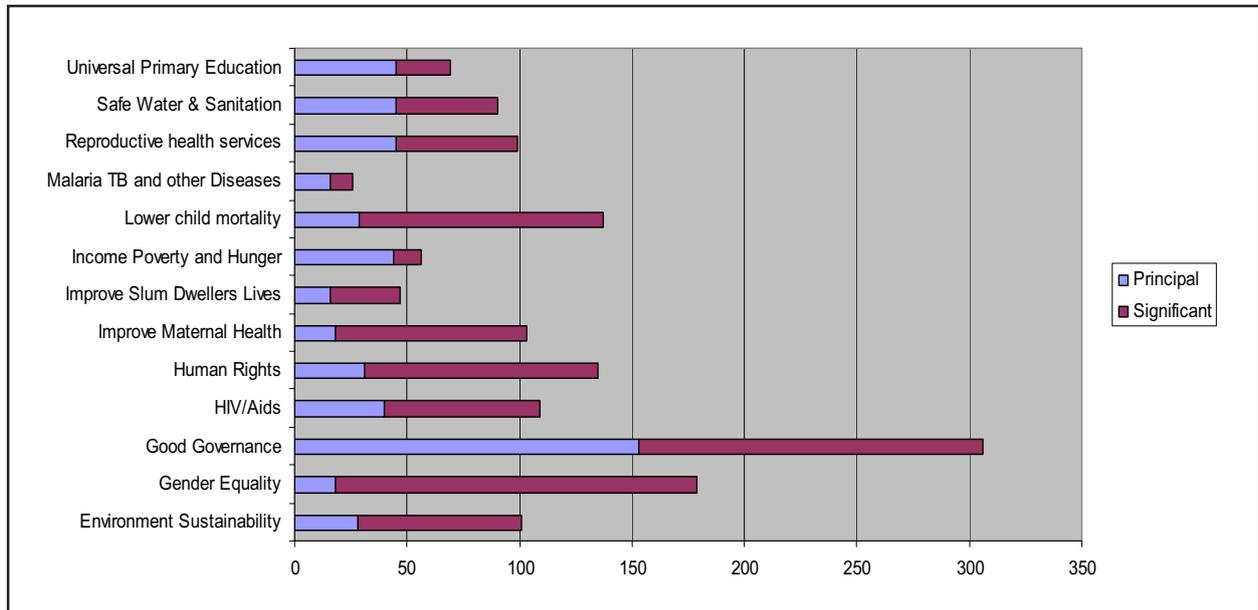
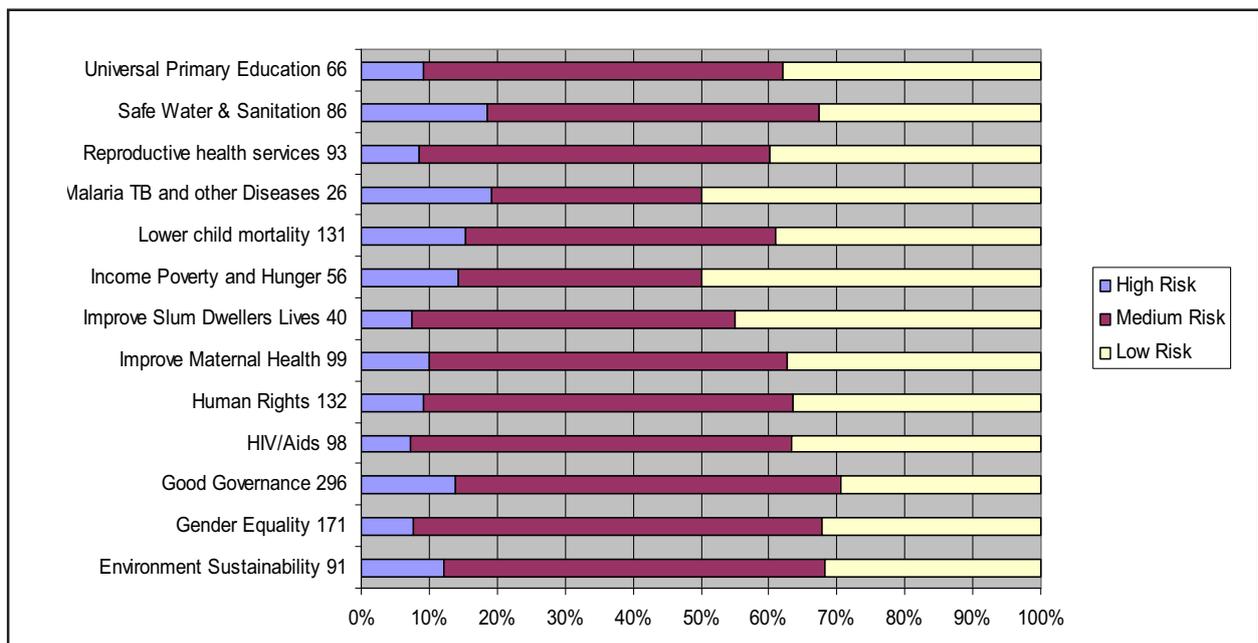


Figure 6b shows the way in which MDG / PIMS markers vary by risk category. While around 10% of projects on average are classified as High risk, among those with a focus on “Safe Water & Sanitation” and “Malaria, TB & other diseases” the proportion categorised as High risk is notably higher.

**Figure 6b**  
**2000 - 2005 Millennium Development Goals (MDG) related Policy Information Markers (PIMS) by percentage of Risk Category**





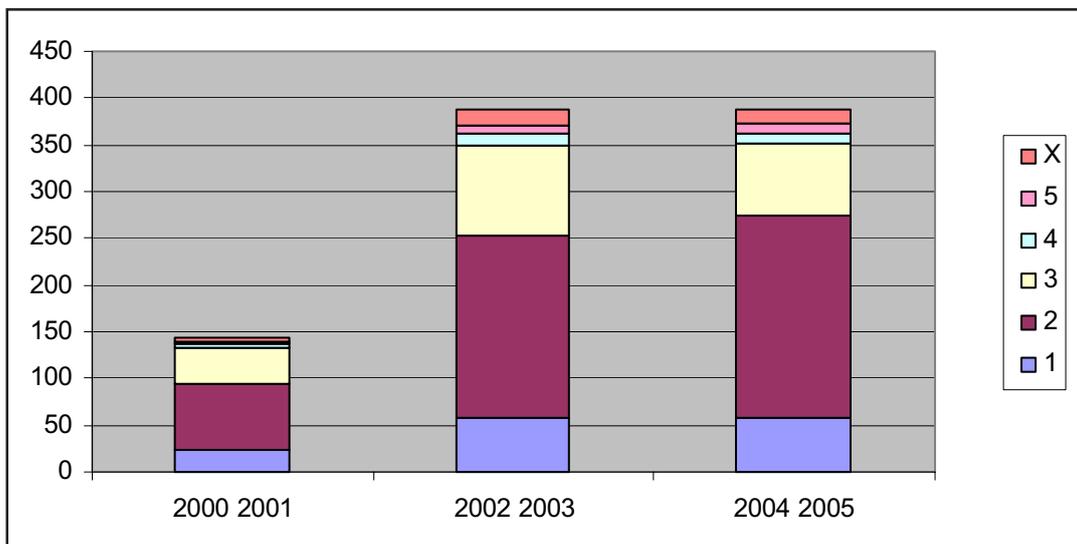
## 7. Section B: Performance Ratings – Purpose Scores

Most analysis in this section shows the number of projects attaining different PCR scores. This section is looking at all eligible projects with a PCR scored during the period of this report. Only projects with a commitment of £1 million or over were used. However DFID has a PSA target calculated on the basis of the value of projects attaining different Annual Review / PCR scores. Section 8 reports on this basis.

Figure 7a displays the number of PCRs scoring a purpose rating of 1 to 5, or X over time, and Figure 7b displays the same information but by percentage and includes a total period column for comparison

A score of 1 or 2 against the PCRs purpose rating implies that these projects are completely (1) or largely (2) meeting the projects' aims and objectives (See Appendix 5 for rating details). The number of projects scoring 1 and 2 as a percentage of all scores (including X) increased from 94 (65%) in 2000-2001, to 274 (71%) by 2004-2005. In the total period the average percentage was 68% of projects / programmes being scored 1 or 2.

**Figure 7a**  
**Purpose Rating Scores by Number of PCRs over time**



**Figure 7b**  
**Purpose Rating Scores over time**

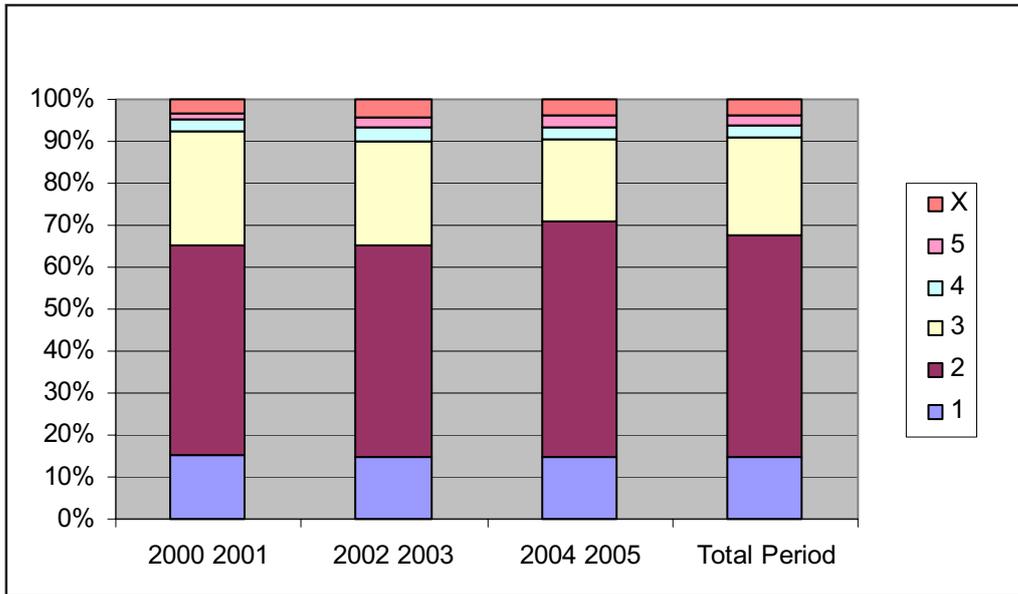
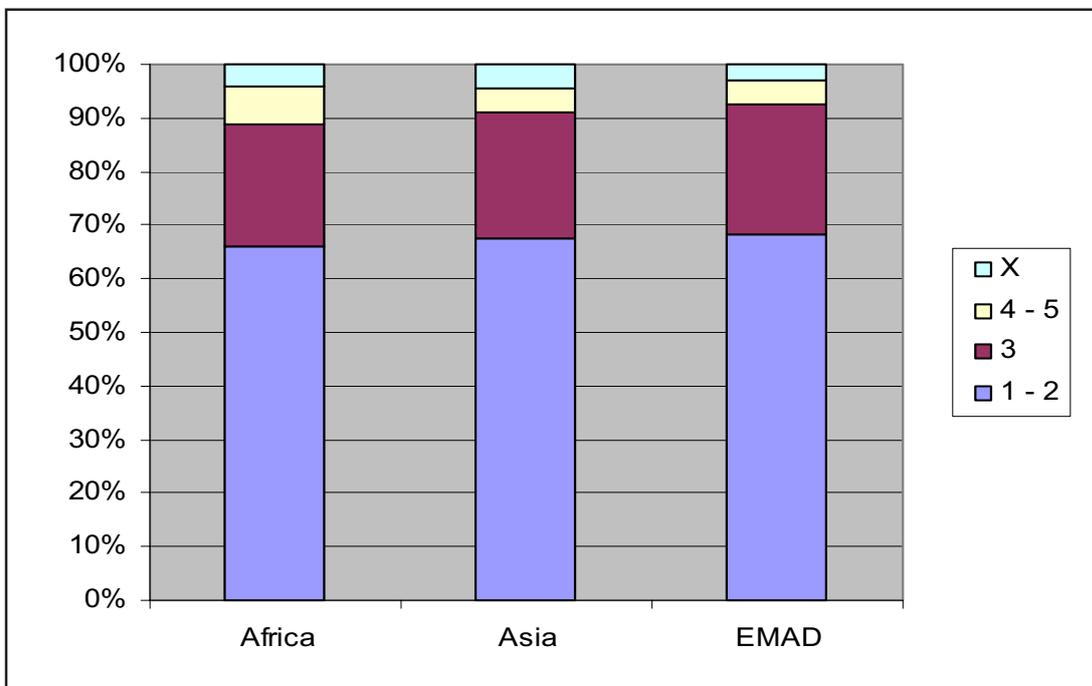


Figure 7c displays the percentage of projects scored by division. It is noticeable that there is a high level of consistency in the pattern of purpose markings across the regional divisions.

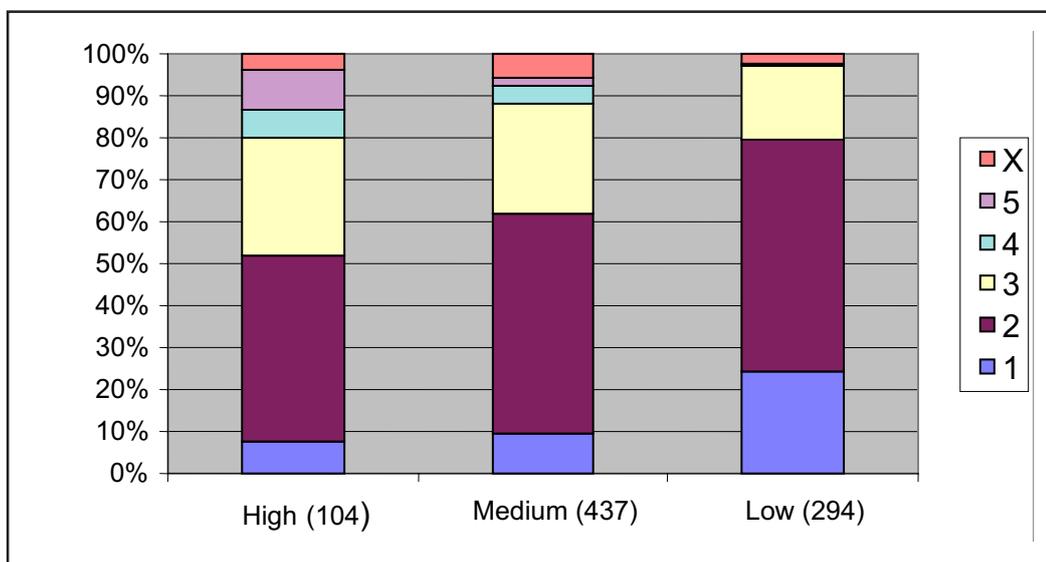
**Figure 7c**  
**Purpose Rating Scores by Regional Division 2000-2005**



### PCR Scores by Risk Category

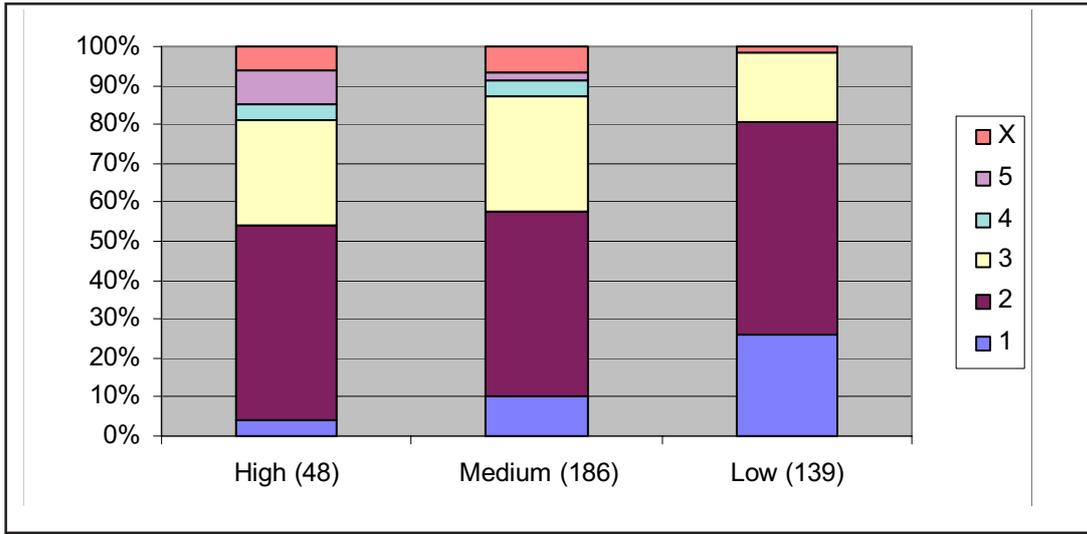
Figure 8a shows how project scores vary by risk category. Over the total period of this report, 52% of High Risk Projects, 61% of Medium Risk projects and 79% of Low Risk projects were scored 1 and 2. It can therefore be seen that risk makes a big difference to project success, with lower risk projects more likely to achieve their objectives than higher risk projects. The total number of projects categorised High, Medium or Low is recorded at the base of the bars. The Not Stated risk category is excluded from these graphs but the X score for project success is included.

**Figure 8a**  
**Purpose Rating by Risk Category 2000 – 2005**



Figures 8b and 8c show the same data as in Figure 8a, but for single year periods only (2002-2003 and 2004-2005; there are insufficient cases for 2000-2001 to allow separate analysis). 54% of **High Risk Projects** were scored 1 and 2 in 2002 2003 and 50% in 2004 2005. 58% of **Medium Risk Projects** were scored 1 & 2 in 2002 2003 and 69% in 2004 2005. 81% of **Low Risk** projects were scored 1 and 2, in 2002 2003 and 81% in 2004 2005.

**Figure 8b**  
**Purpose Rating by Risk Category 2002 – 2003**



**Figure 8c**  
**Purpose Rating by Risk Category 2004 – 2005**

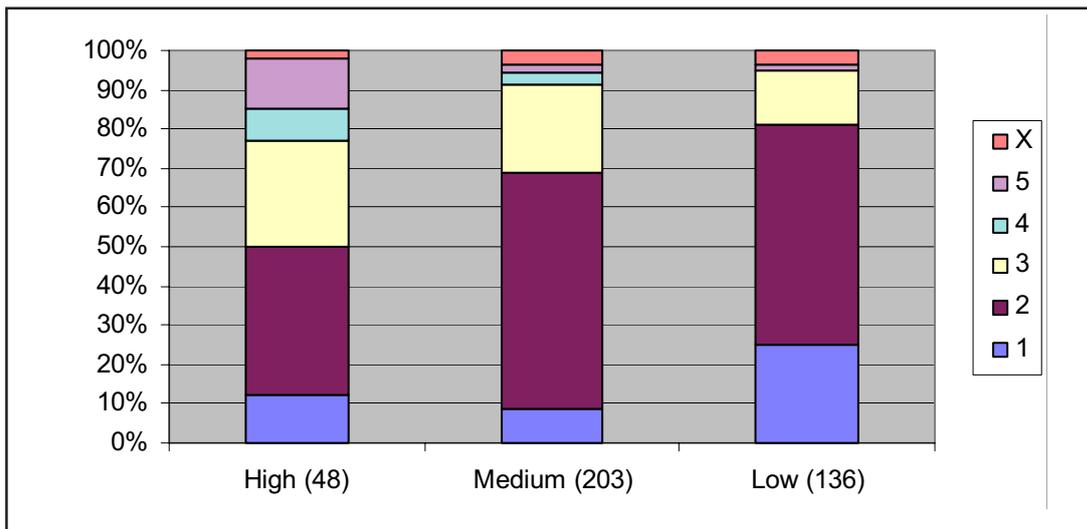
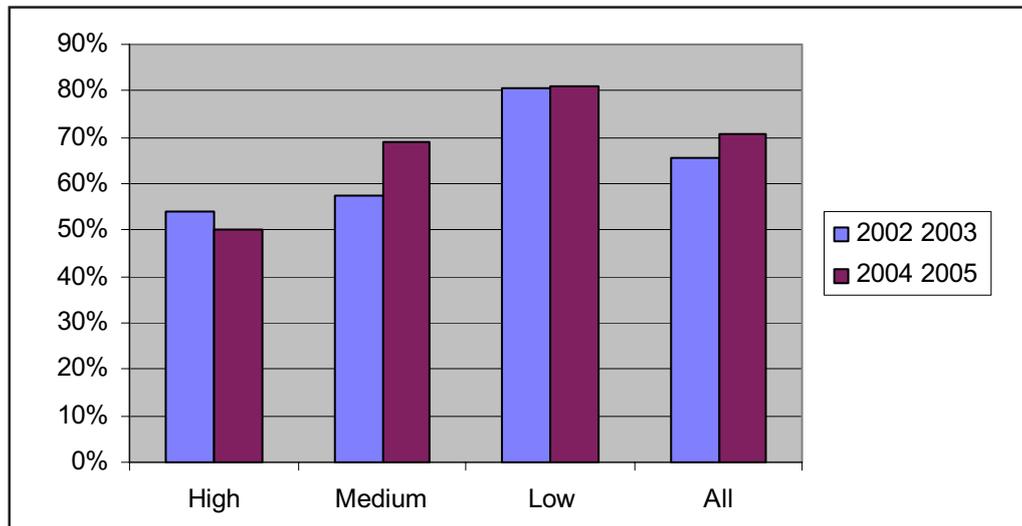


Figure 8d displays for 2002 2003 and 2004 2005 the proportion of projects scoring 1 and 2 in each risk category. It shows an increase in success among Medium risk projects but very little differences in the High and Low risk categories.

**Figure 8d**

**Percentage of projects scoring 1 or 2 by risk (2002-2003 and 2004-2005)**



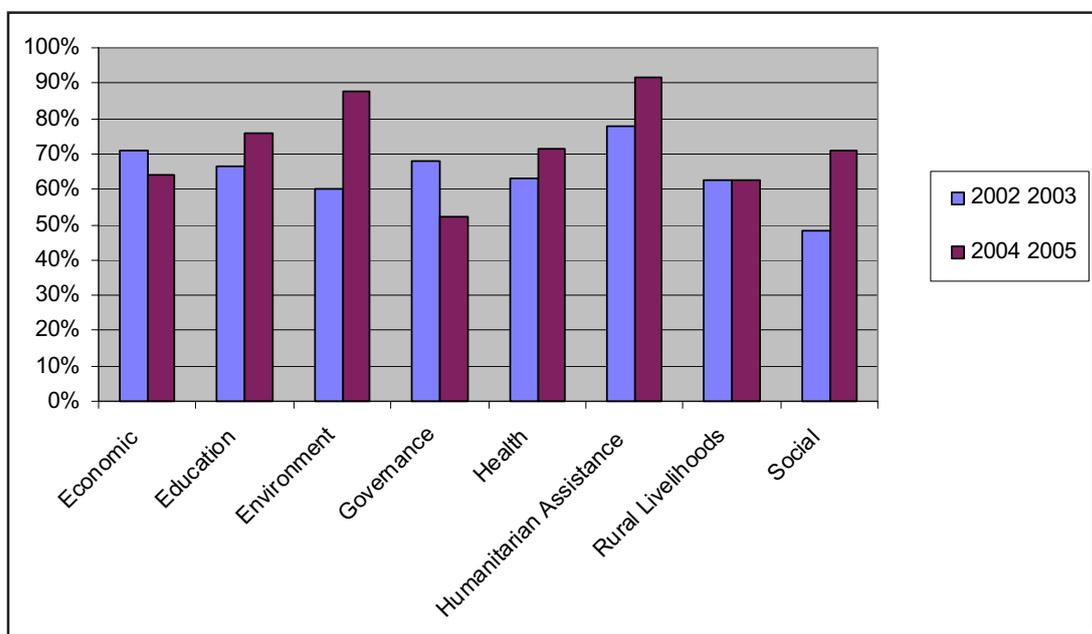
### Summary Box 2

**The Low Risk category contains the greatest percentage of projects meeting their aims and objectives, ie where a purpose score of 1 or 2 is awarded in the PCR. Conversely High Risk projects are less likely to completely or largely achieve their goals. Over the period 2000-2005 there has been a modest overall increase in the proportion of projects / programmes whose PCRs give a score of 1 or 2.**

**Project Scores in Relation to Sector**

Figure 9a shows for the latest two years only, the proportion of projects / programmes in each sector that attained PCR purpose scores of 1 or 2. Remembering that the average across all projects is that 68% of projects attain these markings, it can be seen that Humanitarian Assistance projects have been consistently more likely to exceed the average. Governance projects scored well below the average in the second period. However it is important to note that there are relatively small numbers of projects in each of the categories (see Table 9b for numbers) which will cause fluctuations in the percentage scores.

**Figure 9a**  
**Percentage of Projects Scoring 1 or 2 by Sector and Period**



Note: All scores 1 to 5 and X score were used to calculate the percentages in Figure 9a.

**Table 9b**  
**Number of Projects Scoring 1 to 5 by Sector and Period\***

	2002-2003	2004-2005
Economic	63	53
Education	34	24
Environment	20	16
Governance	57	62
Health	62	72
Humanitarian Assistance	39	70
Rural Livelihoods	62	45
Social	30	30

\* Where the base in Figure 9b, on which percentages are calculated and used in Figure 9a, is less than 50 cases, caution should be taken when interpreting the results.

**Summary Box 3**

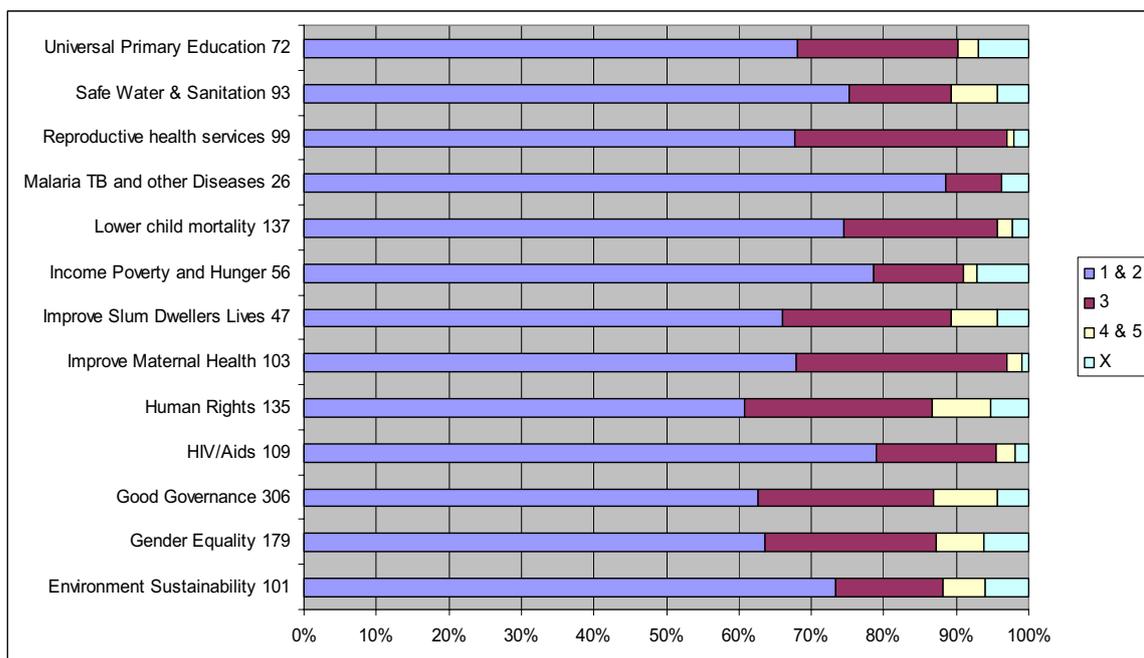
**In 2004 - 2005 between 52% - 92% of projects scored 1 or 2 by sector. Projects in the Humanitarian Assistance sector appeared most likely to completely or largely achieve their goals. Projects in the Governance sector appeared least likely to achieve their goals.**



**Project scores in relation to MDG / PIMS markers**

Figure 10 shows the distribution of PCR purpose scores across projects with each of the MDG / PIMS marks (Principal or Significant markers are combined here). The number of projects included in each bar is shown beside the name of the MDG / PIMS marker.

**Figure 10**  
**2000 - 2005 Purpose Rating Scores by Millennium Development Goals (MDG) related Policy Information Markers (PIMS)**



**Summary Box 4**

**Projects addressing Malaria, TB and Other Diseases<sup>2</sup>, HIV/AIDS and Income Poverty and Hunger appear particularly successful, while those addressing Human Rights and Good Governance were less likely to be scored as having achieved their objectives over the period 2000-2005**

<sup>2</sup> It should be noted that the marker for Malaria, TB and other diseases covered only 26 projects, the smallest number of any marker and so caution should be taken in interpreting this finding.



## 8. Value for Money

This is an indicator looking at the performance of projects and programmes of £1 million commitment or over. In this report it compares the purpose ratings of 1 and 2 as a percentage of those scored 1 to 5 (X scores are omitted) in relation to PCRs only. See Tables 11 & 12 for the Value for Money percentage figures.

The Public Service Agreement (PSA) has a Value for Money target Number 6 which requires a “sustained increase in the index of DFID’s bilateral projects evaluated as successful”. The data collated from PRISM looking at annual reviews and PCRS input for eligible projects is used for the Management Board Quarterly Reports, and the Autumn Performance Report and Departmental Report.

**Table 11a**  
2000 – 2005 Total Value for Money Percentage by Commitment range  
(by Number)

Commitment	Number scored 1 and 2	Number scored 1 to 5	Value for Money %
£1,000,000 - £2,999,999	389	564	69%
£3,000,000 - £4,999,999	101	140	72%
£5,000,000 - £9,999,999	83	114	73%
£10,000,000 - £19,999,999	33	40	83%
£20,000,000 & over	23	32	72%
<b>Total</b>	<b>629</b>	<b>890</b>	<b>71%</b>

**Table 11b**  
2000 – 2005 Total Value for Money Percentage by Commitment range  
(by Commitment)

Commitment	Value scored 1 and 2	Value scored 1 to 5	Value for Money %
£1,000,000 - £2,999,999	£647,567,052	£957,729,328	68%
£3,000,000 - £4,999,999	£350,159,939	£510,261,979	69%
£5,000,000 - £9,999,999	£561,047,058	£756,978,724	74%
£10,000,000 - £19,999,999	£425,495,598	£521,151,597	82%
£20,000,000 & over	£1,026,714,149	£1,353,483,568	76%
<b>Total</b>	<b>£3,010,983,796</b>	<b>£4,099,605,196</b>	<b>73%</b>

**Table 12a**  
2000 – 2005 Value for Money Percentage by Commitment range  
(by Number by Year)

	2000	2001	2002	2003	2004	2005	All Years
£1,000,000 - £2,999,999	64%		68%		72%		69%
£3,000,000 - £4,999,999			67%		75%		72%
£5,000,000 - £9,999,999					74%		73%
£10,000,000 - £19,999,999							83%
£20,000,000 & over							72%
<b>total</b>	<b>68%</b>		<b>69%</b>		<b>73%</b>		<b>71%</b>

**Table 12b**  
**2000 – 2005 Value for Money Percentage by Commitment range**  
**(by Commitment by Year)**

	2000	2001	2002	2003	2004	2005	All Years
£1,000,000 - £2,999,999	64%		68%		69%		68%
£3,000,000 - £4,999,999			66%		72%		69%
£5,000,000 - £9,999,999					78%		74%
£10,000,000 - £19,999,999							82%
£20,000,000 & over							76%
<b>total</b>	<b>77%</b>		<b>67%</b>		<b>78%</b>		<b>73%</b>

Gaps in Tables 12a & 12b reflect insufficient cases to show the VFM percentage (1 – 29). Figures in red reflect small numbers of cases (30- 49), where care should be taken in interpreting the findings.

Table 13a displays the value for money equivalent for risk assessed projects using PCRs for the total period. Tables 13b – 13d displays the same information by each of the three individual time periods. It excludes the “too early to judge” (X) rating scores. The overall pattern is similar across divisions. Apparent variations in the High risk category should not be considered as the number of projects and programmes scored is too small in Asia, EMAD, and Other Divisions. This is the same story as shown in the number of projects scored against High risk in Figures 8a – 8c.

It is noticeable that DFID’s portfolio appears generally more successful by commitment value than by number. This ties in with Table 12 which shows more expensive projects / programmes have higher Value for Money scores. The overall pattern of Value for Money is similar across divisions. Apparent variations among High risk projects cannot be considered significant as the numbers of high risk projects and programmes are too small in Asia, EMAD, and Other Divisions.

The PSA target on Value for Money for 2003-06 includes Annual Review scoring data for the past 1 year. For the 2005-08 PSA we are moving to include Annual Review and PCR data for the past 2 years.

**Table 13a**  
**2000 – 2005 Value for Money by Division and Risk**

	Risk	No of Projects scored 1 - 5 only	% Projects Scored 1 and 2 by Number of Projects scored 1 - 5	Commitment of projects Scored 1 - 5 only (£m)	%Projects scored 1 and 2 by Commitment VfM scored
Africa	High	51	57%	438	66%
	Medium	182	59%	1025	70%
	Low	107	78%	467	89%
	All	340	65%	1931	74%
Asia	High	15		112	
	Medium	114	61%	693	72%
	Low	83	80%	467	87%
	All	212	67%	1272	74%
EMAD	High	33		104	
	Medium	111	64%	271	71%
	Low	73	78%	174	85%
	All	217	67%	549	71%
Other	High	5		11	
	Medium	30	73%	72	74%
	Low	31	90%	58	84%
	All	66	79%	142	74%
	<b>All High risk</b>	<b>104</b>	<b>52%</b>	<b>666</b>	<b>57%</b>
	<b>All Medium risk</b>	<b>437</b>	<b>62%</b>	<b>2062</b>	<b>71%</b>
	<b>All Low risk</b>	<b>294</b>	<b>80%</b>	<b>1165</b>	<b>87%</b>
	<b>Total risk assessed</b>	<b>835</b>	<b>67%</b>	<b>3894</b>	<b>73%</b>

**Table 13b**  
**Value for Money by Division and Risk by Commitment**

	2002 - 2003				2004 - 2005			
	High	Medium	Low	All	High	Medium	Low	All
<b>Africa</b>		<b>56%</b>	<b>89%</b>	<b>60%</b>		<b>71%</b>	<b>92%</b>	<b>82%</b>
<b>Asia</b>		<b>76%</b>	<b>74%</b>	<b>76%</b>		<b>71%</b>	<b>94%</b>	<b>72%</b>
<b>EMAD</b>		<b>66%</b>	<b>87%</b>	<b>72%</b>		<b>82%</b>	<b>85%</b>	<b>73%</b>
<b>All</b>	<b>42%</b>	<b>64%</b>	<b>84%</b>	<b>67%</b>	<b>64%</b>	<b>73%</b>	<b>91%</b>	<b>78%</b>

Gaps in Tables 13a & 13b reflect insufficient cases to show the VFM percentage (1 – 29). Figures in red reflect small numbers of cases (30 – 49), where care should be taken in interpreting the findings.



## 9. Financial data - expenditure versus approved commitment

Table 14 displays the relationship between the amount spent on projects and the approved commitment values. A complete match between commitment and spend increases from 7% to 20% over time.

There has been a decline in underspent projects from 90% to 76%. Ideally projects should be spending in the range from 90% to 100% of commitment and here there has been a fall over time from, 81% to 70%. *There is a system in place in CODA which prevents the approved commitment being overspent, this may require investigating by IAU.*

**Table 14**  
**Total expenditure against approved commitment values over time**

	2000 2001		2002 2003		2004 2005		Total	
	No.	%	No.	%	No.	%	No	%
<b>As at 31 May 2005</b>								
<b>Spent more than approved commitment</b>	5	3%	7	2%	4	1%	16	2%
<b>Total spent same as total approved commitment</b>	10	7%	45	12%	79	20%	134	15%
<b>Total under-spend</b>	129	90%	335	87%	304	76%	768	84%
<b>Total PCRs</b>	144	100%	387	100%	387	100%	918	100%

<b>:of which spent 90% to 100% of approved commitment</b>	116	81%	286	74%	270	70%	672	73%
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### Summary Box 5

**Over the period of this report 73% of all projects spent in the range 90%-100% of their approved commitment**



## **10. Comparisons between 2001 and 2005 PCR synthesis reports**

True comparisons between this report and an earlier one completed by EvD in November 2001 are not possible due to differences in the portfolios represented by the two sets of PCRs used. Key differences are highlighted below:

**Eligibility:** The 2005 report includes only PCRs loaded into PRISM with a commitment threshold of £1m or over. It includes PCRs with a rating of 1 to 5 and X. The 2001 report was compiled on a different basis and used all PCRs completed and sent to EVD for projects with a lower commitment threshold - of £500,000 or over. It is unclear whether projects scoring X were included.

The 2005 report based on data in PRISM will exclude, particularly in the earlier years of 2000/2001, PCRS that were completed but not loaded into PRISM. The facility to load reviews was phased in until becoming compulsory for all DFID offices in early 2002.

Another difference to bear in mind in considering comparisons between the two reports, is the fact that in the 2005 report, the dates PCRs are assigned to represent the date of the PCR. In the 2001 report, PCRs were classified according to the start date of the project – regardless of when the PCR was submitted.

Having highlighted the different nature of the two reports, the remainder of this section reports on areas where similar information appears in the two reports meaning comparisons are possible.

**Project Size:** The 2005 report has pie charts on page 14, similar to those on page 4 of the 2001 report. It can be seen that there were very similar numbers of PCRs with a commitment of £500,000 or more in the period 1994 -1999 and the period 2000 – 2005.

**Project Commitment Values:** The average value of regional projects/programmes in the 2001 report and overall view in the 2005 report makes it difficult to do an exact comparison. In 2004/05 the average commitment value of all projects with PCRs was nearly £6m. In 1994/99 the average value was highest in Africa Division - between £4-5 million, and in Asia and the Americas the corresponding figures were £3m and between £2 - £4 million. It therefore appears that the average project size has increased in recent years.

**Expenditure management:** Between 1986 – 89 and 1994-99 the 2001 PCR report shows (page 6) that an increasing proportion of projects spent within 10% of their planned budgets. The figure in 1994-1999 was about 64%. In the period 2000-2005, 73% of projects with PCRs loaded have spent 90-100% of their commitment. Over spend was very rare at 3% in 2000/01 and 1% in 2004/05 compared with around 10% in the earlier period. Over-spending is no longer permissible within DFID systems.

**Performance:** The 2001 report found virtually no correlation between project performance and project size. In the 2005 report page 27 shows that projects in the commitment range £10m – £19m seem to score particularly highly – but there were very few of these. So this would not provide sufficient evidence to prove a difference over time.

**Delivery of project purpose:** Page 9 of the 2001 report shows the percentage of projects which are ‘Satisfactory’. The purpose performance figures in the 2005 report show success rating using scores of 1 and 2 to equate to ‘success’ and excluding projects scoring ‘X’ from the baseline. It is likely that ‘satisfactory’ in 2001 does equate to scores of 1 or 2, however it is not documented exactly how this was calculated and what treatment was given to the X scores so we cannot be sure that we are making a direct comparison. Comparing Figure 7b in the 2005 report and the table on page 9 of the 2001 report (drawn together in the table below), it appears that the overall success rate of PCRs has declined in recent years - assuming an equivalent portfolio is being compared. As mentioned earlier in this report, the figure for 2000/01 is likely NOT to be a true reflection of PCRs at that time since not all relevant projects were loaded into PRISM. Excluding this score, there is less significant variation.

**Percentage of PCRs scored 1 and 2 (successful) rating for purpose delivery**

2001 Report					2005 Report		
	1986-89	1990-91	1992-93	1994-99	2000-01	2002-03	2004-05
By number	62%	79%	71%	77%	65% (68%)	66% (69%)	71% (73%)
By value	N/A	N/A	N/A	N/A	74% (77%)	59% (67%)	74% (78%)
Number scored 1 to 5	170*	189*	160*	197*	139	370	374

\*Figures thought to include projects scored X

Figures in brackets relate to current 12 month VFM method which excludes score of X

There are a few areas where comparisons are not possible:

**Time Management:** This is covered on page 6 of the 2001 report. Comparison is impossible as the 2001 report records the PCRs by the date the project was approved. The 2005 report records the PCRs by date of review was loaded into PRISM.

**Delivery of projects inputs:** This was excluded from the 2005 report as the information is no longer available for PCRs in PRISM. **Delivery of project outputs:** This was excluded from the 2005 report as the information was not extracted from the PCRs in PRISM. The 2005 report concentrated on the purpose scores.

**Risk:** This did not appear in the 2001 report as the Risk category was not included in any analysis.

## **Part 2**

# **PROJECT COMPLETION REPORT LESSONS SYNTHESIS 2001-5**

## **OVERVIEW**

By

Brian Thomson and Kari Sann (PARC)



## 1. Summary and Conclusions

1.1 This paper presents the main points from a review of the lessons as reported in DFID Project Completion Reports (PCRs) between April 2001 and mid-2005. The lessons were classified into those dealing with partnerships, those dealing with management of the project cycle and those specific to particular sectors or projects. The paper relates them to latest thinking on aid effectiveness and current DFID guidance.

1.2 The PCR data on lessons contains an enormous breadth of commentary by a large number of DFID staff on what works and what could be done to improve things. As such it could be viewed as a compendium of DFID culture. PCRs can and should add value to DFID's internal learning process. Including the views of partners would be valuable. Making better use of PCRs depends on finding a mechanism for staff to review their lessons systematically at an early stage and providing incentives for project teams to complete them to a high standard. The latter could simply involve those at the centre of DFID's learning networks demonstrating to project teams that PCRs are useful and the work is valued.

1.3 For those working in DFID the bulk of the lessons are familiar and support the thinking behind the current model of aid effectiveness and recent guidance on management. The lessons contain plenty of worthwhile insights. This overview picks out some more interesting ones and Annex 2 includes many quotations from the original PCRs for those who want a fuller flavour. Section 8 considers whether there are specific messages from project failures but finds that those experiences support the themes emerging from the sample as a whole.

1.4 The broad topic on which authors commented most frequently is local ownership and involvement. Related to this there are a number of strong themes in the PCRs:

- Local ownership must be broad-based and institutionally rooted. Individuals can be important but they are not a reliable foundation.
- Participation of stakeholders throughout the project cycle builds ownership and good design.
- Good partnerships need appropriate incentives (quick wins as well as longer-term reforms) and effective communications.
- Strong personal relationships are crucial.

1.5 Turning to the project cycle, there is a wide range of comment on how to improve management but two of the most common concerns are:

- The need for a sound policy and institutional framework. Judgements should be based on high quality analysis, particularly of the political and institutional issues;
- The need to allow sufficient time for interventions to achieve their objectives. (This was one of the most commonly expressed concerns of all.)

1.6 There are some other points worth highlighting:

- Varying views were expressed on whether or how DFID's power as a donor should be used to influence partners and exert control. This suggests a degree of uncertainty within DFID on the use of leverage and conditions within partnerships. This is an area worth further discussion within DFID, not just in the context of budget support but covering all forms of aid.
- The balance of comment in the PCRs suggests that DFID has gained a depth of experience of working with communities, participatory approaches and related issues but, by comparison, lacks experience of partnerships with the private sector.
- It is surprising to see limited comments on HIV/AIDS and gender and no comment at all on the environment as a cross-cutting issue.

1.7 This paper presents the evidence from PCRs on lessons from experience. In the process of analysis, some possible areas for further work by DFID were identified. These are:

- steps to improve and make better use of PCR lessons;
- further consideration of the use of leverage and conditions within partnerships; and
- assessment of whether the relative lack of partnerships with the private sector and the complete lack of comment on environmental issues merits action.

## **2. The PCR Data on Lessons Learned**

2.1 Attempting to synthesise over 900 sets of comments from Project Completion Reports (PCRs) is a formidable exercise. Before describing the approach taken, it is worth bearing in mind the limitations of the information recorded in PCRs. The process is inevitably backward-looking, sometimes over a lengthy period, so the lessons could be passively or of limited relevance. Moreover, these are self-assessments which draw on specific situations, so robust generalisations are difficult.

2.2. The incentives for project teams to complete PCRs conscientiously are weak. PCRs are rarely useful to the teams themselves for project management purposes, unless there is to be a follow-on intervention. As things stand, there is little likelihood that colleagues will read the finished product. Pressure from top management to complete PCRs on time has improved compliance in recent years but that pressure may not have improved the quality. Many authors have gone to surprising lengths to record their views, although there is a lot of variation. In some cases, authors have gone to considerable trouble to provide the value of their experience, while in others, PCRs seem to have been completed cursorily against an external deadline. Some of the larger interventions have little recorded, while some small ones go into considerable detail.

2.3 It is worth making systematic use of this source of information to improve the quality of our work. There are strong financial accountability reasons why DFID project teams should continue to complete end of project reviews and it is certainly worth encouraging them to record their views on the lessons from the experience as a part of this. One way of enhancing the value of PCRs, albeit at the cost of more effort, would be to include systematic feedback from partners (see para. 5.6). This would have the merit of demonstrating that DFID means what it says about partnership while helping the organisation to see itself as others do. PCRs need to be seen as part of DFID's learning process as a whole. Making better use of them will only work if those responsible for encouraging DFID's learning networks feel that it adds value to their activities. Moreover, those at the centre need to provide incentives for those in project teams who must do the work.



### **3. Methodology**

3.1. The information was generated from the PRISM database. The old PCR form, which was superseded in October 2004, includes a Lessons Learned section for comments on project/programme lessons, sector or thematic lessons and general development lessons. The new version of the form asks for comments on three different kinds of lessons – working with partners, best practice/innovation and project/programme management. For the purposes of the analysis it appears that the change made little difference.

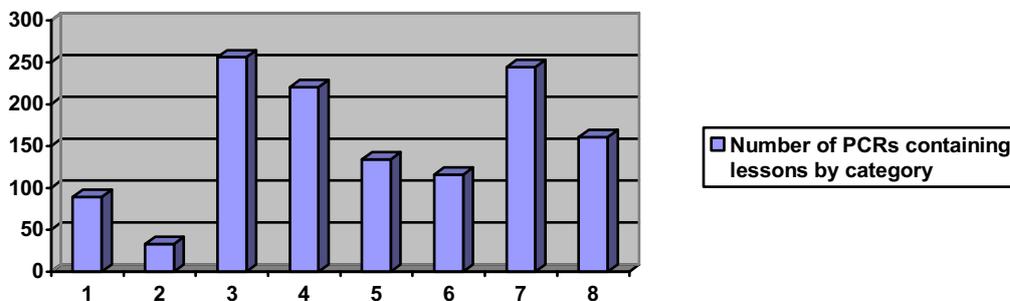
3.2. The database has limitations. There are some missing PCRs and the database lacks some key documents to which the PCRs refer.

3.3 We have tried to improve the relevance of the data by only considering projects that were completed after 31 March 2001. There are some projects in the sample with start dates a decade ago. In order to deal with the wide variety of interventions and comments we have taken a large sample – 453 out of 909 PCRs – which is reasonably representative by sector, region and success rating. The sample includes all projects with commitments over £5m<sup>1</sup>. The sample only includes projects with PCRs that had completed lessons sections. Although the sectoral divisions in the database lacked much analytical value for the purposes of the study, it was initially analysed on the basis of sectoral groups to make it more manageable.

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<sup>1</sup> See the statistical description in Annex 1.

3.4 Lessons were extracted from the PCRs and sorted according to a broad classification based on themes in project and programme management. The chart below shows the frequency of comments by broad category. The comments were grouped according to sector and then grouped for programme aid, budgetary support and sector wide approaches (SWAPs). The sector analyses were then amalgamated to provide an overview, adjusting the classification to reflect the diversity of the data as the process progressed.



Key to the broad categories of lessons<sup>2</sup>:

1. Working with international development agencies (89).
2. Budget support, SWAPs, programme aid (33).
3. Local ownership and involvement (256).
4. Project design and preparation (220).
5. Capacity building (134).
6. Monitoring (116).
7. Management (244).
8. Sector-specific lessons (161).

3.5 The lessons are presented in three broad categories with two special cases:

- Lessons dealing with building partnerships;
- Those covering management of the project cycle;
- Lessons specific to sectors or particular kinds of project: and
- The special cases of a) programme aid, budgetary support and SWAPs and b) humanitarian assistance.

3.6 We have tried to do justice to the comments of PCR authors but, inevitably, our selection of lessons and our commentary is subjective. In addition, there is always the risk of generalising inappropriately from lessons learned in specific contexts. Readers are urged to refer to the lessons presented in Annex 2 in order to develop a deeper understanding of the content.

3.7 The past five years or so have seen a vigorous debate on aid effectiveness and the emergence of a model of how to provide aid which has wide acceptance amongst governments. DFID has also updated its own management procedures to incorporate lessons of experience. The approach taken in this overview is to compare the general thrust of the PCR lessons with the current models of aid effectiveness. It will not go into detail in areas where the lessons have little to add but pull out points of difference or particular interest and indicate where the PCR lessons include some useful detail.

<sup>2</sup> Some comments are included in more than one category

## 4. Aid Effectiveness in Summary

4.1 In March 2005 the Development Assistance Committee of the OECD hosted a meeting of Ministers from donor and recipient countries together with the Heads of international development institutions. Their Paris Declaration sets out the themes of aid effectiveness<sup>3</sup>:

- **Ownership** – partner countries exercise effective leadership over their development policies and strategies and coordinate development actions;
- **Alignment** – donors base their support on partner countries' national development strategies, institutions and procedures;
- **Harmonisation** – donors' actions are more harmonised, transparent and collectively effective;
- **Managing for results**; and
- **Mutual accountability**.

4.2 In parallel, the UNDP has carried out a review of technical cooperation for capacity-building. Since most of the projects funded by DFID (by number if not by value) continue to have a major capacity-building element, the UNDP conclusions are also of interest<sup>4</sup>. The review is consistent with the thrust of the Paris Declaration but also has things to say about a number of political issues. This UNDP position is now more or less common ground amongst most development assistance policy-makers. The key points are:

- Sustainable capacity development must be based on a long-term partnership of mutual respect and joint learning. "Knowledge cannot be transferred; it needs to be acquired."
- External inputs must build on existing capacities and be integrated into national priorities, processes and systems; and
- Capacity development must be prepared to challenge vested interests and establish positive incentives for change, while remaining accountable to the ultimate beneficiaries.

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<sup>3</sup> See the Indicators of Progress reproduced at Annex 3 for more detail

<sup>4</sup> See "10 Default Principles for Capacity Development" reproduced in Annex 4 from "Ownership, Leadership and Transformation" by Lopes and Theisohn, Earthscan 2003.



## 5. What the PCRs have to say on Building Partnerships

5.1 In general, the PCR lessons are very supportive of the Paris/UNDP agenda. The authors have a lot to say about the crucial importance of local ownership and local leadership. This category of comment formed the largest group in our analysis. There are many comments that emphasise the point that the quality of partnership with other stakeholders (shared vision, transparent communications, shared decision-making etc) is key to successful donor interventions. Other strong themes are the importance of beneficiaries taking part at all stages of the project cycle and harmonisation with other donors.

5.2 Looking in more detail at the lessons on partnership, PCRs display a range of views on the question of **conditionality** and using donor power to **influence** partners. Although these issues are addressed explicitly in a relatively small number of PCRs, they are of considerable topical interest<sup>5</sup>. Starting with experience from programme aid, a Uganda PCR argues that conditionality is important because it strengthens the hand of pro-reform elements in the Government. A Ghana PCR comments that tranching programme aid (i.e. tying the release of funds to the achievement of specific conditions) focussed the dialogue with Government on the need for financial management reform. One from Kenya says that dividing the release into tranches with clear triggers was a sensible strategy to mitigate the risk of policy reform going off-track. On the other hand a Rwanda PCR argues that “tying disbursements to specific actions or events does not build ownership of policies nor does it allow good budgeting”. The author pressed for predictable funding; a view endorsed by a PCR from Mozambique. Another PCR from Mozambique declared that one should “avoid conditionality since non-compliance complicates relationships”.

5.3 The Uganda PCR recognises the need for donors to handle sensitive issues which could become deal-breakers. Political conditionality is also addressed specifically in one from Ethiopia. The message from Uganda is that the difficult issues should be explicit to all the stakeholders, there should be an agreed forum for dialogue and a graduated response when things go wrong, involving fixed and variable tranches of funds. The Ethiopian experience showed that when using political governance indicators for budget support it is important to get the right people in the international community (including the British Ambassador) to do the negotiating.

5.4 Some PCRs from India and Pakistan (both programme and project aid) suggested that donor coordination, particularly with the IFIs, should be part of a search for increased leverage. On the other hand, one from Vietnam recognised the need to be realistic about DFID’s influence in a country that is not dependent on aid. Moreover, the author produced the mainstream conclusion that “where partner governments have strong commitment to and good track records in growth and poverty reduction, budget support does not have to focus directly on the budget process... Instead it can focus on key reforms and pro-poor developments...”

5.5 Many PCRs stress that influence depends on building strong and credible relationships with partners. This is an important lesson from the health SWAs in Ghana and Bangladesh. The Ghana experience of a local DFID health office was particularly positive.

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<sup>5</sup> See for example, DFID’s paper “Partnerships for Poverty Reduction: Rethinking Conditionality” of March 2005.

5.6 Of course, the question of the appropriate use of donor power is not just relevant to programme aid but across the spectrum of aid activities. There are several references in the PCRs to the importance of equal partnerships with other stakeholders but little on how to achieve this. Perhaps, there is value in DFID seeing itself as others do. There are only two instances in our sample of comments from partners in PCRs. These are not overly complimentary: in one case an International NGO cited DFID's lack of transparency and weak communications and in another an NGO felt that DFID saw the project as a financial contract rather than a partnership. Several PCRs highlight the tension between financial accountability and releasing control. For example, DFID's financial aid procedures, in principle, facilitate the transfer of responsibility to the recipient Government. However, in two cases of failed IT programmes (Mozambique and Ghana) the Governments did not supervise the contracts adequately and, by implication, DFID was criticised for having ceded too much control.

5.7 A Peru PCR dealing with a rights-based project was the only one to confront the issue of power imbalances head on: "Rights-based partnerships mean horizontal relationships: these are not easy if one partner has the money and veto power. More powerful stakeholders need to change attitudes and show will to shed some power and share control (which DFID tried to do with Oxfam in this case)."

5.8 The PCRs give strong support to the emphasis on **local ownership and leadership** and there is a good deal of comment concerning what that means in practice. There have clearly been cases when DFID has found it hard to tell whether rhetorical commitment is genuine. The Kenya programme aid case, already cited, is a classic of donor wishful thinking: "Judgements were made about the political commitment of a government which had previously shown very mixed commitment to poverty reduction, improving public expenditure management and tackling corruption. This commitment died once the first tranche of budget support was released by most donors. We have to question seriously the extent to which the political will ought to have been believed."

5.9 Relevant lessons include the following:

- ownership often depends on individuals and needs to be constantly tested and renewed as people change;
- there should be some kind of test or prior action before taking leaders at their word;
- high level support does not necessarily guarantee action at more junior levels, so buy-in must not be confined to a few individuals but should be broad-based and at all levels of government.
- leaders must be good at communicating their vision and donors must be prepared to invest in a group of people so that they understand a project's objectives and methods;
- interventions are more likely to be successful if they are driven by established local demand;
- locally devised solutions to local problems are the best way to ensure ownership;
- work with the grain of what exists already;
- project resources should be adjusted to the evolving level of commitment; and
- when commitment is lacking, DFID should be prepared to walk away.

5.10 There is good evidence from the PCRs that interventions work best where there are strong local champions for change. A Peru case is interesting and not unique. DFID seized the “reform window” provided by the appointment of reformist technocrats to prominent positions. However, they were quickly removed and the PCR concludes, “unless the reforming individuals are very powerful (i.e. the President), in politically unstable countries, interventions should work with underlying medium-term processes rather than relying too heavily on individuals. Building larger constituencies for reform are likely to be the only way to confront such lack of political will.” A project in Nigeria attempted to develop change agents but this also was a risky strategy since there was no guarantee that the trainees would occupy influential positions (although one has since become Nigeria's Minister of Health).

5.11 Commitment can be encouraged. For example, PCRs from Mozambique and Uganda comment that financial contributions from governments strengthen accountability and ownership. A number of PCRs echo the view from an Indonesian case that a balance between quick wins, to build credibility, and longer-term interventions to promote change is needed.

5.12 Incentives for change are clearly important but PCRs do not have a great deal to say on that nor on the potential disincentive effect of aid. But they do point out the range of motivating factors that can encourage participants to commit to capacity development. These include professional satisfaction, personal recognition and personal skill development.

5.13 Many PCRs comment on the importance of **good communication and taking time to develop strong partnerships**. They suggest that:

- Some formal structures (steering groups, roundtables and possibly written agreements) are often necessary to make sure that partners understand one another. This is particularly important when projects are complex and when they are seeking to involve a wide range of government and non-government stakeholders.
- Interventions should have their own communication strategies and outputs.
- Building networks can be an effective way of sharing knowledge and encouraging commitment to a common cause.
- It is vital to build strong personal relationships between project staff (i.e. DFID officials, project managers, TCOs, consultants) and their local partners. Suggestions include deploying an appropriate mix of local and foreign expertise, locating someone with real authority close to project partners, ensuring continuity of staff and encouraging personal behaviour that makes staff credible such as delivering timely responses to local needs, being sensitive to the local situation and maintaining partnership principles of openness and transparency.

#### Working with specific partners

5.14 Around a fifth of the sample PCRs commented on relationships with other donors and international NGOs. In general, they provide strong support for better **joint working between donors**. For example, a Tanzanian PCR comments that, “working with other donors increases the transaction costs for donors but reduces them for GoT. Further efficiency gains could be made. However, this would require a strong commitment from donors to rationalise and agree to focus on core competences.”

5.15 Several authors comment that, where a project is being co-financed or funded through another donor agency, it is crucial to have a shared vision. This worked well between bilaterals and IFIs in the Indian power sector. Some comments emphasised the beneficial synergy between DFID and other funders (e.g. DFID-financed TC or seed money and IFI investment lending in India and Pakistan or IMF expertise in taxation and DFID funding). However, there were several instances of a lack of common understanding, which led to confusion. In some cases, the failure to reach a common understanding was partly due to the lead partner (in these cases World Bank, IDB and UNDP) not taking a strong enough coordinating role. Lessons include:

- The need to define clearly donor roles in advance;
- The positive role of a common funding mechanism in encouraging a more common approach among donors;
- The need for a formal joint agreement between funding partners or “common arrangements”– but an Indian PCR argues that when there is a shared vision that is unnecessary;
- The need for donors to have an operational strategy to respond to slowing policy reform, which is explicit to the Government; and
- The need for a contingency plan covering the withdrawal of co-financing.

5.16 The PCRs contain comments on specific agencies. For example, one from India says, “Working with the World Bank was positive in that they could call on a wide range of expertise, they brought rigour to the discussions and the joint approach reduced the transactions cost for Government while increasing DFID’s clout. On the negative side, the key World Bank staff were based in Washington which made communications difficult and too much time was spent on unnecessary details. Moreover, at times it was difficult for DFID’s voice to be heard.”

5.17 There was (surprisingly) only one comment on working with the EC which underlined the flexibility that parallel DFID funding can provide but emphasised the substantial administrative burden on project management.

5.18 Complaints about the heavy workload involved for DFID also surface for the UN system (UNDP, UNFPA, WHO). This seems to have been a particular issue in three cases when working with UNDP. The problems included conflicts with another UN agency, weak management and a lack of advisory capacity. In one case, the author commented that, in future, when contemplating a UNDP-managed programme, DFID should review the capacity of UNDP’s management structures at the design stage. In two other cases, however, UNDP and UNFPA may have been slow but they did provide a reasonable standard of management.

5.19 Also, on a more positive note, there was good experience of a partnership with WHO in Kenya that was instrumental in mobilising WHO’s international, regional and country-level capacity behind the malaria programme. There were other good examples of collaboration with UNOPS and UNICEF.

5.20 Turning to humanitarian aid, the experience of working with UNHCR, UNICEF and WHO was generally positive too. However, questions were raised about the bureaucracy of the UN system as a whole. A vast amount of DFID humanitarian funds (around £77m in the sample) have been channelled through WFP. The comments indicate that the agency is respected, is good at delivery and has a good relationship with Governments. However, comments also allude to WFP operating quite independently and there are queries about its partnership with government and the local non-government sector.

5.21 Several PCRs point out that **working with Governments** may require steps to overcome failures in coordination between Ministries and Departments. Bridging the gap between central and local government is a particular challenge. A Bolivian PCR warns that central government may not be the natural champion of decentralisation. The lessons include engaging at both central and local government, testing the relationship between levels of government at the preparatory stage and involving a broad range of stakeholders.

5.22 **Working with local communities** is a major concern of many projects in the sample, although experience from one Bangladesh project suggests “The term “community” can be convenient but... it is an elusive concept. It is necessary to define clearly the units for community partnerships. This takes time and may not be achievable. It is important to enter communities with an open mind about what management should be attempted and how...It should not be assumed that NGOs automatically represent community views.”

5.23 A strong theme, repeated in a number of PCRs is that community involvement is vital in a wide range of interventions including, for example, infrastructure in health, education and roads. The key lessons are:

- Involve communities from the beginning and, in the early stages of developing a provider/community partnership, make sure that the community sets the goals based on guidance;
- Support what people are doing already and make sure it is demand-driven;
- Take time to build partnerships and make sure communities receive sustained support including from the government;
- Identify local leaders and resource people to help make interventions sustainable and to provide the links between poor communities and service providers. NGOs may not be the right source of that leadership;
- interventions are more likely to be sustainable if communities make a contribution (in cash or kind); but
- The pursuit of sustainability is likely to exclude the poorest, although poor communities have found ways around their financial constraints e.g. to support health services in Bangladesh;
- Reaching the poorest and most vulnerable remains very difficult and requires special focus on them, their complex needs and the political context;
- Poor people themselves must be the key actors in identifying and addressing their livelihoods priorities; and
- Participatory techniques work. The PCRs contain various suggestions.

5.24 Communities can also play a beneficial role in managing humanitarian aid. In particular, the PCRs agree that community-based targeting is a sound approach. People need to be empowered to take part and it should be complemented by vulnerability analysis.

5.25 The sample includes a number of projects to promote the rights of the poor through **rights-based approaches** or to increase the **accountability of governments to citizens**. The PCRs offer a range of comments including the following:

- there should be synergy between programmes working on the supply and demand sides of governance.
- people are more likely to access their rights if these are directly linked to their basic needs. Initiatives to empower the poor should integrate improved livelihoods in their strategy.
- to sponsor or create spaces in which state agencies and civil society organisations can dialogue and take on joint activities, campaigns and projects, is a good strategy to advance the rights of the poor.
- This strategy requires considerable investment of time to build alliances with groups who are experienced advocates and consider themselves to be agents of change. Strongly committed teams with deep understanding of political context are the key to success in experimental, high risk, rights-based approaches.

5.26 Rights-based approaches may fail if they antagonise powerful groups. The PCRs contain some suggestions about dealing with conflict in such situations – be inclusive rather than confrontational, take time to communicate with all the stakeholders, build the capacity of the “duty bearers” and create spaces for dialogue between groups.

5.27 Considerable experience from Bangladesh suggests that non-formal education can be an effective means of empowerment. However, marginalised people need sustained support and it is a mistake to spread educational inputs too thinly.

5.28 PCRs generally support the important role played by **local NGOs and Community Based Organisations** in delivering services and advocating for rights. Some experience suggests that capacity-building can enable local NGOs to work well but a Nigerian PCR comments “In capacity building of CSOs there is a danger of solutions searching for problems - many organisations achieve despite capacity problems and it can be counterproductive to create a sense that an organisation needs a set of capacities to function”. Further comments point out that local NGOs are a varied group and collaboration must be based on thorough analysis of their capacity. It is also important to understand their interests and incentives before developing partnerships. A Kenya PCR raises the question of collaboration with more political groups, “The development community should not ignore ethnicity and identity-based organisations but should work out how best to engage with them and with issues of ethnicity and religion.”

5.29 Some PCRs point out that successful interventions depend on effective collaboration between NGOs and governments e.g. for health service delivery in Pakistan or child protection in Romania. Benefits can flow both ways. But sometimes, interventions have to overcome mistrust between Government and NGOs, as in Bangladesh education and on the question of Roma Rights in Eastern Europe. Close working together in the context of a project is one approach to overcoming this.

5.30 Although collaboration with the **private sector** is much less represented than work with Government and NGOs, the PCRs cover some diverse activities involving business and commerce. The views of PCR authors on public-private sector relationships vary from liberal economy values to more interventionist positions. This reflects the diversity of projects ranging from power sector reform in India to promoting micro-irrigation technology in Tanzania. Some projects have tried to build partnerships between business and the voluntary sector. There have been good results in Sri Lanka and Russia although there are clear limits to the willingness of the private sector to engage in non-profit activities. Sometimes, the private sector may be better than other channels at using aid to benefit the poor e.g. forestry in South Africa or targeting the beneficiaries of agricultural inputs in Malawi.



## 6. What the PCRs have to say on Managing the Project Cycle

6.1 DFID has produced an updated guide to its management procedures in 2005, “Essential Guide to Rules and Tools”, which is supported by a “Tools for Development” handbook 2002. The PCR lessons are generally consistent with this guidance and the following commentary is limited to the more interesting cases.

### Planning

6.2 It is a common concern of PCRs that successful interventions require a **sound policy and institutional framework**. Even small projects can have real impact in the right environment. However, projects do not always depend on the best policies. For example, in the post-conflict environment of Serbia, the PCR felt that it was better to take action than to wait until the regulatory regime was fully in place. A Bangladesh PCR poses the dilemma between trying (and probably failing) to promote fundamental changes in a poor environment or trying (and probably succeeding, at least in the short term) to improve specific processes. Linked to this is the question of the appropriate boundaries for an intervention. Several PCRs suggest that, particularly where change processes are involved, **project scope** should be comprehensive. However, there are counter-arguments. In Ghana, one PCR argues that the breadth of the intervention led to opportunities being missed.

6.3 Another common lesson is that **high quality analysis of the context is essential**, especially understanding the local politics and institutions.

Political issues seem to have been at the root of the failure of two cases of programme aid (Bolivia and Kenya) and of a decentralisation sector adjustment credit, also in Bolivia. In the first case DFID did not have a good enough understanding of the political dynamics and, in Kenya, DFID was guilty of taking at face value assertions of Government commitment to what turned out to be a donor-driven reform agenda. For decentralisation in Bolivia, the approach of high level policy dialogue failed to grapple with the underlying issue of political clientelism. The Indian programme aid cases, as well as numerous project PCRs, also emphasised the importance of a good understanding of the “drivers for change”.

6.4 The essence of many interventions is to **manage change** as part of institutional or policy reform. The process takes place within a context which is inherently uncertain and can be made more risky by policy and institutional failures. Indeed reform creates its own turbulence. The PCRs suggest ways of dealing with this: - try to anticipate factors beyond your control, take a holistic approach to promoting change, make sure you have the resources needed in place first, build cohesive teams that cross institutional boundaries, be flexible and adaptable, think “outside the box”, build institutional capacity to manage change and don’t be afraid to take risks and make mistakes.

6.5 Political change is a **risk** for many programmes. Experience from Bangladesh suggested that the policy framework provided by a SWAp can help when negotiating a way forward with a new Government, even when their priorities had not been anticipated in its original design.

6.6 Managing **fiduciary risk** is a concern for PCRs dealing with programme aid. Several are concerned that more needs to be done to reduce these risks. But a Ugandan PCR

suggests that DFID should look more rigorously at the trade-off between development benefits and fiduciary risk when making judgements on budget support. In Vietnam, the PCR points out the Government's relatively good track record and urges realism over the influence DFID can expect to have on this issue.

6.7 Most of the interventions covered in the PCRs incorporate some form of **capacity-building** of counterpart organisations. There are plenty of comments about the difficulties faced in weak institutional and policy contexts. Several PCRs emphasise the well-known limitations of traditional models of skills transfer, particularly where the objective involves structural change. One lesson is the need for a larger framework to ensure that increased capacity is used. Other PCRs come up with ideas for overcoming the practical problems. The lack of continuity of staff can be mitigated by building core teams, seeking commitments to keep trainees in the jobs for which they have been trained, developing networks, and by targeting staff who are less likely to be moved or who have future potential. PCRs contain many comments on skill development methods which generally cover familiar ground. There are some strong lessons on being culturally sensitive, making use of local training capacity and making sure that new learning is put into practice.

6.8 PCRs have a lot to say on practical aspects of design and preparation, for example:

- Preparation must be given enough time. But authors are divided on what that means in an emergency. One Iraq case points out that proper planning is essential while another from the same country suggests that a quick response and diving in the deep end is right.
- An inception phase may be a good idea but there could be risks of creating dependency by concentrating unsustainable resources in one area. Moreover, initial work should avoid raising unrealistic expectations;
- Stakeholders must be involved in design;
- Design should be flexible and responsive; but
- There may be a trade off between flexibility and sloppy thinking. Several PCRs call for more rigorous and realistic logframes;
- Design should be simple and appropriate;
- Be realistic about how long it will take – this is one of the most frequent comments. Particularly when interventions involve institutional change, capacity-building or empowerment of the poor, they take much longer than optimistic planners tend to think. Development often means being “in for the long-term”.
- Exit strategies must be explicit and when they involve lesson learning, dissemination and replication this must be planned for and resourced. Experience in two cases suggests there are diminishing returns to technical assistance at the end of a project and that continuing donor support may simply allow the government to avoid taking responsibility.

## Cross-cutting issues

6.9 Comments on **HIV/AIDS** are not as widespread as one might expect, given its prevalence. PCRs do stress the importance of tackling the issue as a mainstream concern (Malawi, Nigeria). One from Lesotho comments about the difficulty of getting private sector commitment because of the cost.

6.10 **Gender** is also less common in PCR comments than one might expect, particularly from regions other than South Asia. PCRs from Bangladesh, India and Pakistan found that gender issues must be specifically targeted if they are to be addressed successfully. There are some interesting comments from other projects – the need for practical steps to address the problems of women managers in Pakistan; and several examples of successful interventions in India, Bangladesh and Pakistan.

6.11 **Conflict** sharpens the need for project managers to create good relationships with other stakeholders and build their own credibility. Several PCRs stress the importance of partnership and inclusivity to prevent conflict. For example, a Rwanda PCR emphasises the need for social protection for all vulnerable groups during the post-conflict phase, not just ex-combatants, and one from Nepal advocates labour-intensive infrastructure as a way of providing employment. Sensitivity to the local situation and the ability to adapt and respond flexibly is even more important than normal. PCRs from Nepal and West Bank and Gaza endorse the importance of strategies that take account of unintended positive and negative impacts.

6.12 There are some examples from Sierra Leone of a more top-down, approach in a situation of government collapse, which required an initial reliance on expatriate staff and made it difficult to achieve a well-articulated policy framework (e.g. for the Anti-Corruption Commission). The key findings point to a need for strong high-level political commitment, a long-term DFID commitment and a leadership succession strategy.

6.13 Good management practice is fundamental to a robust response in a conflict zone. For example, experience in Iraq is that projects in dangerous environments should adopt best practice in relation to staff security and risk management. A PCR dealing with a project in conflict-prone inner-city Jamaica advocates a diverse project team with the right skills to handle the tricky situation.

6.14 Post-conflict reconstruction brings strong pressure for urgent action which may not be consistent with normal management systems. PCR comments are divided on whether this leads to good or bad outcomes. A Serbian PCR warns against mixing emergency and development phases of aid because the skills required are so different. For Sierra Leone and Iraq (recruitment), short-cuts were a bad thing but for Iraq (procurement) and Serbia good practice delivered quickly was better than best practice delivered late.

## Management

6.15 Most of the comments in PCRs are in line with guidance and established good practice. Amongst the more interesting suggestions are some for **collaborative management**. These include delegating management responsibilities to partners, developing joint implementation plans, transparent reporting and various kinds of consultative mechanisms and steering committees.

6.16 Responsive, flexible and fast management processes are particularly important for humanitarian aid. Other lessons include the importance of a clear communications strategy, ensuring the security of team members is considered at the outset, and the benefits of using national staff to target affected populations and deliver assistance.

6.17 Although some PCRs endorse the idea of administrative implants in partner organisations, others (e.g. Malawi, Mozambique) feel strongly that specially created **project management units** are a bad idea because they duplicate existing systems. This contradiction reflects the tension between trying to deliver project objectives and systemic reforms.

6.18 There is a diversity of experience about contracting out management from DFID to consultants etc. A case from Iraq found that sometimes the best approach is to appoint project managers and let them get on with it. However, other experience is that contracting-out does not always work well. It is important that relative roles are clear and that conflicts of interest are avoided.

6.19 There are plenty of comments endorsing the importance of effective **monitoring and evaluation**. Some PCRs provide evidence that community involvement can be successful. One argues that performance measurement should be a shared activity with other stakeholders, which can provide stakeholders with an opportunity for reflection and reinforcing their group commitment. For humanitarian aid, PCRs highlight the importance of having responsive and immediate monitoring data to guide the emergency response. Involving local stakeholders in monitoring improves the quality and accuracy of the information.

## 7. Sectoral lessons

7.1 The PCRs provide diverse lessons that are specific to sectors. The following gives a flavour:

- Non-formal education should cover the full primary cycle to provide sustainable skills (Bangladesh).
- Distance education is a cost-effective way of providing opportunities for the development of educators (South Africa).
- Health interventions must address the demand side of health care (several cases).
- Social marketing is best used with products that lend themselves to mass distribution rather than those that require counselling or provider information. A product priced within the reach of poor women can generate revenue to cover costs of marketing and distribution. (Nigeria, Bangladesh)
- Reforming the intensely politicised power sector is complex and long-term. A sustained process of capacity building and institutional development that is flexible and responds to a changing political environment must be built in. (India – Orissa)
- Short-term employment on roads projects can assist households to recover from disaster, dislocation and extreme poverty. It can also contribute to the empowerment of marginal groups, particularly women. It is feasible and appropriate to include social clauses in contract documentation e.g. to facilitate the enforcement of labour standards. (Mozambique)
- Developing an organisational culture of zero tolerance of loan delinquency is essential for financial viability. Poverty-focussed micro-finance programmes for women can be financially viable in Pakistan and taken to scale quickly, if the programme is focused and the product range restricted. Poor people are willing and able to pay sustainable levels of interest on loans. Their main concern is the size and period of the loan, rather than the interest rate. (Pakistan)
- The Cochin urban poverty reduction project yielded a range of sector specific lessons e.g. the success of community health volunteers, that successful enterprise development combines access to credit with capacity-building, that small scale waste management activities cannot be scaled up to make a significant impact on the livelihoods of the poor. (India-Cochin)
- Urban poverty reduction. Without community contributions there is no sense of ownership of infrastructure projects by the community, little or no interest in design or implementation and subsequent problems in operation and maintenance. The groups were far more sustainable as long as 50 % of contributions came from the community. (Pakistan)
- Public service reform. In a resource-constrained environment, it is unlikely that government will be willing to fund an expensive reform programme through their own budget. A joint donor financing arrangement is more likely to be effective. Technical fixes are possible but need to be strategic and linked, not a series of discrete interventions. The issues of organisational culture, change and the socio-political context are rarely addressed but critical to the success of the programme. (Uganda)

- The prospect of improved public services and government's commitment to other socio-economic targets are crucial to generating the support and enthusiasm required to implement public service reforms. (Tanzania)
- Targeting the poorest groups in agricultural projects is extremely challenging as they have very little or no land for agriculture and the transaction costs to attend training sessions are extremely high for them. Working on wider livelihood options (poultry, livestock and processing) is more acceptable to poorer groups. Although farmer groups were encouraged to tackle wider issues (dowry, access to land, social justice) this did not bring meaningful results as expected. The project could have impacted on livelihoods more if food security, economic vulnerability and other felt needs of the poor were adequately addressed. (Bangladesh)

## **8. Lessons from Project Failures**

8.1 The analysis looked at the variation of lessons with the success ratings given to projects. In general, there is no strong pattern. There are only 23 projects within the sample that are rated as failing to meet their objectives (i.e. 4 or 5) and which have significant lessons. The general messages are similar to those emerging from the sample as a whole:

- o 11 of those PCRs argue for stronger local ownership and improved partnerships between stakeholders;
- o 11 emphasise the importance of better analysis so that interventions can be more appropriate and effective; and
- o 4 mention the importance of strengthened local capacity or better management.

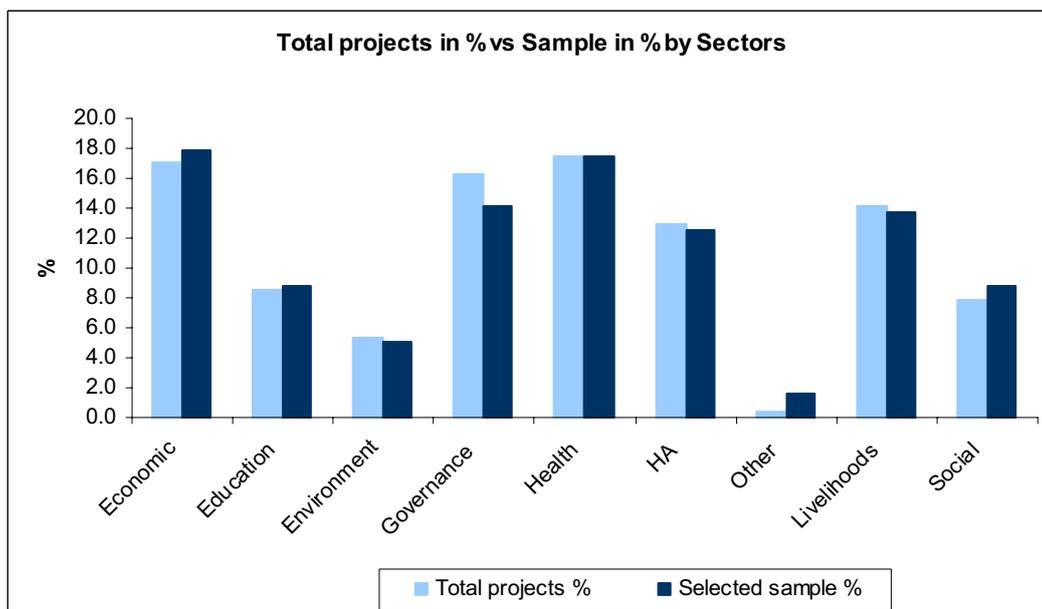
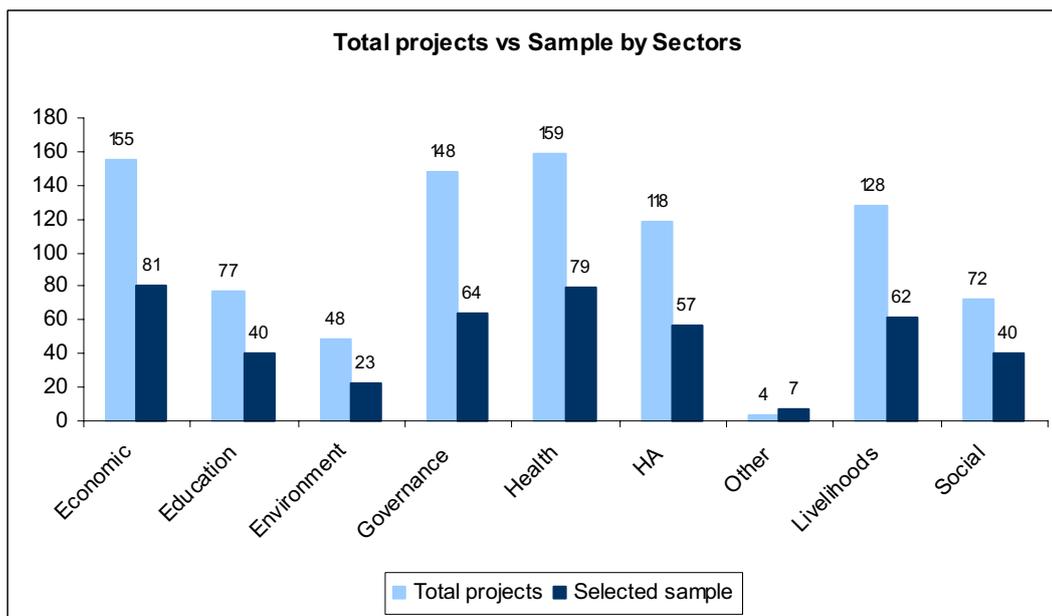


**ANNEX 1**

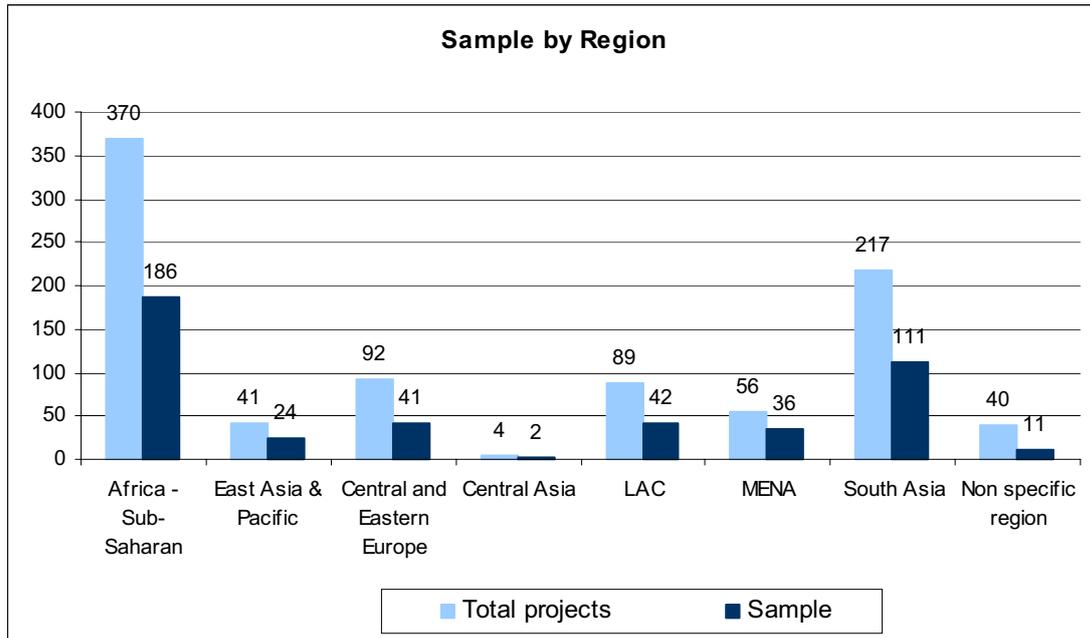
**PROJECT COMPLETION REPORT SYNTHESIS OF LESSONS 2001-05  
STATISTICAL DESCRIPTION OF THE SAMPLE  
Julia Flores**

Comparison of the Sample (453) with the total number of projects (909)

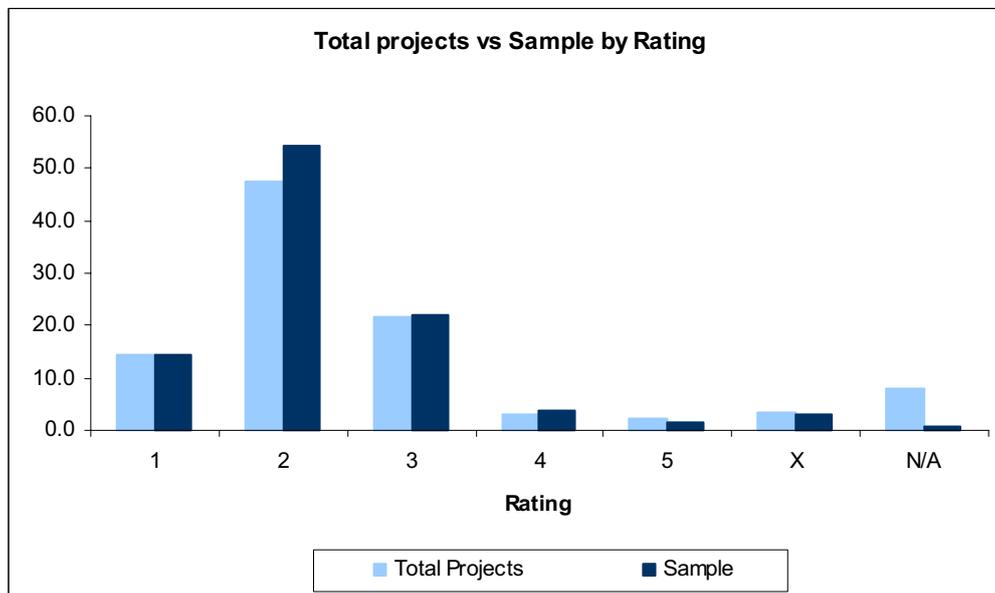
(a) By sector



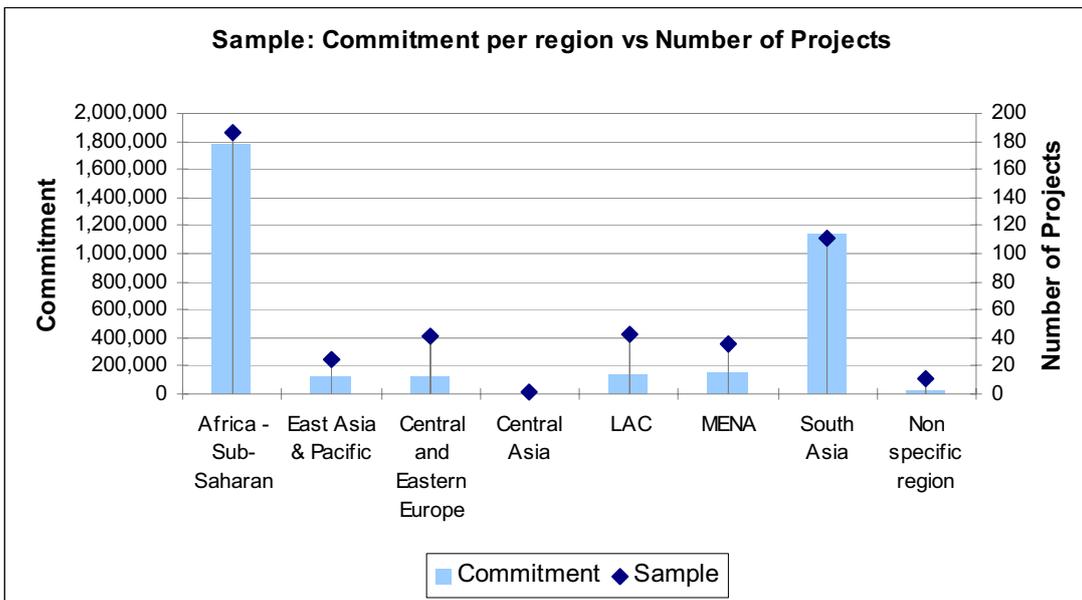
(b) By Region



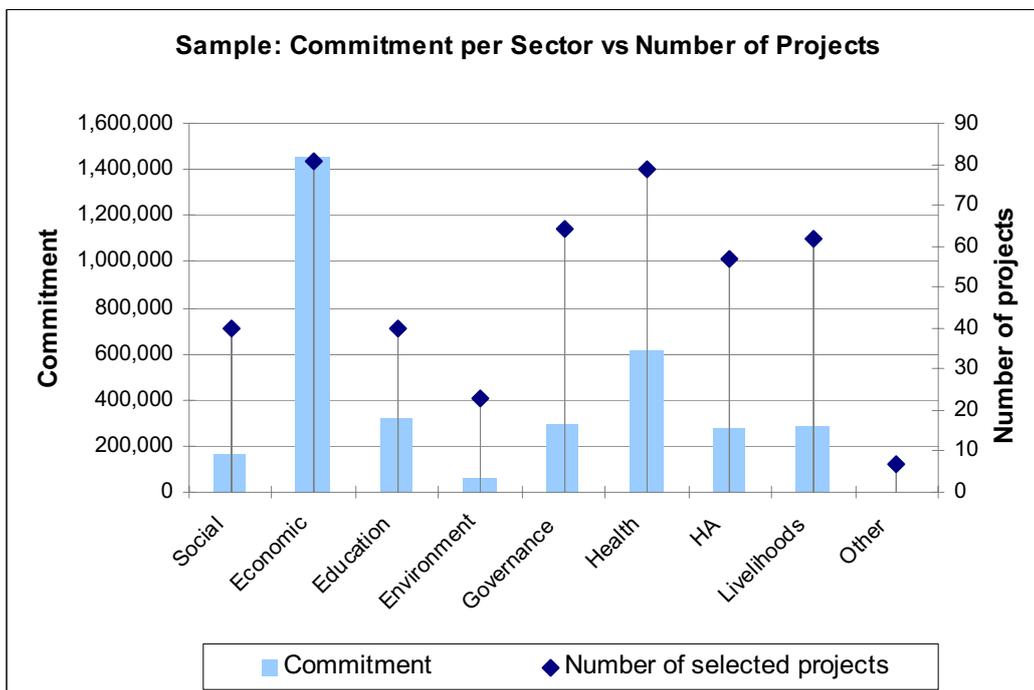
(c) By Rating (%)



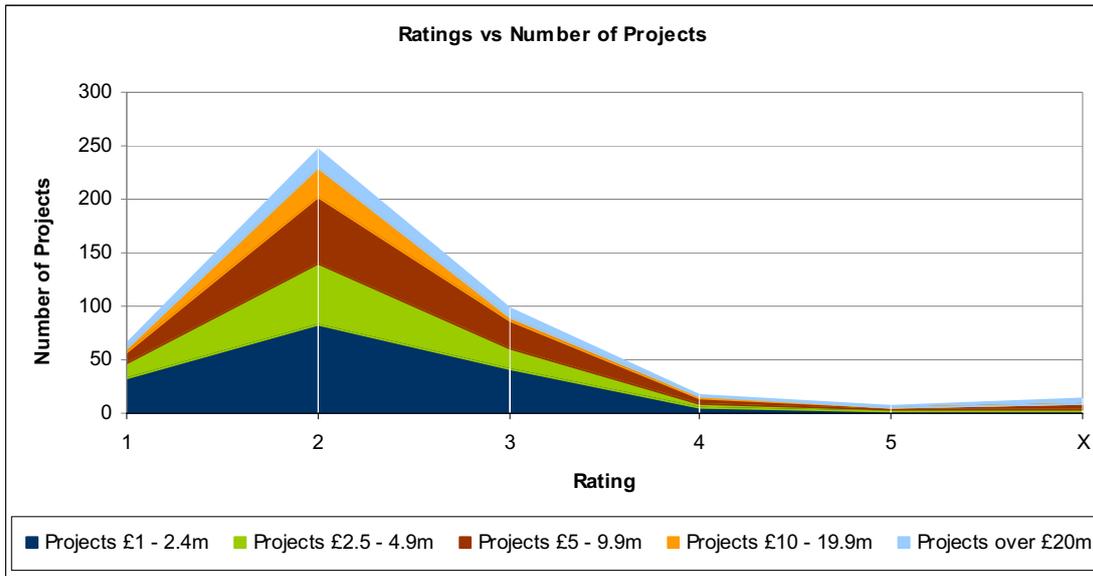
Distribution of the sample by region – by commitment and number of projects



Distribution of the sample by sector – by commitment and number of projects



Distribution of the sample by sector – by commitment and number of projects



## **ANNEX 2: THE LESSONS FROM PROJECT COMPLETION REPORTS**

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## 1. BUILDING PARTNERSHIPS

*“Equal partnership is fundamental for the success of projects...It allows for fair financial relationships, openness and for both partners to accept responsibility for results.” (Russia)*

*“Projects need to be undertaken in partnership with communities (not undertaken for them: still less done to them).” (Romania)*

*“Development is not easy! It often hinges on the individuals involved and how they relate to one another. Defining a clear programme that is understood by all stakeholders is key as this defines the parameters within which people can work together ...”(South Africa)*

### **1.1 Local Ownership and Involvement**

The PCRs contain many comments about the way that local ownership has promoted project success and its absence has been at the root of failures. See for example those below from Central America, Nigeria and Ghana. The PCRs from Central America and India make the obvious point that better progress is likely where project objectives coincide with those of the local administration and/or those who are intended to be the beneficiaries.

- More can be done with the same resources if the counterparts support the project objectives, because the focus is so closely matched to counterpart objectives. (Central America)
- It is possible to introduce new concepts into the public sector as long as there is strong buy-in and ownership and lack of political disturbance e.g. strikes. (Nigeria)
- The project should never have been financed based on the lack of real buy-in by senior government officials, which was essential to ensure the appropriate inter-sectoral coordination. (Ghana)
- This project was seen as additional to the routine work of the government department (Health and Family Welfare), poor ownership was demonstrated and it was not prioritised. Good progress was observed in those priorities where DHFW was committed such as abortion and adolescent health. (India)
- Sustainable poverty elimination will only be achieved if external assistance focuses on what matters to peoples' lives and works to support their livelihood strategies. Hence poor people themselves must be the key actors in identifying and addressing their livelihood priorities. (Malawi)

But this raises the question of how to expand the shared agenda. [See below on community participation too.] The experience from Zambia points out that ownership often depends on individuals and needs to be constantly tested and renewed as people change. One from Jamaica hints at the difficulties in interpreting the signals. The judgement is that the local administration is strongly committed but held back from action by overwork, inadequate capacity and resources. That may be right in Jamaica's case but is rhetorical commitment much use on its own? Words may be a convenient escape for those who don't really want to change. The PCRs from Zambia, Jamaica and South Africa underline that, when promoting wide-ranging reforms, buy-in must not be confined to a few individuals but should be broad-based and at all levels of government.

- Buy in from all wings of government should be secured at the beginning and all through implementation. Regular interaction with senior stakeholders, including at Permanent Secretary level, is essential. Buy-in should never be assumed and new relationships will have to be built as incumbents leave and their successors engage with the project. (Zambia)
- There appears to be a genuine consensus amongst the ministries that change is needed and commitment to accelerate implementation. But they are constrained by capacity and resources. The Ministry of National Security was consumed by operational issues and lacked capacity to focus on strategic reforms. Buy-in is needed at all levels including both political and administrative support. (Jamaica)
- Broad-based ownership, as opposed to individual ownership, is vital for a project of this kind. DFID should encourage direct participation of all key stakeholders in order to avoid low staff morale when some feel excluded. (South Africa)

Sometimes, there is a real opportunity to see local commitment at work as, for example, in the Ethiopian case when local counterparts achieved some good results without external support. Moreover, interventions are more likely to be successful if they are driven by established local demand (Nigeria). However, when commitment is lacking, DFID should be prepared to walk away (Bulgaria).

- The project demonstrated that where real institutional commitment exists, even in an environment of wholly inadequate resources, significant reform and capacity building can occur. A significant indicator was a year long break in the project due to political difficulties when the counterparts continued with the planned schedule of work and achieved some laudable outcomes. (Ethiopia)
- Statistical improvement programmes should begin by building a base of users through wider and regular dissemination of existing outputs before moving to new data outputs. (Nigeria)
- Continued support might be made conditional on recruitment of more high quality staff focussed on cross-cutting reforms. Be brave enough to walk away from an administration if its commitment is lacking. (Bulgaria)

Local ownership is sometimes at odds with the requirements for success and DFID's own needs for accountability. In one Ghana case (a computerised payroll project), the Government led implementation but the necessary quality assurance and risk management systems were not put in place.

- DFID requirement for accountability and measurement of success has sometimes run counter to the GoG need for self-sufficiency in [IPPD] project implementation. There was no manual systems involvement and no dynamic risk control measures instigated and there are serious documentation gaps which the consultants did not address as project managers. The project required increased support for procurement and project management rather than the minimalist approach to implementation adopted by GoG. Any further support will require technically competent individuals with sufficient authority from GoG to undertake quality assurance to demanding standards. A sustainability plan should have been put in place as well as regular audits of data growth. (Ghana)

## **1.2 Local Leadership**

### **Political Leadership**

The value of top level political commitment is overwhelmingly, and not surprisingly, evident in the PCRs reviewed. There are three examples below (Rwanda, India and Sierra Leone) where a strong local lead from the top was instrumental in reform and in one case in maintaining routine immunisation services. A number of the PCRs comment on the importance of engaging political support at the highest levels. A Mozambique PCR suggests that projects should build the capacity of top leaders to engage positively. But experience from the West Bank and Gaza and Russia suggests that high level support does not necessarily guarantee action at more junior levels. Perhaps with that experience in mind, one from the Caribbean asks for some kind of test or prior action before taking leaders at their word.

- Leadership and oversight of the project by senior government officials and elected representatives is vital to help reach more children. Political commitment at the highest levels needs to be maintained to ensure the provision of high quality routine immunisation services. (India)
- Strong leadership and direction in the police force are crucial as is the prevention of political interference in policing. In this project, this was achieved by appointing an expatriate as Inspector General of Police. Strong political commitment was provided by the President. (Sierra Leone)
- The project would not have been such a success had the Commissioner General and the staff of the Rwanda Revenue Authority not been so committed. Counterpart buy-in is usually regarded as important but in this case played a significant role in making the project a success. (Rwanda)
- Recognising that implementation of cross cutting reforms such as strategic planning requires active support to top leadership. (Mozambique)
- Buy-in and advocacy by a minister does not guarantee action will follow. (West Bank and Gaza)
- High level commitment to training does not guarantee full attention or even reasonable attendance. (Russia)
- Political commitment should be tested by requiring some steps to be taken in advance of a project. (Caribbean)

Strong local leadership at more mundane levels is also important for facilitating change, for example head teachers in Pakistan: -

- The head teacher and school leadership emerged as the most important factor in making school improvement programmes work. This is in line with international research. (Pakistan)

However, leaders need to be able to communicate their vision: -

- It was difficult to get middle level Ministry staff to focus on major development goals, such as removing gender barriers, in addition to their routine work. The Ministry needs to find better ways to communicate its vision to middle level implementers. (Jordan)

### **Champions for change**

There is good evidence (e.g. India, Kenya, Bangladesh and Romania below) that interventions work best when there are strong local champions for change. The Kenya PCR advocates that DFID should identify them early and the Romania case points out the role of the FCO in dealing with high profile politicians. The Peru case is interesting and not unique. Bearing in mind the importance of champions, DFID seized the “reform window” provided by the appointment of like-minded people to prominent positions. However, the experience in Peru, and also in Bangladesh, shows how unreliable individual champions can be. It is in the nature of Governments to change and move their personnel. Thus, focussing on individuals rather than institutions is very risky. The Peru PCR suggests the alternative of building larger constituencies for reform and one from Bangladesh suggests adjusting the funding tap according to the degree of local commitment. A project in Nigeria attempted to develop change agents but this also was a risky strategy since there was no guarantee that the trainees would occupy influential positions (although one has since become Nigeria’s Minister of Health).

- A strong project chairman, completely dedicated to the project’s goals, especially during the last three years of the project, facilitated focused implementation and action. (India)
- Project champions were pivotal and success was vested in the person rather than the institution. Potential champions need to be identified early. (Kenya)
- The design anticipated the continuing presence of key project champions in the MoF but in practice the demand for reform from senior levels has been limited until the recent appointment of a new committed Secretary. This reinforces the lesson about the importance of policy champions. Strategies to seek more commitment to projects from key staff may be unrealistic given the fundamental problems in Civil Service human resource practices. This suggests project approaches which allow more flexibility in adjusting project resources according to the evolving level of commitment may be more appropriate. (Bangladesh)
- Working with a high profile politician (over international adoption) brought challenges to the project team and was very time-consuming. However, the political interest generated probably helped to ensure that the Romanian Government maintained its focus on addressing child protection issues. Close links with the FCO helped the team focus on the project while the FCO managed the political relationships. (Romania)
- Working through champions was effective. However, with the change of government some of them were transferred or retired, resulting in stalling or halting of project development. Much depends on the commitment of GoB officials. (Bangladesh)
- DFID Peru responded quickly when reformist technocrats were put in charge of the social assistance sector but they were quickly removed. Thus, unless the reforming individuals are very powerful (i.e. the President), in politically unstable countries, interventions should work with underlying medium-term processes rather than relying too heavily on individuals. Building larger constituencies for reform is likely to be the only way to confront such lack of political will. (Peru)

- The project facilitated the emergence of several local champions committed to improving the regulatory environment. If deregulation is not championed at the highest level it will continue to be challenged by those with a vested interest in the status quo. Support is needed from government officials at all levels. This means addressing their capacity constraints, incentives and disincentives. (Uganda)
- Developing change agents without a clear view of how they will be used against a future vision/strategy is high risk. (Nigeria)

### **1.3 Building commitment to change**

The PCRs offer a range of ideas for building local commitment for change. Of course, as in the Indian and Chinese cases below, all is sweetness and light when DFID shares the vision of its key partners: -

- The Lok Jumbish project was an opportunity to work with the Governments of Rajasthan and India. On most issues of reform and innovation all three partners pursued the same policies. (India)
- Excellent working relationships with state and provincial level partners due to objectives being fully in line with emerging GoC priorities, extremely competent World Bank staff with many years of relevant experience in China and a clear focus on uncontroversial objectives. This enabled a light touch in terms of DFID managerial support. (China)

But often a **shared vision for reform** requires a lot of investment in a group of people so that they understand a project's objectives and methods (Malawi, West Bank and Gaza). Encouraging local people to come up with the questions and answers themselves is often the best way forward (Jamaica, Sri Lanka). Experience from Ukraine shows that local stakeholders must be involved from the beginning and interventions must find ways to be responsive to locally perceived needs. The Pakistan case below suggests a fund to take forward local ideas. The Vietnam PCR makes the case for going with the grain of what exists already.

- It is important to develop a core of people from different institutions/government bodies with a thorough grounding in programme aims. (Malawi)
- Developing a critical mass of professionals using and promoting a primary health care management model has been essential in impacting change and health sector reform, especially in situations of conflict. (West Bank and Gaza)
- Locally devised solutions to local problems are the best way to ensure ownership. (Jamaica)
- Involving trainers in the design and development of INSET (in-service training) courses ensures the high degree of ownership which promotes effective delivery. Curriculum reform is best initiated by the host country and should not be donor-led but donor-supported. (Sri Lanka)
- The main lesson has been the importance of establishing local partnerships from the beginning. Local administrations at regional, district and community levels must be involved in the planning and implementation of activities. (Ukraine)
- Insufficient attention has been given to finding ways to respond to districts' own proposals for capacity building. The programme should consider an innovative schemes fund to take forward local ideas. (Pakistan)

- It is much more difficult to change something that already exists than to supply something that is not yet in place. (Vietnam)

The first Tanzanian PCR below emphasises what can be achieved when people are motivated. **Incentives** (and the absence of disincentives) are vital. In addition to monetary factors these can include professional satisfaction, recognition and personal skill development (Jordan, Malawi). Being able to see tangible results at an early stage is a potent motivator (India, Bulgaria). One comment is echoed by several PCRs - *the need for “a balance between quick wins, to build credibility, and longer-term interventions to promote change”* (Indonesia). It is also possible to build support for reforms by demonstrating the links with national objectives (Tanzania). The last example (Zambia) reminds us that aid can have negative effects if it distorts incentives.

- Government partners at the district level, even in the context of increased responsibilities under health sector reform and decentralisation are motivated and capable of absorbing a great deal of capacity strengthening and demonstrating levels of ownership and commitment necessary to sustain a community based health and demographic information system. (Tanzania)
- Working towards international quality standards has enhanced motivation and will help sustainability. (Jordan)
- Staff development is an important motivating factor for education personnel when working within a programme framework. (Malawi)
- Capital aid was provided in parallel with sector reforms, recognising that service improvements would help build public support for reforms. This was more effective in urban areas where the benefits of improvements could be delivered more quickly. Flexibility in the use of funds with changing circumstances was an important lesson. Funds were shifted from this capital allocation towards additional Technical Cooperation (TC). (India – Orissa power)
- Tangible results and improvements at the community level generate a culture for on-going support to other aspects of [municipal service improvement] which may only be realised in the medium to long term. (Bulgaria)
- There should be a balance between quick wins, to build credibility, and longer-term interventions to promote change. (Indonesia)
- A strong and committed leadership is essential, especially when dealing with problems that could be politicised. Collaboration between the Ministry of Finance and the department responsible for Human Resources is crucial for success. The prospect of improved public services and government’s commitment to other socio-economic targets are crucial to generating the support and enthusiasm required to implement these reforms. (Tanzania – public sector reform)
- The issue of pay reform is crucial to avoid the rent-seeking that goes on through workshop allowances, “top-ups”, overseas trips, consultancies etc (Zambia)

**External pressure** can also make a difference. Donor leverage is one option advocated, for example, in a Pakistan PCR (see section below) while one from Jordan points out that the public can be influential. The PCR from Kenya suggests ways of pressing for results while respecting a partner’s independence.

- Sustained commitment by the recipient government is assisted by providing support, advocacy and applying conditionalities. (Pakistan)
- Public awareness of what is possible will increase the pressure on educators to implement the innovations. (Jordan)
- How to strike the right balance between the independence of a partner and the need to pursue project targets? Locate consultants who fit the organisational culture and respond to their needs; find enough time for dialogue; coordinate donors better; avoid non-strategic funding. (Kenya)

PCRs from Mozambique and Uganda comment that **financial contributions from government** can strengthen ownership: -

- Explicit cost-sharing with Government involving substantial payments to service providers, strengthens accountability and sense of ownership in the process and intended results. (Mozambique)
- Government partners may have less ownership of projects that are fully managed by donors and may make less use of consultants whom they are not paying for directly. . In a resource-constrained environment, it is unlikely that government will be willing to fund an expensive reform programme through their own budget. A joint donor financing arrangement is more likely to be effective. (Uganda)

Donors can stimulate the change process with the right injection of expertise (South Africa):

- Positioning a strong process manager can prove a very effective catalyst. Government commitment to restructuring cannot be taken for granted - labour unrest, resistance by entrenched State-Owned Enterprises and publicity can have unsettling effect on progress. (South Africa)

#### **1.4 Building partnerships and mutual understanding**

The PCRs contain a lot of comment on the importance of good communication and taking time to develop strong partnerships (cf. Bangladesh and Peru).

- Co-financing partners and the client government must be actively consultative during implementation. Policy evolution processes must be well understood and transparent to all partners. GoB had different objectives from DFID (production vs equity and participation). The right decision to integrate management within the Department of Fisheries resulted in major problems during the early years stemming from differing perceptions of project approach and emphasis. Coherence and mutuality of purpose is essential. However the Technical Assistance (TA) team does now function well and there have been major attitudinal changes in DoF. (Bangladesh)
- The use of common language (rights language) is much more than using the same words. Many misunderstandings can be avoided by devoting time to the partnerships-building initial stage. (Peru)
- The main lesson has been the importance of establishing local partnerships from the beginning in the implementation of such a wide-ranging, politically sensitive project. Local administrations at the Regional (Oblast), District (Rayon) and community levels must be involved in the planning and implementation of activities. (Ukraine)

PCRs suggest that some **formal structures** (steering groups, roundtables and possibly written agreements) are often necessary to make sure that partners understand one another.

This is particularly important when projects are complex and when they are seeking to involve a wide range of government and non-government stakeholders

- In view of the complex economic, political and social objectives, a steering group representing all stakeholders was essential to facilitate a shared purpose and good communication. Restructuring projects require a holistic approach and identification and buy-in of stakeholders at design stage. (Bosnia)
- [This was] a good example of multi-disciplinary work with a wide range of stakeholders represented and active in the coordinating body. The approach included a useful combination of central work with GoK and regional roundtables. Civil society found the roundtables constructive at reaching poorer communities and explaining rights and responsibilities. (Kyrgystan)
- Governance reform in Indonesia is mostly driven by strong political will and the commitment of the head of the regional government. The donor-financed Governance Partnership can help overcome civil society suspicion of government and facilitate links between them. The GP has facilitated public consultations. (Indonesia)
- Implementing partners, with the full support of the donor, should engage the recipient organisation at the highest levels of both governance and management from the outset of a project to jointly discuss, determine and agree to ground rules which are then followed throughout the project. Having mechanisms to build mutual trust between project partners will increase the likelihood of a successful project. (Nigeria)
- Responsibilities of each project partner should be clarified in writing directly after the start of the project to avoid conflicts between partners. (West Bank and Gaza)

Interventions should have their own **communication strategies** and outputs:

- The awareness raising component is essential for sustainability since it ensures communities are aware of the benefits. (Sudan)
- Appropriate reform communication is essential for reform to succeed. (India – Orissa)
- Process-related outputs e.g. improved communication, are important when designing support to institutions that serve a wide range of constituents and stakeholders. (CARICOM)
- An innovation that helped this project significantly was the fact that all of the reports were made publicly available to everyone. Transparent style has contributed to the improvement of donor-local stakeholder relationship and reinforced the incentive for policy dialogue. The datasets were posted on local websites and this ensured that the leadership and guidance of the project was visibly passed on to local stakeholders. (Bosnia)

Demonstrating results can be an effective strategy for influencing (Ukraine):

- Successful implementation at local level can demonstrate to policy makers at all levels what can be achieved, and identify the policy and legislative changes necessary to support development. Development of strong Ukrainian teams plays a key role in winning the confidence of local authorities. The investment of expertise, time and discrete capital inputs can be used to lever much more resources from project partners when they are convinced of the value and cost-effectiveness of what is being proposed. Demonstration of success can contribute to policy changes with a much wider impact than that of the original project. (Ukraine)

Building **networks** can be an effective way of sharing knowledge and building commitment to a common cause. In Poland this was facilitated by a project field office. The Sri Lanka case suggests that it is a good idea to weigh up the balance of effort and rewards in each case.

- The project has provided an excellent example of establishing a network of like institutions that can discuss and develop for a common purpose. (Eastern Europe Regional)
- Working with an existing network brings greater gains than trying to set up new ones. (Sri Lanka)
- Working through sub-regional regulators' groups can be an effective approach. It takes about a year to get individual relationships and trust between partners. But after that it takes off and seems to be worth the investment of time. (Bridging the digital divide)
- In policy advocacy work it is important to network with other organisations and to base one's recommendations on international best practice. (Pakistan)
- The outreach approach, as distinct from a focus on individual municipalities, has enabled a wide range of authorities to familiarise with the good practice. Having a field office in Poland developed good relationships with partners and enabled effective dissemination and information-sharing. (Poland)

A common theme of the PCRs is the importance of strong **personal relationships** between project staff (i.e. DFID officials, project managers, TCOs, consultants) and their local partners. Iraq may be an unusual case but the PCR's advice has wide application, to build rapport by being sensitive to the local situation and using the local language. Deploying an appropriate mix of local and foreign expertise (Poland) is another common theme. Locating someone with real authority close to project partners helps enormously to maintain good working relations (Russia, South Africa). Building relations takes time (Zambia) so continuity of staff is vital (the Bangladesh PCR shows what can go wrong when this doesn't happen). It helps when project staff can build on established relationships (Uganda). They must also behave in ways that enhance their local credibility, for example by delivering timely responses to local needs (Uganda) and maintaining partnership principles of openness and transparency (unfortunately not the case in the Nigerian PCR).

- It is possible to work in Iraq despite the security situation if location is chosen well, if the organisation has a local face, if the approach builds rapport and credibility quickly with local people. International staff speak Arabic and look Arabic. IWPR took care to keep at arms length from the Coalition Political Authority. (Iraq)
- Close partnership between British and Polish experts has resulted in advice well rooted in Polish conditions, transfer of know-how and Polish ownership. Gradual localisation of the programme increased chances of sustainability. (Poland)
- Resident project management with proper technical expertise is essential to developing and maintaining good working relations with local stakeholders and monitoring and quality-reviewing advisory services from experts. (Russia)
- The appointment of a field manager to handle partner relations and oversee the project helped to deal with the sensitivity around donor involvement with the legislature. (South Africa)
- Relationships between external consultants and government officials take time to develop and cannot be rushed. Capacity and ownership will rarely be built unless

external TA consultants understand and accept government leadership of reform and work continuously to support government's desire to manage such processes, which are rarely simple. (Zambia)

- Frequent changes in leadership in CARE and DFID have impacted badly on the programme. For much of the implementation period a complete management team was not available to the programme and there were frequent changes to the broad strategy of the programme. (Bangladesh)
- DFID was able to respond quickly to the Ministry's request for TA. Both parties were able to build upon relationships based on earlier associations linked to TA projects. The poverty monitoring and analysis unit (PMAU) is located at the core of the structure of the Poverty Eradication Action Plan (PEAP) within the Ministry of Finance and so commands respect. Its location within the Ministry has provided the PMAU with easy access to the Ministry's senior management. (Uganda)
- It is essential to manage partnership with local counterparts well. A lack of openness and transparency, such as in planning and accounting and budgeting created tensions with affected ownership on the Nigerian side. (Nigeria)

### **1.5 Influencing the Change Process**

It is important to be realistic about what is achievable and to get **the right balance between pressing for reforms and building capacity** (Uganda). A Bolivian PCR raises some interesting points about approaches that focus on dialogue and policy reform at a strategic level when the hoped-for results are local. In that case, more emphasis on building capacity and practical delivery is required.

- Growing recognition of the limited capacity for implementing reform has resulted in a gradual reduction of the challenge and an increase in the support offered to Government. But we are still trying to find the right balance between the level of challenge and capacity/commitment for reform. (Uganda)
- The social inclusion aspects of decentralisation and popular participation reforms must be reinforced with more than just additional laws and improved regulations. The country needs implementation and active technical assistance at the local level rather than additional and improved policy frameworks. Strategies that only emphasise strategy should be questioned in such contexts. The implementation capacity of both state and civil society actors was overestimated. (Bolivia)

**Collaboration with other donors**, especially the IFIs, provides a lot of synergy and bargaining weight (India). However, divergent views among the donor group can be a brake on reform (Tanzania). Moreover, the Mozambique case suggests that conditionality may not be a good idea.

- The effective partnership with the World Bank stemmed from a convergence of views on the reform path - both content and process. The Bank resources provided GoO with an incentive for progress which DFID-funded TC build local capacity to undertake reform. (India – Orissa power)
- An extremely effective collaboration between ADB, DFID and CIDA. This was based on a common understanding of need and the leverage that bilaterals and International

Financial Institutions provide. The IFI loan would not be effective without bilateral TA and vice versa. (India – Madhya Pradesh power)

- Working as a donor group has strengthened engagement with local government. However, the donor group contains both doves and hawks when it comes to dealing with political aspects. The programme management has successfully pushed the political reforms to the degree that they can without compromising the technical momentum of the work. (Tanzania)
- Avoid conditionality since non-compliance complicates relationships. (Mozambique)

**Local NGOs** can be good partners in advocacy work for example by delivering concerted pressure (Bolivia), by making technically credible arguments (Malawi), through demonstration projects (Ukraine) or through changing attitudes (Romania) :-

- Concerted advocacy actions with NGO networks at local, departmental and national level enabled the project to have successful impact in convincing the Minister of Health to assume contraceptive costs into the Public health budget. (Bolivia)
- Save the Children UK was able to persuade sceptics within government and the international community of the severity of the food crisis through coherent and technically credible data and field observations. (Malawi)
- The team's use of change management principles helped reverse negative attitudes towards children and among staff. (Romania)
- The involvement of local partners, the development of local team capacity and the establishment of practical "show case" projects in the field was essential in influencing the decision making process of the policy makers. (Ukraine)

Where interventions are designed to influence policy this must be explicitly resourced: -

- Successful influencing e.g at national and city levels must be explicitly planned for and appropriately financed. (Jamaica)
- Local institutional development should start early in the project and not at the end. It takes a long time and persistence to influence policy but it is possible. Organisations engaging in policy require knowledge and skills in policy development and advocacy. (Kenya)

## **1.6 Working with other donors**

### Donor coordination and harmonisation

[NB We did not find systematic comments on working with donor partners and the cases cited below tend to be those where there had been problems. This should not be taken to be representative.]

A Tanzanian PCR underlines the benefits from donors working well together: -

- Working as a donor group has strengthened engagement with local government. Most donors have ended their area-based programmes and mainstreamed elements of that work into the overall Local Government Reform Programme efforts. National Local Government Association structures have been strengthened as a result.

A number of PCRs comment that, where a project is being co-financed or funded through another donor agency, it is crucial to have a shared vision. This worked well between

bilaterals and International Financial Institutions (IFIs) in the Indian power sector. Some comments emphasised the beneficial synergy between DFID and other funders (e.g. DFID-financed TC or seed money and IFI investment lending in India and Pakistan or IMF expertise in taxation and DFID funding). However, there were several instances of a lack of common understanding, which led to confusion. In Romania, the PCR comments that differences in approach between donors often get magnified during implementation. In Yemen and Zimbabwe differences in donors' assessment of progress led some to withdraw their assistance while others continued.

In some cases, the failure to reach a common understanding was partly due to the lead partner not taking a strong enough coordinating role (e.g. World Bank two cases in Bolivia and Nigeria, Inter American Development Bank in Peru, UNDP in Nepal). Lessons include:-

- The need to define clearly donor roles in advance (Nepal);
- The positive role of a common funding mechanism in encouraging a more common approach among donors (Bolivia, Tanzania);
- The need for a formal joint agreement between funding partners (Pakistan) or “common arrangements” (Cambodia)– but an Indian PCR argues that when there is a shared vision that is unnecessary;
- The need for donors to have an operational strategy to respond to slowing policy reform, which is explicit to the Government (Yemen); and
- The need for a contingency plan covering the withdrawal of co-financing (Zimbabwe).

#### Comments on working with specific agencies

The main messages on collaboration with the IFIs are captured above. There was (surprisingly) only one comment on working with the European Commission (Kenya) which underlined the flexibility that parallel DFID funding can provide but emphasised the substantial administrative burden on project management.

Complaints about the heavy workload involved for DFID also surface for the UN system (UNDP, UNFPA, WHO). In one case, UNDP was working with UN-HABITAT but their approaches were incompatible. Much DFID project officer time was spent facilitating the partnership between UNDP and HABITAT (Cambodia). In another case (Indonesia), UNDP lacked the capacity for strategic leadership, appearing unable to marry priorities and programmes with the management resources available. The author commented that this was a familiar issue and, in future, when contemplating a UNDP-managed programme, DFID should review the capacity of UNDP's management structures at the design stage. In a third case (Pakistan) the PCR comments that UNDP was unable to provide the level of advisory support needed and a high level of DFID back-up was required. Moreover, UNDP did not keep DFID informed of significant events and some key decisions were taken without discussing with DFID. In other cases, however, UNDP and UNFPA may have been slow but they did provide a reasonable standard of management (Peru and Bolivia).

Also, on a more positive note, the partnership with WHO in Kenya was instrumental in mobilising WHO's international, regional and country-level capacity behind the malaria programme.

There was a bouquet for UNOPS related to an alternative development project in Peru. Much of their work over 20 years in this region had been overseen by one individual leading a team of similarly experienced and knowledgeable individuals. The PCR comments that no other organisation could boast this level of institutional memory.

There are some complimentary comments about UNICEF's work in India. There are also suggestions from other experiences (Sudan, Sri Lanka) that they should strengthen their monitoring and evaluation work and could do better to link specific projects (in this case war-affected children) with their broader programme of advocacy.

### **1.7 International NGOs**

There were relatively few comments on INGO partners, although there were some concerns that there was not always an identity of views with DFID (e.g. SNV in both Nepal and Cameroon). A good example of effective collaboration comes from DFID's support for PSI in Burma, which allowed a dramatic build up in HIV/AIDS and reproductive health activities. The PCR for an urban poverty programme in Angola raised a questionmark over the appropriate role for INGOs to play in policy dialogue. The PCR comments that "It is questionable the extent to which INGOs can and should attempt to influence policy on a broader level (i.e. beyond sitting on national boards and committees at which they are invited to comment) in a country where DFID has no regular presence and so no accountability for INGO actions."

Where partners have had an input into the PCR report, there are comments on DFID's approach and role in the partnership (lack of transparency, unclear communication, micro-management, having a purely financial rather than *partnership* approach, and unrealistic expectations of partners around influencing). However, it is relatively rare for a PCR written by DFID to analyse DFID's role in the partnership.

### **1.8 Working with Governments**

Aid can be a mixed blessing. **Dependence on donors** is a real risk:-

- Legislative review is a key component [of trade policy reform] but donor support postpones the time when the Russian Government has its own capacity. (Russia)

**Internal government coordination** – between Ministries and Departments is often weak (Tanzania, Cambodia) and projects often need to address this to achieve their objectives (Namibia).

- Establishment of a permanent information system ...requires a multi-sectoral and multi-lateral group of central ministries to be assembled before work commences. With all eggs in one basket (Ministry of Health), failure of the central partner to own, invest in and sustain the system proved extremely damaging... (Tanzania)
- Programme management suffered from the lack of a GoC coordinator. The lack of a common vision resulted in poor sequencing of the many activities, poor monitoring and poor risk management. (Cambodia)
- When developing a project active in more than one institution a mechanism must be agreed for coordination. (Namibia)

**Bridging the gap between central and local government** is a particular challenge. A Bolivian PCR warns that central government may not be the natural champion of decentralisation and a Russian PCR suggests that the relationship between levels of government needs to be tested at the preparatory stage. Comments on projects in Nepal and Bolivia recommend involving a broad range of stakeholders and a South African PCR points out the importance of engaging at the different levels of government.

- Policy based lending for decentralisation faces the difficulty that central government may not be the natural champion of decentralisation. Third party actors, such as municipal associations, should be sought to represent better the views of clients, both on a political and a technical level. (Bolivia)
- Cooperation between levels of government (e.g. Oblast and City) is critical to this kind of project. The quality of their relationship should be checked in the project preparation stage. (Russia)
- Involving local governments and line agencies in planning and policy formulation increased the probability of sustaining initiatives. Planning by consensus has proved effective. (Nepal)
- Involving the state, micro-regions and municipalities, integrating service and academia have led to a deep change in culture where poverty and development are understood as multi-dimensional issues. (Bolivia)
- Given the lack of devolution in South Africa, it is essential to engage at both national and state level ...to ensure both sustainability and the potential for replication of best practice nationally. (South Africa)

**Don't by-pass governments and government systems** even in difficult environments such as Zimbabwe.

- Participation of government departments such as AREX remains key to sustainability of any agricultural intervention as AREX staff live within the communities, know the environment and community better than "outsiders" and hence are best placed to provide technical advice. (Zimbabwe)
- Improvements in service need to happen through and with the MoH and not in parallel to the MoH. (Kenya)

### **1.9 Working with Communities**

**"Community" is a slippery idea: -**

- The term "community" can be convenient but...it is an elusive concept. It is necessary to define clearly the units for community partnerships. This takes time and may not be achievable. It is important to enter communities with an open mind about what management should be attempted and how...It should not be assumed that NGOs automatically represent community views. (Bangladesh)

**Reaching the poorest** and most vulnerable remains very difficult and requires special focus on them, their complex needs and the political context (e.g. Bangladesh). Poor

people themselves must be the key actors in identifying and addressing their livelihoods priorities (Malawi). The “livelihoods framework” is a helpful way of looking at these issues (Bangladesh).

- Broad-based community mobilisation is essential for effective and sustainable development but it is essential to focus specifically on the poorest and most excluded, including women. (Pakistan)
- Where a project influences resource access it is essential to make an early review of the likely implications for the poor and consider mitigation. (Bangladesh)
- Targeting the poorest groups in agricultural projects is extremely challenging as they have very little or no land for agriculture and the transaction costs to attend Farmer Field School sessions is extremely high for them. The project could have impacted on the livelihoods more if food security, economic vulnerability and other felt needs of the poor were adequately addressed. Understanding the interactions between formal and informal elites in the allocation of state-funded development resources and the administration of local law and order is important to make sustained improvements in the livelihoods of poor people as it impacts opportunities (sharecropping, money lending, access to ponds etc) of the poor. (Bangladesh)
- The economic and social reality of poor women and men in Bangladesh is at least as much a function of local institutional and political landscape as it is of access to agricultural related technology. The full potential of the livelihoods framework, especially directing attention toward institutional processes, may not have been considered sufficiently in analysing sub-projects. (Bangladesh)
- Sustainable poverty elimination will only be achieved if external assistance focuses on what matters to peoples’ lives and works to support their livelihood strategies. Hence poor people themselves must be the key actors in identifying and addressing their livelihood priorities. Poverty is multi-dimensional with multiple causes. Alleviating poverty can only be achieved by facilitating multiple livelihood strategies with multiple outcomes built on an enhanced assets platform. (Malawi)

However, even centralised governments, such as Egypt, can respond to community demands: -

- Significant innovation in relation to community-based demand-driven approaches [in literacy programmes] is possible even within a centralised government administration. (Egypt)

Support what people are doing already and make sure it is **demand-driven**: -

- Working with coffee production was more successful [than a new initiative] because farmers had already started production...Integrated and needs-based support produced impressive results... (Nepal)
- The GOLDA project had a very structured process for local problem-solving and decision-making and enabled the development of a set of technologies that addressed the economic needs of households - the villagers perceived a real need for this kind of project support which explains the receptiveness to most project ideas. (Bangladesh)

Deliver some **quick wins** to encourage buy-in from the local community: -

- To ensure buy-in from the rural poor, the project should focus on providing immediate, direct and tangible benefits such as greater food security... (Nepal)

- It is advisable to initiate practical activities with a demonstration effect as quickly as possible. This supports community inclusion. (Brazil)

But **take time** to build partnerships and make sure communities receive **sustained support** including from the government: -

- Building developmental partnerships takes time. Working at depth with civil society partners needs at least twice as long. (South Africa)
- A realistic lead time is necessary to ensure effective participation. (Jamaica)
- In participatory management it takes time to get the implementing partnerships right. (Bangladesh)
- Working with communities needs patience and should be viewed as a continuous process...(Pakistan)
- If community approaches are to be used to overcome the problem of failing schools there is a need for sustained support. Communities cannot develop new programmes unless the governance environment is favourable. (Pakistan)

**Involve communities from the beginning** and in the early stages of developing a provider/community partnership, make sure that the community sets the goals based on guidance (Jamaica):-

- Communities should be involved in the decision-making process from the beginning and their ideas should be respected. (Uganda)
- Great care needs to be taken in the early stages of a provider/community relationship to identify the priorities needed to ensure a firm foundation, before [rather than?] assisting the Community-Based Organisation to aspire too high too soon. Let the community set the goals based upon guidance. (Jamaica)

**Conflict situations require special efforts to build strong relationships at community level: -**

- Partner NGOs can develop capacity to be operational in conflict as they become transparent and accountable to the communities where they work. The rights of the concerned community to be informed about the programme and its budget can be ensured by making this requirement explicit in the agreement between project management and the implementing partner. Having local government and line agency witnessed and signed in the agreement increases the interest of local stakeholders. (Nepal)

**Slum improvement work helped demonstrate useful participatory approaches but community groups have their limitations.** Experience in Pakistan suggests that communities must make a contribution if interventions are to be sustainable but an Angolan PCR points out that the pursuit of sustainability is likely to exclude the poorest: -

- The success of neighbourhood groups led by women was facilitated by linking capacity-building with community level infrastructure projects. (India – Cochin)
- Without community contributions there is no sense of ownership of infrastructure projects by the community, little or no interest in design or implementation and subsequent problems in operation and maintenance. Community groups are effective and sustainable as long as a support organisation is there to fund most of the inputs and to take the lead in designing and supervising implementation of programmes and projects.

The groups were far more sustainable as long as 50% of the contributions came from the community. (Pakistan)

- It has proved impossible to support the poorest urban dwellers through financially sustainable micro-interventions because the poorest can rarely contribute finance or time. It is very challenging and possibly inequitable to create an island of pro-poor, sustainable interventions in an urban setting where systems are poorly managed and effectively pro-rich. (Angola)

**Community participation is relevant to a wide range of projects.** For example, it has been a positive feature of infrastructure projects in health, education and roads. Poor communities have found ways around their financial constraints e.g. to support health services in Bangladesh:-

- Community mobilisation for involvement in health may be a slow process but it is an essential one. Health facilities that were built by contractors without involvement of communities are likely to have sustainability problems due to lack of community ownership. (Uganda)
- Communities can be very resourceful to find ways to generate income to support health services. (Bangladesh)
- In the Northern areas the degree of community participation is impressive. The strategy for constructing schools through communities is cost-effective and the implementation of this strategy accomplished objectives of improving quantity, physical quality and equity. (Pakistan)
- Need to strengthen expertise at the community level so that rehabilitation and construction work is sustainable...(Sudan – education)

**Participatory techniques** are a good idea but don't solve all the problems. Early training in participatory methods and social organisation helps build sustainability (Brazil). The PCRs show positive results from various participatory techniques including mapping (Nigeria), structured local problem-solving (Bangladesh), micro-planning (India) and play-oriented activities (Brazil). Other suggestions include a lesson-sharing workshop to encourage transparency (Nigeria), striking a balance between processes and practical actions with demonstrable effects (Brazil), balancing local participatory planning with wider strategic analysis (Bangladesh) and ensuring sensitivity to socio-cultural and linguistic differences (Nigeria).

- Introducing new proven methodologies and technological approaches (e.g. in mass participatory mapping) is essential to maintain the interest and enthusiasm of both communities and project partners. Holding a lesson sharing workshop led to transparency... (Nigeria)
- In order to reduce the risks related in cuts in financial or institutional support, one measure is to train local stakeholders in the participatory methods and social organisation early on, thus empowering them to continue these participatory processes even if there are unexpected cuts in outside support. It is essential to strike a balance between participatory processes/discussions and practical actions with demonstrable effects. It is also important to conduct local planning and management, such as drafting activities and M&E. Strategic project decisions must be consistent with the participatory approach that was adopted as a basic project principle. (Brazil)
- In Bangladesh, villagers perceived a real need for the support offered by one project which included a structured process of local problem-solving and development of

technologies that addressed households' economic needs. But the change process also promoted unanticipated competition for scarce natural resources. [Hence importance of maintaining capacity for wider strategic analysis.]

- Participatory microplanning processes helped improve community access and management of forest resources. It also facilitated attitudinal change and improved relationships between Forestry Department staff and villagers. However, microplanning is not necessarily gender and equity sensitive and can exclude livelihood options of poor and socially marginalised groups. Microplanning must be designed to be responsive to livelihood choices and outcomes. (India)
- The entry strategy in the context of communities is more effective when it includes play-oriented activities (games/role play) to help overcome cultural barriers. (Brazil)
- Sensitivity to socio-cultural and linguistic differences proved essential for impact, especially among poorer audiences. (Nigeria)

Identify **local leaders** and resource people to help make interventions sustainable and to provide the links between poor communities and service providers: -

- Community resource persons are important for participatory development, livelihoods interventions and community institutions. (India)
- The success of community-based initiatives depends partly on identifying key people who are more likely to serve as role models and support the continuity of activities even after the project has ended. (Brazil)
- Training community leaders in reproductive and sexual health and rights initiatives enables them to demand quality services and the assignation of local authority funds to respond to their communities recognised needs. (Bolivia)
- Village Health Volunteers can provide a basic sustainable link between poor village women and service providers. (Bangladesh)
- The project has demonstrated success in involving community volunteers and developing them as teachers, in collaboration with the national government and the Government of the state of Rajasthan. (India)
- Community Resource Persons are important for participatory development, livelihoods interventions and community institutions. Farmer participatory research is important in varietal selection, seed production and other aspects of farming systems. (India)

**But NGOs may not be the right source of that leadership: -**

- Programme leadership has depended too much on dynamic and charismatic individuals. Sustainability will require alternative institutional mechanisms controlled by the communities to facilitate the development of local leadership that is capable of dealing with the issue of rights. (Bangladesh)

### **1.10 Empowerment and the demand for good governance**

**Empowerment of vulnerable people is a priority** for example in order to build HIV programmes that will reach them (Central America).

- If we want to work with most vulnerable populations in the fight against HIV/AIDS, it is essential to work on empowering them. Then it is possible to build strong and efficient organisations able to reach those that are "hard to reach". (Central America)

Developing the **accountability of governments to citizens** must be demand driven (Ethiopia) and there should be synergy between programmes working on the supply and demand sides of governance (Kenya). The Kenya PCR also suggests that people are more likely to access their rights if these are directly linked to their basic needs. Initiatives to empower the poor should integrate improved livelihoods in their strategy. Experience from a project in Malawi was that working directly with parliamentarians and voters could be a better approach to encouraging the demand for good governance than working through civil society intermediaries.

- The development of accountability to citizens and their institutions must be demand driven. (Ethiopia)
- Civic education is more effective when it is an integral part of the livelihood struggles of the people and is conducted in a participatory, interactive manner. Poor people are more likely to access their rights if these are more directly linked to their basic needs. Political empowerment entails more than civil and political rights. Initiatives to empower the poor should integrate improved livelihoods into programme strategy. Governance programmes working on the supply side should promote synergy with demand side initiatives. (Kenya)
- The project (to encourage the demand for good governance) achieved greater gains from strengthening the relationship between voters and parliamentary candidates than through the strategy of using civil society intermediaries. (Malawi)

Experience from a Peru project suggests, “to sponsor/create spaces in which state agencies and civil society organisations can dialogue and take on joint activities, campaigns and projects, is a good strategy to advance the rights of the poor”. This is supported by a South African PCR. In the Peru case, the strategy required considerable investment of time to build alliances with groups who are experienced advocates and consider themselves to be agents of change. The PCR comments that strongly committed teams with deep understanding of political context are the key to success in experimental, high risk rights-based approaches.

- Building alliances requires time to build together, with selected stakeholders, the programmes’ conceptual approach and afterwards revise logframes and strategies. Thus the project memorandum must be taken as a flexible tool, not as mandatory fixed plans. The use of common language (rights language) is much more than using the same words. Many misunderstandings can be avoided by devoting time to the partnerships-building initial stage. Rights-based approaches and pro-poor change require partnerships with organisations that consider themselves to be agents of change, that are clearly policy oriented and experienced advocates. (Peru)
- To sponsor/create spaces in which state agencies and civil society organisations can dialogue and take on joint activities, campaigns and projects, is a good strategy to advance the rights of the poor. Programmes like this need inter-institutional common agreed plans, with interdisciplinary teams that dialogue frequently, share methods and lessons and feel happy to be influenced by others. Strongly committed teams with deep understanding of political context are the key to success in experimental, high risk rights-based approaches. It is not a good idea to start a new programme with a totally newly recruited team. It takes valuable project implementation time to train members in institutional values and ways. (Peru)

- Using DFID resources to provide the space and mechanisms for in-country stakeholders to have their voice and opinions heard should be regarded as best practice. (South Africa)

**Rights-based approaches** may fail if they antagonise powerful groups. The PCRs contain some suggestions about dealing with conflict in such situations – be inclusive rather than confrontational, take time to communicate with all the stakeholders, build the capacity of the “duty bearers” and create spaces for dialogue between groups: -

- “Empowerment of one group often threatens the power base of another group and it is not always possible to protect the newly empowered against those who still wield power. Empowerment of vulnerable groups needs to be matched by capacity-building of those who might feel threatened and supported by systems to protect the newly empowered (Namibia).”
- “In a young democracy, it is important to adopt a soft approach to the introduction of rights based approaches and to use non-threatening language. Promotion of RBA and capacity-building of Civil Society Organisations is viewed with distrust in political circles. Government decision-makers must be kept informed to minimise distrust. Intense inequalities between sections of society on a wide range of issues makes rights threatening for duty bearers to manage.... Instead of just sensitising the demand side on new approaches and concepts it is important to orient those on the supply side so that they are well informed as well. (Malawi)”
- The project illuminated the choice between confrontational and inclusive approaches to dealing with social discrimination against Dalits. One NGO asked Dalits to flex their muscles but this led to conflict with the upper castes which blocked progress. Another NGO, whose functionaries were upper caste, both worked to empower the Dalits and to change their own and society’s perceptions. In the latter case, although it was a slow process, the Dalits were happy that the situation was improving. (Nepal)”
- “The project focused on the vulnerable. This could have led to negative feedback from other stakeholders... Wateraid created a subsidy system that recognised different levels of vulnerability so that everyone could be considered.” (Nigeria)
- “To sponsor/create spaces in which state agencies and civil society organisations can dialogue and take on joint activities, campaigns and projects, is a good strategy to advance the rights of the poor.” (Peru)

Considerable experience from Bangladesh suggests that **non-formal education can be an effective means of empowerment**. However, marginalised people need sustained support and it is a mistake to spread educational inputs too thinly: -

- Sustainable education for the poor and underprivileged requires considerable investment to provide education to grade 8 level plus technical training. The pay-offs in terms of sustainable livelihoods are well worth the effort. For those who have been marginalised and used to exploitation, the process of development requires considerable handholding over a period of time. This could mean follow-up technical and skill training. Mutual support through an alumni association may be worthwhile. (Bangladesh)
- Literacy classes have provided a legitimate reason and space for group formation and discussion, ultimately leading to collective action in some instances. Several success stories of women’s empowerment have emerged from literacy classes which provide a legitimate, daily meeting place for women whose mobility is restricted. The “Reflect”

approach to empowerment deserves to be mainstreamed into other development programmes but it should continue to have a literacy component. (Bangladesh)

- Selection of NGOs, according to their capacity and commitment to children, was the most critical factor for effective implementation. Community involvement is critical for sustainability. To make a difference to the most marginalised, interventions need to be holistic and of good quality. There is a trade-off between larger coverage and facilitating sustainable change for smaller numbers. The project's inputs were too little to make a lasting impact on the lives of these children. More sustainable and long-term interventions are worth the effort. (Bangladesh)

Underlying most development assistance is the **difference in power** between givers and receivers and at the project level between project managers and participants. However, this does not feature much in PCR lessons. A South African case emphasises the dangers of a prescriptive approach and a Bangladesh case points out the tensions between insisting on financial accountability and developing an equal partnership. The Peru PCR confronts the issue and advocates sharing control and one from India stresses the importance of equitable partnerships.

- Rights-based partnerships mean horizontal relationships: these are not easy if one partner has the money and veto power. More powerful stakeholders need to change attitudes and show will to shed some power and share control (which DFID tried to do with Oxfam in this case). (Peru)
- Strong and equitable partnerships should be instituted between all parties - otherwise a hierarchy is established between donor and receiver that becomes a severe impediment to successful project transfer and sustainability post-funding. (India)
- DFID can have a role in guiding partnerships through the inevitable sticking points of collective leadership but must remain aware of the importance of bottom-up development and must resist the temptation to be overly prescriptive. (South Africa)
- Local NGOs were [required] to use CARE's stringent systems of accountability. Although it strengthened NGO systems, this put a strain on partnering arrangements, joint planning and decision-making and they only felt full partners in the last year of the project. (Bangladesh)

### **1.11 Working with local NGOs and CBOs**

Local NGOs and Community Based Organisations play an important role in delivering services and advocating for rights. They have advantages over Government (Bolivia). They have capacity limitations (Bolivia, Russia) but, in some cases, capacity-building can enable local NGOs to work well (Malawi). A Bolivia PCR advocates TA to strengthen local NGOs as well as training and support for networking. But a Nigerian PCR suggests "In capacity building of CSOs there is a danger of solutions searching for problems - many organisations achieve despite capacity problems and it can be counterproductive to create a sense that an organisation needs a set of capacities to function". Local NGOs are also a very varied group and collaboration must be based on thorough analysis of their capacity (Kenya) including for monitoring (Zambia). It is important to understand their interests and incentives before developing partnerships (Brazil). Working through networks or consortia of organisations can work well (Kenya) but it is better to nurture existing networks than to try to form new ones.

- Working with NGO health providers provides additional human resources and can offer more stability, as volunteer or NGO personnel do not change as often as [government] health personnel. (Bolivia)
- Working with small civil society organisations or People Living With AIDS groups is difficult due to their lack of legal status and lack of capacity to plan and implement projects and administer funds. (Bolivia)
- Coalition building between NGOs was not so successful because the NGO sector is not mature enough to move from informal networking to more responsible and capable relationships across regions. (Russia)
- With intensive organisational development inputs and good local staff capacity local NGOs can be very successful. Local NGOs which begin as part of an international federation can have their capacity built to a sufficient degree to allow them to receive funding directly from donors. (Malawi)
- Empowering civil society groups through advocacy training and strengthening networks is important but increasingly so is providing appropriate TA to enable them to assume growing responsibilities as key actors in the fight against HIV/AIDS. (Bolivia)
- In capacity building of Civil Society Organisations there is a danger of solutions searching for problems - many organisations achieve despite capacity problems and it can be counterproductive to create a sense that an organisation needs a set of capacities to function. (Nigeria)
- NGOs are by no means a homogeneous group, and it cannot be assumed that they have the capacity to strategically plan, monitor and efficiently carry out their work. Nor can it be assumed that they necessarily represent communities or are effective at involving them. A thorough analysis of NGO capacity is required at an early stage and explicit strategies should be designed for strengthening them. (Kenya)
- When working with NGOs their monitoring as well as service delivery capacities are important elements which unfortunately most NGOs lack. (Zambia)
- Some of the partnerships with local institutions could have been more productive if a detailed analysis and discussion of their goals and specific interests as well as of incentives for taking part in the project had been conducted at the outset. Internal communication mechanisms with project partners are key to maintaining effective partnerships. (Brazil)
- It makes sense to work through consortia of organisations. However, unless they are self-forming and self-propelled, there is always the danger of them unravelling as soon as the glue holding them together - resources - is removed. Creating opportunities for networking and nurturing existing potential is more effective in the long term than pushing through the formation of networks. (Kenya)

Successful support for NGO and Community-Based Organisation programmes depends on **effective collaboration between NGOs and governments** e.g. for health service delivery in Pakistan or child protection in Romania. Benefits can flow both ways (Pakistan, Nigeria).

- In remote regions, unserved by governments, NGOs can have a key role to play in addressing the needs of poor communities, but when possible service-providing NGOs should work closely with the Government to ensure coverage and sustainability. NGO initiatives can open the door for wider government action – in Chitral the public sector local health worker programme is capitalising on the work of the Project. (Pakistan)

- The question whether to contract out services remains unresolved, although it is clear that Government and NGOs must collaborate closely in the delivery of services for children and families. (Romania)
- It is possible to scale up successful NGO initiatives provided there is Government buy-in. (Nigeria)

But sometimes, interventions have to overcome **mistrust between Government and NGOs** as in Bangladesh education and on the question of Roma Rights in Eastern Europe. Close working together in the context of a project can encourage progress (Kenya).

- The Government has resisted the involvement of NGOs in educational provision. Learning outcomes are roughly similar between the two systems. There is a case for NGOs to complement the Government system rather than competing with it. (Bangladesh)
- The Government has been resistant to acknowledging any NGO action in the field of formal primary education. But there has been more success in the areas of pre-primary education and organising communities for monitoring. (Bangladesh)
- Partnership models (between NGOs and government) require a strong sense of ownership on behalf of the local authorities. Distinguishing between genuine commitment to collaboration and its acceptance for ulterior (usually financial) motives is difficult but necessary. (Eastern Europe Roma Rights)
- Close working between NGO partners and the GoK helped dissipate the traditional isolation between the NGO/private and public sector and gave greater ownership and management to the GoK. (Kenya - health)

**Beware disempowering local NGOs** by working through international agencies: -

- National Roma NGOs may not be welcomed by Governments as partners for implementation but donors should beware disempowering them by supporting alternative partners e.g. World Bank or UNDP. The project worked best where a strong national organisation was included as an active partner. (Eastern Europe)

**Be prepared to engage with “difficult” organisations** such as those based on ethnicity or other aspects of identity: -

- The development community should not ignore ethnicity and identity-based organisations but should work out how best to engage with them and with issues of ethnicity and religion. (Kenya)

PCRs from Cameroon and Nepal come up with opposing views on whether interventions should mix funding of civil society groups with capacity-building:

- There remains an important niche for a small, flexible and independent fund to support innovation in civil society with regard to community forestry. Whether that can be combined with advisory support is debatable. Some would argue for separation to protect the support relationship. (Cameroon)
- The mixture of capacity-building and small funding benefited poor and disadvantaged groups. (Nepal)

### **1.12 Working with the Private Sector**

Although collaboration with the private sector is much less represented than work with Government and NGOs, the PCRs cover some diverse activities involving business and commerce. The views of PCR authors on public-private sector relationships vary from strong liberal economy values to more interventionist positions. This reflects the diversity of projects ranging from power sector reform in India to promoting micro-irrigation technology in Tanzania. The Malawi case underlines the importance of understanding market conditions before intervening.

- For sustainability of commercially oriented projects, the public sector should limit itself to regulatory roles and it should focus more on creating a conducive environment for the private sector to function. (Nepal)
- Even after privatisation, government support is vital for the power sector. Transition finance is required. Privatisation is not an end in itself. (India)
- In order to lock in the reform gains, state ownership of power distribution should be divested to private investors... and the sector... opened to entry by new providers. (India)
- External support, in the form of facilitation and temporary incentives, is crucial to change the mind-set of traditional manufacturers, wholesalers and retailers in Tanzania. The pay-off has been high in this case. (Tanzania – micro-irrigation)
- Address market failure first where appropriate - a number of project-private sector partnerships were started, but none proved sustainable usually because the private sector was too weak or market conditions were unfavourable. (Malawi)

Some projects have tried to build partnerships between business and the voluntary sector. There have been good results in Sri Lanka and Russia although there are clear limits to the willingness of the private sector to engage in non-profit activities. Also a Lesotho project found that affordability is a major barrier to scaling up the private sector response to HIV/AIDS.

- Partnership with local Chambers of Commerce proved to be successful. The project linked Chambers to undertake peace-building activities. However, business communities have limitations in implementing non-profit oriented activities. The difficulties of engaging big business in peace advocacy have been clearly demonstrated. The close ties between big, capital-based corporations and political groups are likely to prove a challenge for initiatives that aim to work on private sector engagement in peace-building elsewhere. (Sri Lanka)
- Equal partnership (between private business and NGOs) is fundamental for the success of projects based on the joint work of two organisations. It allows for fair financial relationships, openness and for both partners to accept responsibility for results. The project demonstrated that activities based on partnership between organisations are far more sustainable and beneficial (in terms of viable results and maintaining relationships) than those based on temporary consultancy provided to an NGO. (Russia)
- Affordability is a major barrier to scaling up the private sector response to HIV/AIDS. (Lesotho)

**Sometimes, the private sector may be better than other channels at using aid to benefit the poor** e.g. forestry or targeting the beneficiaries of agricultural inputs : -

- The real pro-poor benefits may come from participation of disadvantaged people with industrial forestry companies... (South Africa)
- Use of the private sector improves delivery to the correct beneficiaries. (Malawi – targeted inputs)

**The private sector is not always as engaged in the policy debate as would be appropriate.** A Ugandan project dealing with regulatory reform suggested engaging business more by demonstrating tangible results: -

- The private sector and civil society need to be more involved in the policy debate. However, private sector representation is weak and the private sector is disenchanted with the lack of action following previous government consultations. To overcome this, the project has pursued various strategies, including demonstration effects, fast and tangible results of reforms and communicating the benefits. (Uganda)



## 2. MANAGING THE PROJECT CYCLE

### 2.1 Getting the strategic framework right – policies and institutions

Many PCRs emphasise the importance of a **sound policy and institutional framework** for successful interventions. One from South Africa stresses economic policy and one from Uganda that the political context must be supportive if reform is going to work. The policy umbrella provided by a Sector-Wide Approach (SWAP) can enhance the impact of projects (Zambia), which could otherwise be limited and probably unsustainable. Similarly a Uganda PCR stresses that subsectoral reform must complement higher level dialogue linked to budget support. Moreover, small interventions can make a significant difference in the right context (Sri Lanka, South Africa). But projects do not always depend on the best policies. For example, in the post-conflict environment of Serbia, it was better to take action than to wait until the regulatory regime was fully in place.

- Take up of project funds would have been better under a more favourable macro-economic climate and more optimum regulatory regime. (South Africa)
- The ability to take forward various aspects of public service reform will depend on the political context. It is important to recognise what is feasible and likely to succeed. (Uganda)
- The transition from projects to a sub-sector SWAP approach allowed for a combination of useful initiatives to be implemented under the umbrella of a comprehensive reform programme, thus combining the immediacy of project impact and the sustainability of a programme rooted in the structures of the Ministry. Conversely, without the umbrella, projects risk remaining as isolated pools of excellence. (Zambia)
- The experience of this reform process highlights the difficulties of tackling sub-sector reform without attention of reform to wider structures. What emerges from this experience is not that subsectoral reform is not a useful level to engage in but that to make change effective, macro-level engagement and dialogue through Direct Budget Support (DBS) is necessary, as is meso-level engagement and dialogue through DBS is necessary (through pilot activities for example) and analysis from the local level to feed back into strategic level policy dialogue. (Uganda)
- Small, well-managed projects can make significant contributions to educational development within the framework provided by larger multilateral projects. (Sri Lanka)
- Well-designed small initiatives that focus on key areas of leverage and that address the causes and not the symptoms of capacity constraints can have a huge impact. (South Africa)
- DFID supported the GoS and privatisation agency (PA) from the outset rather than waiting for the regulatory framework to be in place and for the PA to be fully-fledged. This approach was beneficial. (Serbia)

A related theme of many PCRs is that **institutional weakness needs to be dealt with** (e.g. Ghana). A Bangladesh PCR comments that capacity-building can be frustrated by weak policy and management systems, so it is important to address the management structure as a whole. Practical examples of the issues include the lack of delegation or effective staff management (Pakistan) and inadequate salaries to retain staff (Russia). These are common comments in PCRs. However, as the last Bangladesh example below

makes clear, it is little use coming up with solutions, however obviously needed, if they are at variance with the real trend of policy.

- Programmes need to pay more attention to capacity, systems and process development before entering implementation mode. (Ghana)
- ESTEEM has demonstrated the importance of addressing the whole of a management structure, integrating support and linking “top-down” and “bottom-up” developmental inputs. Many of the capacity-building aims of ESTEEM have been severely weakened by structural and staffing practices... These include; frequent transfer of key staff, failure to establish funded posts, lack of transparent criteria for recruitment, large numbers of unfilled posts, and inappropriate selection for overseas study opportunities. ESTEEM has been frustrated by weak policy and management systems that cause decisions to be too often delayed, ill-informed or perceived as subject to external influence. (Bangladesh)
- Planners are not able to give enough time to planning in the sector as people in key positions are occupied with basic administrative issues. Attention must be given to delegating responsibility to lower level officers. (Pakistan)
- Until the Government reforms its systems of appointments, transfers and promotions, both development projects and the regular work of the DoE will be inefficient and their effectiveness reduced. (Pakistan)
- There were sustainability issues because of the inadequacy of salaries to retain staff. (Russia)
- The sustainability of this project would be in doubt if it were not for the simultaneous implementation of the institutional reform of the Ministry of Education through the Government’s public sector management programme. (Jamaica)
- Where institutional change is a prerequisite for sustainability the project should be defined, focused and resourced accordingly e.g. by building capacity of NGOs and social development expertise of GoB. Lessons learned by related projects should be quickly internalised. (Bangladesh)
- ESTEEM’s work built field-level capacity for increasing delegation of responsibilities. However, power was, if anything, becoming more centralised so that increased local capacity is, to some extent, frustrated by lack of local powers. (Bangladesh)

## **2.2 Understanding the context**

Many PCRs stress that high quality analysis of the context is essential (e.g. India). Local people can make an important contribution (Nigeria). Projects should avoid unwarranted assumptions (e.g. Bangladesh). Individual interventions should be consistent with the overall policy framework, e.g. a Poverty Reduction Strategy Paper (PRSP) (Bridging the digital divide). Understanding the local politics and institutions is a common concern (Nigeria, India, Cambodia and Brazil). It is also important to understand the private sector (South Africa).

- Financial and technical support should be clearly led by a robust evidence-based planning and priority setting mechanism, under full ownership of government, based on analysis of need and an understanding of effective interventions. (India)
- Research undertaken did not capture behaviour change well - need to look sensitively at socio-cultural issues but also include indigenes in the design of the programme. (Nigeria)

- There were assumptions made about the role nurses played in the community and that this role had to be strengthened. In actual fact many roles thought to be provided by nurses are provided by families or lower level staff. If objectives had been set more broadly this may have provided the flexibility to test these assumptions and re-orient. (Bangladesh)
- Regional activities should link to country level PRSPs. Need to start design process from a clear poverty analysis. (Bridging the digital divide)
- There needs to be better intelligence about the political environment within targeted sectors generally and recipient organisations specifically. (Nigeria)
- The pervasive politicisation of the agricultural supply posed significant risks to the project outcome. (India – Andhra Pradesh power)
- Where capacity is weak and there are significant governance/corruption issues then a strong institutional understanding will be critical to delivering outcomes. (Cambodia)
- Proper institutional analysis of state and municipal government and some assessment of political economy would have led to stronger design and management. (Brazil)
- There is a need to re-assess the role of the highly diverse private sector and adjust policy initiatives accordingly, land reform as a means to address rural poverty through land-based incomes is not as straightforward as many donors assume. (South Africa)

Institutional analysis has an important role to play in ensuring that local organisations have the capacity and willingness to play their part (Russia, Brazil, Nigeria) and to avoid projects making unreasonable demands on partners (e.g. China).

- It is always important to assess the real capacity of Russian institutions in implementing reform. Trade policy involves a range of government institutions, not just the trade ministry. (Russia)
- Some of the partnerships with local institutions could have been more productive if a detailed analysis and discussion of their goals and specific interests, as well as of incentives for taking part in the project, had been conducted at the outset. (Brazil)
- The quality and capacity of the governance and management teams within the recipient organisation has a major impact on the ultimate effectiveness of a project - therefore the quality of these teams, operating structures and systems should be evaluated as part of the design or pre-implementation phases of the project. (Nigeria)
- It is unrealistic to expect school staff with significant responsibilities to also have the necessary time and expertise to take on other specialist project work. For example, the school based income generation work required business and financial management skills and marketing skills. It was overly ambitious to expect that this complex skill set existed or could be developed sufficiently in a short period of time. (China)

It helps when DFID takes a coherent approach itself to project preparation by coordinating its interventions (Zambia and South Africa) and taking account of other donors (Ghana): -

- The design did not consider a parallel development in 1993 (also funded by ODA – now DFID) of a University strategic plan, exacerbating the poor relationship between School and University central administration for the first two years. (Zambia)
- It is important to ensure a good understanding of activities undertaken by other development partners. (Ghana)

- DFIDSA should foster greater coordination between its own programmes during design and implementation. For example, this project was an institutional change project not a narrow water project and there are obvious synergies with the municipal transformation programme. There may have been missed opportunities for advisers to work more closely as a team. (South Africa)

### **2.3 Managing change and uncertainty**

The essence of many interventions is to encourage some form of change as part of institutional or policy reform. The process has to be managed within a context which is inherently uncertain and can be made more so by policy and institutional failures (e.g. Pakistan). Indeed reform creates its own turbulence (e.g. India). The PCRs suggest several ways of dealing with this. Try to anticipate factors beyond your control (South Africa), take a holistic approach to promoting change (Nigeria), make sure you have the resources needed in place first (South Africa), build cohesive teams that cross institutional boundaries (Vietnam), be flexible and adaptable (South Africa and Malawi), think “outside the box” (Malawi), build institutional capacity to manage change (Russia) and don’t be afraid to take risks and make mistakes (Russia and Serbia).

- The continuing uncertainty about the structure of the department undermines the value of training and the support for institutional reorganisation. (Pakistan)
- Do not undertake major construction programmes coincidental with sector reforms. The instability and uncertainty caused by the reforms seriously jeopardised decision-making, staff training and retention and led to unnecessary delays. (India – Andhra Pradesh power).
- It is important to anticipate factors beyond the control of the organisation. Transition to a market development approach is a long term process likely to be accompanied by some turbulence and reversal of fortunes before it is achieved. (South Africa)
- Change needs to be considered within the whole system in which it fits. If not it will result in increasing resistance from unchanged parts of the system - thereby negating the change effort. (Nigeria)
- Change happens at a provincial level quickly and effectively if the training teams are cross-institutional. Team members work well together because they have been through the same core methodology and training. (Vietnam)
- It is important to have the requisite financial resources in place before embarking on major transformation processes. Donor dependence is not a good idea. (South Africa)
- Adaptability and flexibility is essential when working with organisations embarking on major transformation processes. (South Africa)
- Any programme of this nature needs to be flexible, respond rapidly to events and is largely guided by politics, intuition and thinking/acting outside the box. There must be the flexibility to react to unforeseen political opportunities and the ability to change/limit the scope of undertakings to ensure some tangible and sustainable results. (Malawi)
- Implementation was handicapped by the lack of change management capacity in the Ministry but that needs to be tackled in the ongoing civil service reform. (Russia)
- Those projects that have demonstrated real achievement are those where there has been an element of risk. One of the main features of the Scheme has been its ability to take risks because the amounts in each project have been comparatively small. (Russia)

- Development and change in an ever changing environment involves taking some risks. If a decision is made to wait until circumstances are ideal before change is initiated there is a chance that nothing will happen. There is a value in taking some risks in order to drive forward change and in recognising we sometimes get it wrong. (Serbia and Montenegro)

## **2.4 Building capacity**

Most of the interventions covered in the PCRs incorporate some form of capacity-building of counterpart organisations. There are plenty of comments about the difficulties faced in weak institutional and policy contexts. Inadequate salaries to retain trained staff (Russia) and excessive staff turnover (Bolivia) are common aspects of the problem. PCRs from Pakistan and India emphasise the limitations of traditional models of skills transfer, particularly where the objective involves structural change and the need for a larger framework to ensure that increased capacity is used. The PCR from Vietnam advocates the need for systems, not just training, and one from Bolivia stresses the dangers of top-down approaches.

- There were sustainability issues because of the inadequacy of salaries to retain staff. (Russia)
- High turnover of trained staff has undermined the effectiveness of resources invested in training. However when individuals are committed they take and apply their newly acquired skills in their new area of work even though they are no longer directly involved in the project. (Bolivia)
- Training per se is unlikely to address the key problems which female district managers face. Future programmes need to address the needs of women managers in a more practical sense by considering transport and the buildings they need. District managers have been overloaded with training and there has not been enough follow-up or monitoring. (Pakistan)
- Structural changes are difficult to bring about through the model adopted - i.e. the provision of consultancy, training and workshops. There has to be strong commitment from the institutions and their apex body from the project design stage and they have to act in partnership to effect the changes. This was not effectively handled. (India)
- Unless training is incorporated within a larger programme/framework that can directly utilise the capacity and capability development, it is difficult to ensure that the capacity and capability are well used. (India)
- To improve in-service teacher training requires systems as well as skills. The systems must operate at a decentralised level. Distance education also requires systems for learner and tutor training and support, not just materials. (Vietnam)
- Poorly organised and coordinated top-down schemes for training and technical assistance have often undermined local capacity-building and have failed to have an impact. (Bolivia)

Taking account of the practical problems, a number of PCRs come up with suggestions for capacity-building. The problem caused by the lack of continuity of staff can be mitigated by building core teams and seeking commitments to keep trainees in the jobs for which they have been trained (Jordan), developing networks (Malawi) and by targeting staff who are less likely to be moved (West Bank and Gaza) or those with future potential (Pakistan).

- The capacity building project has shown the importance of building core teams when there is a lack of continuity of personnel. The transfer of people trained under the project was a handicap. There should be an agreement to keep people in their posts for a minimum of one year after training. (Jordan)
- The professional development of key staff should be given a higher priority, both through more careful attention to staff appraisals, the development of a mentoring system etc. The project has successfully brought together groups of professionals who do not normally work together successfully... (Malawi)
- Much longer term policy work is best targeted at middle level management which is less vulnerable to political change, contains key decision makers of tomorrow and is often close to policy development initiatives or directly managing/overseeing policy change. (West Bank and Gaza)
- The project has learned to concentrate its capacity-building efforts on younger staff with the potential for promotion in order to ensure that they will be of benefit in future. (Pakistan)

Financial inducements for trainees should not be necessary (Sri Lanka). Staff can be motivated by helping to raise their self-esteem (South Africa) or by study tours that demonstrate how things work elsewhere (Nigeria).

- Payment to teachers to attend courses is not necessary: high quality courses attract teachers irrespective of attendance allowances. (Sri Lanka)
- Working closely with district officials in providing in-service training and support raises the self-esteem and confidence of teachers very quickly. (South Africa)
- Study tours, if designed and operated effectively, can provide a major impetus for change. (Nigeria)

PCRs contain many comments on skill development methods. They should be appropriate to the needs of the trainees and culturally sensitive (Iraq). Experts and facilitators must be selected so that they understand the local context (China, Ethiopia). Suggestions include mentoring (Malawi), learning by doing (Nigeria), training of trainers (Zambia), developing user-friendly materials (Kenya), making greater use of domestic training capacity (Russia), on-the-job training (Botswana), continuous development of facilitators and a focus on integrating new learning into practice (Bangladesh). In China (and elsewhere) work attachments were a good way to develop individuals but not to change organisations.

- Classroom training requires native language skills and cultural understanding. One-on-one mentoring is essential. Training best if tailored. (Iraq)
- Chinese counterparts are keen to work with international experts. But uptake of new ideas often requires difficult changes in culture and institutional behaviour, implying the need for strong appreciation of the Chinese context. (China)
- Quality of facilitation by a hired party is important and requires attention to knowledge building for all groups involved, deep and consistent understanding of interests (including political interests) recognition of power elements in relations between citizens, their institutions and the state and identifying means of cementing agreements between parties. (Ethiopia)

- The professional development of key staff should be given a higher priority, both through more careful attention to staff appraisals, the development of a mentoring system etc (Malawi)
- Training is often best done through a “learning by doing” approach - if possible using the very issues that need to be considered by participants. (Nigeria)
- Using a training of trainers approach has improved the likelihood of training outputs being sustained. (Zambia)
- Developing user-friendly materials and interventions and cascading them to the frontline healthcare workers appears to be an effective way of introducing new interventions and training health care staff in a rapid and cost effective way. (Kenya)
- Greater use could have been made of domestic training capacity. (Russia)
- Work attachments were successful for developing individuals within organisations but not for implementing organisational change. (China)
- On the job training is far more pertinent than more formal training schemes. (Botswana)
- Proper implementation requires continuous development and mentoring of facilitators and a focus on the learning process i.e. how to integrate new learning into practice - less on the structure of the training session and knowledge transfer. (Bangladesh)

### **2.5 Tackling cross-cutting issues: -**

Comments on **HIV/AIDS** are not as widespread as one might expect, given its prevalence, but PCRs do stress the importance of tackling the issue as a mainstream concern (Malawi, Nigeria) while one from Lesotho comments about the difficulty of getting private sector commitment.

- It is now vital to ensure that HIV/AIDS and gender issues are fully integrated into all work at all levels. It helps to have data to support this since there remains some reluctance to do so. (Nigeria)
- Retention of counterparts can be a problem, however, because of more attractive salaries elsewhere or AIDS. (Malawi)
- HIV has become a component of all DFIDs projects and is a “marker” in DFID systems. Mainstreaming HIV/AIDS in the future design of MNH activities and ensuring it is adequately addressed, must be a priority. (Malawi)
- It is difficult to get commitment from Chief Executive Officers on the HIV issue. Affordability is a major barrier to scaling up the private sector response to HIV/AIDS. (Lesotho)

**Gender** is also less common in PCR comments than one might expect, particularly from regions other than South Asia. PCRs from Bangladesh, India and Pakistan found that gender issues must be specifically targeted if they are to be addressed successfully. There are some interesting comments from other projects – the need for practical steps to address the problems of women managers in Pakistan; and several examples of successful interventions in India, Bangladesh and Pakistan.

- Gender issues were found to be very important and appropriately tackled by the project but it required a specific emphasis on gender. (Bangladesh)

- “Participatory” micro-planning does not automatically lead to gender and equity sensitive integration of livelihoods options of poor forest dependent people. Micro-planning must be specifically designed for these livelihood outcomes. (India)
- Broad-based community mobilisation is essential for effective and sustainable development but it is essential to focus specifically on the poorest and most excluded, including women. (Pakistan)
- It is important to ensure that gender is a cross-cutting theme in every section of the project. (Pakistan)
- Training per se is unlikely to address the key problems which female district managers face. Future programmes need to address the needs of women managers in a more practical sense by considering transport and the buildings they need. (Pakistan)
- Residential camps for girls, school mapping/micro-planning, providing a platform for adolescent girls, community based school construction, intensive supervision of non-formal centres, and initiatives for women’s empowerment are some of the best practices worth emulating. (India)
- Several success stories of women’s empowerment have emerged from literacy classes which provide a legitimate, daily meeting place for women whose mobility is restricted. (Bangladesh)
- Poverty-focussed micro-finance programmes for women can be financially viable in Pakistan and taken to scale quickly, if the programme is focused and the product range restricted. Poor people are willing and able to pay sustainable levels of interest on loans. Their main concern is the size and period of the loan, rather than the interest rate. (Pakistan)

**Conflict** sharpens the need for project managers to create good relationships with other stakeholders and build their own credibility (Nepal, Serbia and Jamaica – see below). These PCRs stress the importance of a partnership approach and inclusivity to prevent conflict. Sensitivity to the local situation and the ability to adapt and respond flexibly (Serbia, Iraq, West Bank and Gaza) is even more important than normal. Two PCRs (Nepal and West Bank and Gaza) endorse the importance of conflict-sensitive strategies that take account of unintended positive and negative impacts. Another Nepal PCR advocates training for staff in conflict issues. At a more detailed level, one of the Nepal PCRs advocates labour-intensive infrastructure as a way of providing employment and the Rwanda PCR emphasises the need for social protection for all vulnerable groups during the post-conflict phase, not just ex-combatants.

- Partner NGOs can develop capacity to be operational in conflict as they become transparent and accountable to the communities where they work. The rights of the concerned community to be informed about the programme and its budget can be ensured by making this requirement explicit in the agreement between project management and the implementing partner. Having local government and line agency witnessed and signed in the agreement increases the interest of local stakeholders. (Nepal)
- In the design and development of new, post-conflict, institutions, strong and continued involvement from all local beneficiaries and stakeholders as well as the international community is crucial. Account needs to be taken of local expectations and experiences in order to ensure acceptance and sustainable outcomes. In a post-conflict situation, contingency approaches have to be built into the design, in order to be flexible and

tackle unforeseen complications and delays, as well as absorbing the unintended effects of decisions by newly established institutions. (Serbia)

- Important that partners were allowed to get on with it and understand what worked, then adapt, take risks and make the most of opportunities. It is possible to work in Iraq despite the security situation if location is chosen well, if the organisation has a local face, if the approach builds rapport and credibility quickly with local people. International staff speak Arabic and look Arabic. IWPR took care to keep at arms length from the Coalition Political Authority. (Iraq)
- The adaptation of the project into its current format was the result of a positive learning process. It was the result of a realistic assessment by all parties of what could be possibly achieved in the light of developments (the break out of the Intifada and the loss of one implementing organisation). (West Bank and Gaza)
- The impacts of working in conflict environments should be given more emphasis in terms of risks, delays, failure to reach full cost recovery and secure local community contributions. Development of risk and project conflict management strategies and actions should need to be formulated and studied. (West Bank and Gaza)
- Conflict-sensitive strategies; conscious effort to look for unintended positive or negative impacts and responding appropriately to such impacts make it possible to work in conflict. (Nepal)
- Labour-based infrastructure activities provide the most needed employment opportunities at the early stage of rehabilitation. Not only does it provide critical survival needs but it helps build social cohesion. A more inclusive approach should be followed to avoid potential conflict among communities and to increase acceptance of project activities in the community. Conflict-sensitive development training is a must for project staff. (Nepal)
- The exit strategy is critical in enabling the Government to design and implement a broader policy of social protection for vulnerable groups - not just ex-combatants, who should be integrated within wider programmes of social support. (Rwanda)

There are some examples from Sierra Leone of a different, more top-down, approach in a situation of government collapse, which required an initial reliance on expatriate staff and made it difficult to achieve a well-articulated policy framework (e.g. for the Anti-Corruption Commission). The key points are the need for strong high-level political commitment, a long-term DFID commitment and a leadership succession strategy.

- Strong leadership and direction in the police force are crucial as is the prevention of political interference in policing. In this project, this was achieved by appointing an expatriate as Inspector General of Police. Strong political commitment was provided by the President. It is important to provide the police with the means to do its job i.e. getting the right balance between skills and logistics. Long-term engagement is vital. The project would have achieved little without the follow-on programme. It was important to invest in future leadership to enable the Inspector-General of Police post to be localised. (Sierra Leone)
- The basics for the functioning of the Anti-Corruption Commission (ACC) should have been put in place at the outset, e.g. competent expatriate staff available to prepare the Strategic Plan, Conditions of Service etc. Also the expatriate staff became too involved in the day-to-day operations of the ACC, with the result that they were able to spend less time on skills transfer. The ACC was set up in a hurry. Only now is a National Anti-

Corruption Strategy being worked up. In an ideal world this should have been in existence first to set the agenda. (Sierra Leone)

Projects in dangerous environments should adopt best practice in relation to staff security and risk management (Iraq). A PCR dealing with a project in conflict-prone inner-city Jamaica advocates a diverse project team with the right skills to handle a tricky situation. Good management practice (as described for West Bank and Gaza) is fundamental to a robust response in a conflict zone.

- The adoption of best practice in relation to staff security and risk management allowed the project objectives to be accomplished in spite of the difficult situation. (Iraq)
- In order to work in violent and fragmented communities, you must establish your neutrality and positive contribution as early as possible. Recognise the need for different styles of management and for a diverse team of project officers that can handle complexity, conflict and uncertainty well. (Jamaica)
- Developing a critical mass of professionals using and promoting a primary health care management model has been essential in impacting change and health sector reform, especially in situations of conflict. (West Bank and Gaza)

Post-conflict reconstruction brings strong pressure for urgent action which may not be consistent with normal management systems. PCR comments are divided on whether this leads to good or bad outcomes. A Serbian PCR warns against mixing emergency and development phases of aid because the skills required are so different. For Sierra Leone and Iraq (recruitment), short-cuts were a bad thing but for Iraq (procurement) and Serbia good practice delivered quickly was better than best practice delivered late.

- The emergency phase should not be allowed to drift into the development phase of aid. The two phases are distinct requiring two very different sets of skills from both individuals and organisations. (Serbia and Montenegro)
- A thorough survey before purchase [of a ferry] is essential. (Sierra Leone)
- It is vital that there is proper planning so that the recruitment process can follow up effectively. Finding suitable candidates was difficult, not just because of the Iraq factor but because of the lack of proper Terms Of Reference (TORs) for each post. The recruitment process was also dogged by unrealistic deadlines. (Iraq)
- With hindsight it was probably never practicable to work to the very tight timetable envisaged without prejudicing good procurement and engineering practice. The programme had to respond flexibly to changing priorities and demands. [Nonetheless] The project was remarkably successful in adopting good procurement practice, imposing clear and transparent processes in a difficult environment. The Iraqi contractors responded well to this. (Iraq)
- DFID supported the GoS and privatisation agency (PA) from the outset rather than waiting for the regulatory framework to be in place and for the PA to be fully-fledged. This approach was beneficial. (Serbia)

## **2.6 Preparation and design**

**Preparation** must be given enough time (Malawi and Bangladesh). Proper planning is essential even in an emergency (Iraq).

- Allow substantial time at inception for conceptualisation, planning and consultation (this took two years in this case). (Malawi)
- The follow-on project includes inception and completion phases to learn from past experience and provide for detailed work-plans, proper selection of learners, NGOs, teachers and supervisors. (Bangladesh)
- It is vital that there is proper planning so that the recruitment process can follow up effectively. Finding suitable candidates was difficult, not just because of the Iraq factor but because of the lack of proper terms of reference for each post. (Iraq)

An **inception phase** may be a good idea (Kenya, Brazil). But there are risks of creating dependency by concentrating unsustainable resources in one area (Tanzania). Moreover, initial work and delays between phases should avoid raising unrealistic expectations (Nigeria). There are situations, such as post-conflict interventions (Iraq), where a quick response and diving in the deep end is right: -

- Projects need an inception phased to review the original design in light of the national and international context (particularly if delays have occurred). Funds need to be provided and explicit activities planned to undertake needs assessments, compile baseline data and gain agreement and ownership on key project strategies. (Kenya)
- A less ambitious and less prescriptive project might have been preferable and an introductory phase could have helped build local commitment. (Brazil)
- Piloting an initiative in one area can spoil people and institutions in that area, creating dependence on resources not normally available. (Tanzania)
- Phase one had tried to link literacy to income generation activities but the link proved hard to sustain. Yet expectations of funding were raised. Do the research first before raising expectations of funding for particular activities. Time delays between project phases should be minimised to avoid community expectations being raised and then disappointed. (Nigeria)
- Now need to ensure opportunity to experiment and learn how to work with the culture. In the context [post-conflict] it was beneficial to start implementing before waiting for the perfect project design and logical framework, allowing corrections to be made in year 2 onwards. (Iraq)

Projects should take a strong **strategic approach** based on the principles of sound analysis and partnership discussed above. Examples from Bangladesh and Mozambique outline what this means. In particular, the Mozambique case stresses that interventions should stem from the local partner's own strategic analysis and build strong local processes and procedures.

- The appropriate approach requires sound organisational diagnosis, consideration of change management options, good communication and participation between the stakeholders, a mutual understanding of their roles and responsibilities and a continuous review process to adjust to changes in the stakeholder and organisational environment. (Bangladesh)

- The need for a strong strategic framework. Public financial management reform is a very long and incremental process. Thus the Ministry needed to develop its own strategic analysis of budgeting and planning. The accounting system is the weakest component of financial management. Reform is not just a matter of introducing new technology but strengthening and reforming basic public accounting and cash management systems together with the training of qualified public accountants. (Mozambique)
- Strong processes and procedures are vital, for example developing integrated planning and budgeting processes and workable procedures and then facilitating their use within the government planning and budget cycle. (Mozambique)

Planners need to take a view on the appropriate boundaries for their intervention. Several PCRs suggest that, particularly where change processes are involved, **project scope** should be comprehensive (Tanzania, India, Namibia, Romania, South Africa, Bolivia). However, there are counter-arguments. In Ghana, one PCR argues that the breadth of the intervention led to opportunities being missed. A Bangladesh PCR poses the dilemma between trying (and probably failing) to promote fundamental changes or trying (and probably succeeding, at least in the short term) to improve specific processes.

- An effective and efficient human resources and payroll system helps to release recurrent resources and cut down on corruption. The cross-cutting nature of these systems requires inclusive and tight management and coordination arrangements. Success to date in Tanzania derives from the comprehensive nature of the public service reforms. (Tanzania)
- Interventions in slum pockets need to be built into wider and integrated town-wide approaches to poverty reduction. Reforms in municipal management, accounting and organisation are necessary for sustainability. (India)
- The whole sector approach proved to be a major success. It brought together for the first time a group of stakeholders who were led to understand better the sector and to see beyond their own insular concerns. (South Africa)
- It is a mistake to develop statistical systems without also building the capacity to make use of the resulting information. (Namibia)
- Soil management and irrigation are only parts of the productivity agenda in an integrated rural development project. If the wider issues are not attended to the impact is likely to be limited because of the absence of intervention in the other important issues. (Bolivia)
- It would have been impossible to establish a functioning probation service without simultaneously developing high levels of cooperation with the judiciary and community agencies. (Romania)
- Successful intervention in financial management means also addressing fundamental changes in related systems including human resource and strategic management. Need to consider whether a modest level of focussed and tangible achievement is worthwhile in the absence of more fundamental reform. Failure to address dysfunctional elements may undermine long-term development. The implications of adopting a lower level of ambition need to be fully understood as this is likely to have serious consequences for project impact. Is a modest level of focussed tangible achievement in key operational processes justified in the absence of more fundamental reform? (Bangladesh)
- The scope was too large and thus insufficient focus was given to those organisations keen and willing to change. (Ghana)

Lessons from many PCRs reinforce the value of ensuring appropriate and adequate **stakeholder involvement in design**. This creates local ownership (e.g. Pakistan, Zambia) and prevents resistance (Zambia). The first Zambia case advocates wide consultation of beneficiaries. Participation can also minimise delay during implementation (Uganda). In the Jamaican education project, participation was encouraged by small grants to schools and communities. However, maximum stakeholder involvement is not always practical or desirable (e.g. the last Russian comment).

- The development of the project logframe in discussions with counterparts in the Health Directorate helped ensure ownership of the project since officers felt that ideas and activities were their own rather than simply donor driven. (Pakistan)
- Including implementing partners in the design stage enhances their sense of ownership. Full involvement of young people from projects benefiting them should be planned from project design stage. (Zambia)
- Several staff alleged they had not been consulted adequately or in some cases at all about the design. This led to vocal resistance to the project (from amongst others, the future Minister for Health) as people viewed the project as bolted onto mainstream school rather than an integral part of it. (Zambia)
- There is need to involve all project partners right from the project planning phase - this would have led to minimal delays and encouraged sub-counties and local governments to be challenged to take an active part in the formulation and management of their health services. (Uganda)
- Good design involving extensive stakeholder participation is crucial. The Minister for Education referred to this programme as a good example of how to develop programmes in a fully collaborative way and was an example for other donors to follow. The presence of an in-country adviser during design and start-up facilitated Jamaican engagement. Key to the success has been empowering school based planning and decision making through small grants to both schools and communities. (Jamaica)
- At the programme level the scheme demonstrated that there are a number of ways to bring coherence to a highly dispersed scheme by (1) introducing a straightforward, even prescriptive project model so that a unified approach and guidelines could be developed to lead project design, monitoring, evaluation and dissemination; (2) development of an appropriate communication strategy to enable reach and involve all participants; and (3) extend the value of dissemination activities by adding a stronger capacity building and training element. (Russian Federation)

The need to build **flexibility and responsiveness** into project design is picked up by a number of PCRs (e.g. Pakistan, Nigeria). The India power case is a good example where reform takes a long time and the project must adapt to deal with unanticipated challenges. This is far from unique. Moreover, responding to expressed needs can lead in unexpected directions (Afghanistan). The PCR does not say whether this was bad or good! The Peru case emphasises that flexibility in design is an integral feature of participatory approaches.

- Allow flexibility in planning so project managers can react dynamically to real needs. (Pak)
- Strong monitoring and research is essential and the logframe must be flexible to respond to changes in the environment. (Nigeria)

- The process was more difficult than envisaged at the outset. The Orissa experience has shown that reforming the intensely politicised power sector is a complex and long drawn out process. It is not just dealing with a technical and economic problem but deeper institutional and governance processes that have taken root over the last 40 years. A sustained process of capacity building and institutional development that is flexible and responds to a changing political environment must therefore be built in. (India – Orissa)
- The local demand for capacity building was so great it caused loss of focus on the original objectives. (Afghanistan)
- Building alliances requires time to build together, with selected stakeholders, the programmes' conceptual approach and afterwards revise logframes and strategies. Thus the PM must be taken as a flexible tool, not as mandatory fixed plans. (Peru)

However, there may be a trade off between flexibility and sloppy thinking (South Africa). Several PCRs call for more **rigorous and realistic logframes** (Botswana, Kenya). Again, the importance of participation in devising logframes is clear from the Zambia case.

- The project's major weakness was that it aimed to achieve two incompatible objectives - to build capacity and to finance activities at short notice which the government was unwilling or unable to fund. The project purpose was too broad and the outputs too general and difficult to measure. (South Africa)
- Thorough development of a logical framework while a project is being designed is imperative if all involved are to understand what a project is trying to achieve and how. (St Helena)
- Verifiable indicators need to be examined more closely to ensure that they are achievable in the timeframe and that their achievement can be legitimately attributed to the project. (Botswana)
- If logframes are to be an effective project management tool against which all project activities are monitored, they need very careful design. This requires facilitators skilled in both log frame development and reproductive health programming. (Kenya)
- Both the original and revised logframes had significant weaknesses (partially due to lack of participation in the development) resulting in the perception that they were for DFID management rather than for use as a planning tool by the school. (Zambia)

The following PCRs stress that design should be **simple and appropriate**:-

- Too many outputs were expected. Future reforms should be better prioritised and phased. (Zambia)
- The focus on those three critical performance indicators has demonstrated how sector programmes are most effective when they are concentrated on a small number of objectives. (Uganda)
- Design should be appropriate to the local situation. Some aspects were over-designed. (Bangladesh)
- Keep it simple - choose a geographically manageable area. This project chose two areas in very different and remote locations with different languages. This strained management and implementing capacity to the limit. Be realistic about the difficulty of the task and the skills available - choosing to work in parts of the districts with the least agricultural potential and then the poorest 25% of the community using a design reliant on participatory skills of Mozambican agriculturalists that were not generally available. (Mozambique)

One of the most common comments in PCRs was that project planners grossly underestimated the time needed to implement their ideas. Thus, a strong message is to **be realistic about how long it will take**. Particularly when interventions involve institutional change, capacity-building or empowerment of the poor, they take much longer than optimistic planners tend to think. Development often means being “in for the long-term”.

- For those who have been marginalised and used to exploitation, the process of development requires considerable handholding over a period of time. (Bangladesh)
- Projects intended to change organisational culture should be implemented over at least a five-year period. (Jordan)
- Projects need sufficient time to become firmly embedded. The traditional 3 year cycle does not work well. (Zambia)
- Institutional strengthening projects should have initiatives to improve and streamline management structures and systems. They should also have a longer time span to increase the likelihood that changes will be sustained. (Nigeria)
- Strategic long term changes in attitudes and practice takes substantial investment in human resource development over time. (West Bank and Gaza)
- The time needed to change policy and regulatory environments means that you need to be in for the long term. (Bridging the digital divide)
- It is almost a truism that institutional and change management takes longer than predicted, but this lesson seems to be one of the most difficult to learn. (Nepal)

## **2.7 Sustainability and exit strategies**

Sustainability is a frequent concern of development assistance planners and it is one of the considerations the authors of PCRs are asked to take into account when rating their projects. Thus, the overall high success rates of DFID projects should be reassuring. However, sustainability and related issues surface as common concerns of PCRs. Comments often point back to the fundamental premise, discussed above at some length, that **local ownership is the key to sustainability** – see the further examples from Serbia and Zimbabwe below.

- The success of any initiative will be limited without ownership of local stakeholders who will be responsible for sustainability. The number of initiatives at PUH that are sustainable are those that have been developed and implemented with the full participation of both counterpart and Kosovars. (Serbia and Montenegro)
- The biggest success of the project has been the empowerment of target groups in terms of social cohesion and ownership of the project processes. This has contributed to the sustainability of the project and should be a feature of community based interventions. (Zimbabwe)

**Financial sustainability** is a common facet of this issue. Several comments point to worries about external financial dependence (Lesotho, West Bank and Gaza). Dependence on government funding can also be a big problem (Antigua, Nigeria) and may not be a robust exit strategy for DFID (South Africa).

- Affordability is a major barrier to scaling up the private sector response to HIV/AIDS. The lesson from the MDA component was that it is vital to have the required financial

resources in place before embarking on a major transformation process. Financial dependence on donors was a major weakness. (Lesotho)

- Where DFID funding of partners is coming to an end DFID needs to ensure that this is fully understood by the partner well in advance of project completion and DFID may have a role to help partners secure alternative sources of funding. (West Bank and Gaza)
- Sufficient funds for maintenance and the provision of equipment should be agreed before projects commence. (Antigua)
- Projects that depend on government funding need a fallback plan in case it is not forthcoming. (Nigeria)
- It is very high risk to fully fund activities in the non-government sector with the vague aspiration that governments will pick up the tab. It is this sort of experience that has led DFID to the view that enclave projects, set up outside government, rarely contribute effectively to systemic reform. (South Africa)

In some cases, it is important to recognise that financial sustainability may be out of reach e.g. for basic education interventions: -

- Education interventions cannot be financially self-sustainable, especially at basic education level. (Bangladesh)
- This adult education programme is likely to be sustained, although there are problems in sustaining the tutor network, but the cost is out of reach of the poor without subsidy. (South Africa)

Moreover, money isn't everything: -

- The reforms will not yield the cost savings that were forecast but they will produce improved processes and systems with a long-term payback. (Jamaica)

Business sector projects need to have financial sustainability written in to their design: -

- Developing an organisational culture of zero tolerance of loan delinquency is essential for financial viability. (Pakistan)
- Future projects should build mechanisms to avoid dependence on donor funds, e.g. a loan/venture capital approach. (Kenya)
- Ensure detailed appraisal of institutional and financial sustainability during preparation. Consider providing an expert to ensure financial sustainability during initial period. (Montserrat)

**Exit strategies** must be explicit (Namibia, Nepal) and when they involve lesson learning, dissemination and replication this must be planned for and resourced (Brazil, Tanzania, Kenya, Cambodia). The phasing out of donor funds may need to be extended (South Africa). However, the Mozambique and Uganda experience suggests there are diminishing returns to technical assistance at the end of a project and that continuing donor support may simply allow the government to avoid taking responsibility.

- An exit strategy should have been devised at the beginning of this phase for the smooth transition from a donor-funded project to an approved Ministry programme. Special attention should be given to dissemination of project results. (Namibia)
- A longer term master plan, incorporating the contributions of all partners, is needed to be more effective and avoid duplication of effort. A clear entry and exit strategy should

be prepared and agreed in advance, based on clearly defined maturity or minimum standards. (Nepal)

- The project should establish clear strategies and mechanisms for mainstreaming its principles within partner institutions which entails identifying key people within the institution and analysing the explicit and implicit institutional interests that may provide entry points for change processes. (Brazil)
- It is essential that, towards the end of a lengthy engagement in reform, DFID provides an early signal to Government about its intention to exit and the rationale on which this decision is based. There is a risk of diminishing returns from TA especially if it is seen as only providing a hand-holding role. (Mozambique)
- If the aim of the project was to generate lessons then the strategy for dissemination has to be included as a specific project activity. (Tanzania)
- A greater focus on lesson learning and dissemination is needed in projects that test innovative service delivery strategies. (Kenya)
- The importance of synthesising, disseminating and adopting lessons learned for program improvement is in itself a key lesson. The dissemination of lessons learned and helping to ensure they inform policy and other programmes requires greater focus. (Kenya)
- Mechanisms for lesson learning and feeding them into national policy making need attention, especially where the project is contracted out to an external implementing agency and local Government to implement. (Cambodia)
- A more gently phased withdrawal of development partner funding would have assisted the ongoing work of OLSET (educational) broadcasting. (South Africa)
- The longer a donor remains in the sector and providing support, the longer it allows government not to take responsibility for financing the support. (Uganda)

## **2.8 Programme delivery and management**

*“Team work and commitment by project personnel cannot be overemphasised.” (Tanzania)*

### **2.81 Managing technical assistance (TA) and project staff**

Some PCRs reflect relatively recent application of partnership principles to the management of TA. According to a Bangladesh PCR, the partnership should have explicit rules that are understood by everyone. An Ethiopian PCR makes similar comments in relation to a pooled donor fund for TA and adds the need to build local capacity to manage TA procurement. PCRs give considerable weight to selecting the right project staff (e.g. Iraq). A Zambia PCR comments that it is better for the recipient government to select the TA personnel and one from South Africa regards local involvement in selection as a strength. A Cambodian PCR makes the point that if experts lack the full range of skills required, they should be trained, and one from Romania advocates appropriate orientation of TA personnel beforehand. Several PCRs advocate a judicious mixture of local and international expertise (e.g. Jordan, Nepal) and one from Brazil strongly supports hiring national consultants. However, a Nigerian PCR warns against poaching government staff for project purposes.

- Principles of partnership need to be drawn up and agreed between government and donors to clarify, for all concerned, responsibilities and accountabilities in the design and execution of TA to support the maintenance of trust and confidence. (Bangladesh)

- There must be clear guidelines agreed by Government and donors about developing and agreeing terms of reference, about procurement and how to take account of the quality of TA as well as its cost. It is important to build the capacity of government staff operating the pooled fund, especially in writing terms of reference and evaluating proposals. (Ethiopia)
- Very important to recruit the right staff in the Iraq context - for security and doing the job. Probation, reward and development all important. (Iraq)
- Technical assistance worked better where the Ministry selected its own TA. TA is often essential in new areas such as HIV/AIDS but needs to be handled sensitively in relation to problems of local salaries and motivation. (Zambia)
- The use of HM Customs and Excise and recently retired officers produced considerable cost savings. Consultants were interviewed in person with inputs from a South African Revenue Service representative. This is a strength. (South Africa)
- Where TA have been selected and don't have appropriate/sufficient skills, further training should be provided. (Cambodia)
- It was important for the project manager to spend time preparing UK-based colleagues so that they could make the most beneficial inputs. (Romania)
- The use of local and international consultants built partnerships, bringing different strengths and supporting the local resources. (Jordan)
- The approach of employing a team of full time national consultants supported by short term international specialists with an adequately trained and experienced staff has proved to be a very successful combination. (Nepal)
- There was weak management underlining the importance of identifying people within the institution and external consultants with key skills (both personal and professional) for promoting change. The selection process must be in synch with participatory approaches and based on Terms of Reference that include these skills. Despite the key role played by international consultants, it is advisable wherever possible to hire national consultants to build local capacity and strengthen local, regional and national networks. In projects managed by multiple institutions it is absolutely essential to clearly and consensually define roles and responsibilities in project steering, financial management, strategic decision-making, monitoring and evaluation. Internal conflict resolution mechanisms must be created. (Brazil)
- In order to implement a large-scale literacy programme effectively, the management should have a strategy of developing a pool of local human resource to mobilise as resource persons to organise training programmes as well as making technical assistance conveniently available at the local level. (Nepal)
- Seconding Ministry staff out of their position into a project to do a job that is actually part of the Ministry's role is not appropriate and is not a substitution for ownership. Rather than seconding a Ministry staff member out of their position to work with the project, it is a better approach to keep the staff in position and support the Ministry to fulfil its role. (Nigeria)

There is a lot to be said for **resident expertise and project management** to provide good communications, maintain momentum and ensure that costly international inputs are effective (Nigeria, Russia, Albania, Pakistan). A PCR from Mozambique advocates strong on-site coordination to make the most of consultancy inputs, although there is one case (India) where the consultants for a large power project undertook the necessary coordination themselves. However, locating expertise within the partner organisation may not work if

the focus on skills transfer is not strong enough (Pakistan) or if staff become bogged down in inappropriate work (Kenya).

- With large decentralised implementing teams there is a need for an on-site project manager who has responsibility for moving change management and institutional strengthening projects forward on a day-to-day basis. (Nigeria)
- Resident project management with proper technical expertise is essential to developing and maintaining good working relations with local stakeholders and monitoring and quality-reviewing advisory services from experts. (Russia)
- Don't design projects with entirely non-resident TA when the focus is on long-term capacity and systems development and there are excessive and conflicting demands on the most competent partner staff. (Albania)
- Management improved after a local CTA [expert] was appointed. The increased interaction between Government officials and the project team allowed greater dialogue and greater responsiveness in the way the project was implemented. The British Council presence in the department has become a long-term TA office and there is no evidence of skills transfer. (Pakistan)
- Short-term consultancy can achieve little on its own. Strong on-site coordination is required to drive a process project. This coordination capacity should have a strong strategic understanding and a long term view. (Mozambique)
- Extremely high quality TA through four separate contracts has required significant coordination between consultants. This was achieved through mechanisms established in the consultants' terms of reference. (India – Madhya Pradesh power)
- There are instances where long term TA have become overly engaged in tasks that do not necessarily require their level of skill and expertise. The opportunity costs of staff time devoted to inappropriate tasks are not being sufficiently considered or managed. Under pressure to deliver on too broad a range of work activities, there is a real danger that staff may choose or feel under pressure to work inappropriately long hours. (Kenya)

International staff must behave as good partners e.g. by respecting local ways of doing things: -

- Working practices of national governments must be clearly explained to expat officers before they take up post to avoid misunderstandings and inappropriate behaviour. (St Helena)

A number of PCRs comment on the benefits of **continuity** (e.g. West Bank and Gaza) and the problems caused by gaps in project staffing (e.g. Kenya, South Africa), although the presence of national staff may be an effective strategy for keeping things going (Burma). Staff continuity and adequate handover arrangements are also issues for DFID.

- There was continuity of key legal and economic consultants throughout the project which created a productive relationship with the Ministry and allowed the consultants to become familiar with local conditions. (West Bank and Gaza)
- Continuity of staff on both sides allowed strong relationships which facilitated change in project management. Good communication was vital. (Ukraine)
- Delay in appointment of a project manager contributed significantly to the underachievement of the project within its original time frame. (Kenya)

- No project manager was appointed until over a year into the project which was detrimental to a partnership project. (South Africa)
- PSI was able to cope well with the high turnover of international staff mainly due to the continuity of national staff. (Burma)
- DFID Advisers can play a highly effective role in SWAP development through effective and high level partnerships with Government. Continuity of engagement is important when DFID is playing an influencing role. (Kenya)
- There is a need for greater attention to handover processes within development agencies such as DFID to ensure sufficient institutional memory to learn and act on lessons. (Non country Specific)

### **2.82 Implementing flexibly**

The importance of adapting projects to changing situations is an important theme picked up by several PCRs (e.g. Kenya, Nigeria, Uganda, Brazil, West Bank and Gaza). However, the South African case suggests that changing tack too soon may be a bad idea if project processes have not been given time to work.

- Flexibility in planning and management must be maintained at all times to ensure that programmes can effectively tackle new or persistent constraints. (Kenya)
- The ability to adjust project parameters is important - whilst outcomes might change from those originally envisaged - the new outcomes might in fact be more appropriate and relevant to the reality on the ground. (Nigeria)
- Flexibility in project design is very important. After the mid-term review, the project design was changed to suit the local district needs and prevailing government policies. This allowed the project to focus on real district needs and included support to the Heath Sub-district development. (Uganda)
- During implementation there has been flexibility to incorporate other potential areas in the project based on the vision that sectors are interconnected. This flexibility in the management has been essential for the delivery of a more complex and strategic project with more sustainable results. (Brazil)
- Timely and creative responses to the situation, such as moving the office into a converted garage, have been central to the success of the programme. (West Bank and Gaza)
- The project shifted strategy mid way when it became apparent that the subsidies for business services were not having the desired effect. Instead DFID shifted towards facilitating a market approach for business development services. It is too soon to tell whether this is working. Future projects need to allow more time for change to work. (South Africa)

It is important that revised objectives are agreed and adequately recorded: -

- When changes to the logical framework or project implementation are agreed upon, all possible effort should be made to document those changes properly. (Central America)
- The logframe was revised but there were still differences on definition and appropriateness of the indicators of project performance- making it difficult to get project activities directed toward the new poverty focus. (India)

### 2.83 Management systems

Some PCRs express some basic concerns about management such as the damage caused by interruptions in project funding (South Africa, India) and the need to retain adequate documentation (Bangladesh). The fact that such elementary issues surface at all is worrying.

- Project funding periods need to be longer. Interrupted periods every 12 months has been harmful to the overall performance of this project. Lack of secure long term funding impacts on project decisions and ability to implement long term strategies. Innovation too is hampered. (South Africa)
- Need for smooth fund-flow is essential for programme continuity and maximising impact. (India)
- Basic documents on current projects (even those with a 10 year life span) should be retained and accessible for the lifetime of the project. (Bangladesh)

There are a range of suggestions for **collaborative management approaches**. These include joint implementation plans (Malawi, St Helena), transparent reporting (St Helena) and various kinds of consultative mechanisms and steering committees (Russia, South Africa, Zambia). A Nigeria PCR suggests the need for a project board, separate from the implementers, to approve plans and conduct reviews while one from Mozambique agrees about the need for projects to be accountable to a higher authority but stresses that this should not be a specially created body. The implication is that projects should use existing systems.

- Development of a clear, agreed work plan has provided a platform for other development partners, NGOs etc to provide additional support to the projects. (Malawi)
- Joint annual implementation plans must be developed collaboratively to emphasise working partnership. Transparent and timely budgetary monitoring and reporting to project partners improves overall project management. An agreed reporting format should be established to ensure the information requirements of each partner are met. (St Helena)
- The management model included an Advisory Board (DFID, SMT, independent advisors, reps of in-country organisations) allowing good representation of the main stakeholders' points of view. (Russian Federation)
- The envisaged project co-ordinating mechanism was not realised until the last 2 year of the project. This mechanism was very useful in moving the project forward. It could have solved earlier problems. (South Africa)
- National consultative mechanisms (Reproductive Health Committee) facilitated integration of project outputs into Government policy and strategy documents. (Zambia)
- The project steering committee should have comprised government staff from the provincial and national departments. The role of Steering committees needs to be carefully considered at the outset of the project and regularly reviewed throughout the life of the project. (South Africa)
- A project board, separate from the implementers is necessary to approve the plans and conduct reviews. (Nigeria)
- Project performance needs to be accountable to a higher authority but not a specially created project steering committee. (Mozambique – customs)

Although some PCRs endorse the idea of administrative implants in partner organisations (Jordan, Zambia), there is a strong current of opinion that specially created **project management units** are a bad idea because they duplicate existing systems (Malawi, Mozambique).

- Setting up an administrative unit as a focus for project activity has been essential in a highly mobile Ministry. (Jordan)
- Having a person working within the government health system but dedicated to logistics management of contraceptives and commodity security has directly benefited project achievements (Zambia)
- It is important to work within Government or parastatal structures and not set up a project implementing unit or employ local “project” personnel. The problems that the project has had in mainstreaming our approaches and process illustrate the problems which all project implementation units have. (Malawi)
- Avoid specially created project management units because they create parallel systems and undermine line management responsibilities. (Mozambique – customs)

Delegating management responsibilities to partners (Kenya) is an important principle. However, contracting out management from DFID to consultants etc. does not always work well (e.g. CARICOM). It is important that relative roles are clear (Malawi) and that conflicts of interest are avoided (Egypt).

- Donors should outsource as much as possible the detailed management responsibility. They should focus on lesson-learning with their partners rather than concentrating on supervising the disbursement of grants. (Kenya)
- Contracting out project management support can result in inefficiency. (CARICOM)
- The management unit did not have autonomy to take decisions because of Government red tape. This led to unnecessary delays. GTZ managed the project but DFID staff were still required to spend a lot of time on it so the 10% overhead charged by GTZ was poor value for money. There should be a clear separation of duties between a managing agent such as GTZ and DFID to avoid duplication. (Malawi)
- The project had its management based in the recipient agency (to enhance ownership), with coordination through an individual both contracted to and specifying services from a firm contracted by DFID for financial and administrative services. This did not work well in terms of communications with DFID and ability to limit slippage. (Egypt)

Sometimes the best approach is to appoint project managers and let them get on with it: -

- Providing IWPR with sufficient funding at the start allowed them to attract good staff, build relationships in country and get on with the job. By a mixture of default and conscious decision DFID did not interfere with the model being developed during the first year. This probably allowed greater autonomy to make the most of the opportunities presented. The relationship developed with IWPR was enough to know that they were not deviating from project objectives. (Iraq)

## **2.84 Procurement and contracting (see also conflict section)**

Good procurement and contractual arrangements are important and can save a lot of money : -

- Clear and detailed TORs are required for successful contracting of responsibilities of outside agencies. (St Helena)
- One of the last Aid and Trade Provision projects. This benefited from a detailed feasibility study and the decision to put the project out to tender, which probably saved many millions of pounds. (Bangladesh)

PCRs dealing with slum improvement in Indian and roads projects in Mozambique show evidence that innovative approaches can work well, for example community contracting and community supervision to ensure compliance with social objectives: -

- The use of community contracting produced, on balance, better quality results and produced high community ownership of local infrastructure. (India-Cochin)
- Local authorities and community representatives can play an important role in monitoring contractors to ensure compliance with social objectives. But community liaison structures will only function effectively if all stakeholders understand the responsibility for their operation. (Mozambique)
- It is feasible and appropriate to include social clauses in contract documentation e.g. to facilitate the enforcement of labour standards. (Mozambique)

A Jamaican PCR provides some evidence of progress towards using local systems. However, a Pakistan case shows that focussing on local procurement can undermine value for money.

- The programme would have been implemented easier under one contract. For the new programme of support GoJ will take full financial and procurement control. (Jamaica)
- Civil works for the project were procured through a number of contract packages, the sizes set by the World Bank [IDA], to avoid precluding local contractors. The result was that truly international contractors were commercially discouraged from bidding as the packages were not of large enough size to cover their establishment cost and compete with local contractors. The consequence was lower contract values at the cost of lower quality, delayed completion and increased contract administration. (Pakistan)

Simplicity, clarity and fairness are important. If necessary, invest in better understanding of complex contracts to avoid disputes (Bangladesh). DFID should not intervene between the contracting parties when disputes do occur (India).

- The consultant was required to perform a number of tasks that should have been the responsibility of the utility. Shorter lines of decision-making are required. One of the project purposes should have been to simplify contract processes. Greater supervision of contractors was required even when they were ISO9000 registered. (India – Andhra Pradesh)
- Ensure contractual grant arrangements are clear to all parties. (Montserrat)

- Contractual conditions should be fair to all sides and not unduly biased in favour of the client. Some of the conditions (e.g. the large performance bond) may have been unduly strict. (Bangladesh)
- In projects involving highly complex contracts there should be more emphasis on creating mutual appreciation of the way that contracts are meant to function. This might have avoided a dispute at the end of the project when the contract included dispute resolution mechanisms. (Bangladesh)
- Contractual issues should be resolved between contracting parties (in this case GoO and GEC Alstom) and DFID should not get involved in mediation. (India – AP)

IT systems funded under DFID's financial aid procedures have experienced particular problems in Mozambique and Ghana because of inadequate Government contract supervision:-

- Where IT systems are being implemented under DFID financial aid, it is essential that Government has satisfactory contract supervision arrangements in place. It is important that a clear distinction is made between responsibilities for capacity-building and the delivery of IT products. There must be an explicit handover process for IT products to avoid the risk of conflict between the end user and the service provider which might spill over into DFID's relationship with both parties. (Mozambique)
- The project required increased support for procurement and project management rather than the minimalist approach to implementation adopted by GoG. (Ghana)

## **2.9 Monitoring and evaluation**

Strong monitoring and evaluation (M&E) systems should help projects learn from their own experience. They should also provide evidence for advocacy (Bangladesh). Innovative projects need to be constantly learning. A Pakistan PCR recommends that independent reviews should make an important contribution. Performance measurement should be a shared activity with other stakeholders (India). One PCR criticises DFID staff for not visiting the project (Malawi), while another complains about excessive visiting by ill-informed advisers (Mozambique). A Vietnamese PCR stresses the importance of looking at internal variations of performance as a management tool for capacity building.

- Alongside the monitoring systems, the independent research division has played a big role in pointing to the weaknesses of the programme. These studies forced corrective action. (Bangladesh)
- Without an objective assessment, advocacy for the project's approach is difficult. (Bangladesh)
- Monitoring provided the impetus for being able to partially readjust funds and activities. (Central America)
- Constant questioning and learning - partly through independent reviews - is essential in innovative projects of this kind. (Pakistan)
- Shared and agreed tangible performance measures are absolutely necessary. There is a greater need to take account evidence emerging from project research and project MIS to make changes to the project interventions. Systematic process evaluation to ensure inputs are transformed into outputs (contraceptive use) linked to the ultimate outcomes (reduced fertility). (India)

- DFID did not proactively visit the project's field activities. This led to a lack of understanding and erroneous advice. (Malawi)
- Twice yearly donor reviews, with a large team of advisers, most with limited experience in Mozambique, can be counterproductive - advisers add their own views making the project more complex. (Mozambique)
- Analysis of internal variations in performance is as important as with/without and before/after differences. This sort of analysis is directly relevant to organisational capacity building efforts. (Vietnam)

M&E systems must be well designed, put in place at the outset and they should include an independent component. It helps when monitoring staff are in an influential position and have good communication with stakeholders (Uganda).

- It is essential to put the necessary measurement tools in place at the beginning of the project to achieve regular ongoing monitoring and evaluation. Both impact and implementation monitoring must be seen as equally valid and necessary. (China)
- A detailed M&E plan should be submitted to the donor at the outset of the project and the first Output to Purpose Review should make sure it is implemented. (South Africa)
- Quality control and independent audit on performance should be introduced for all major disease focused public health initiatives and undertaken by those without any vested interests. (Uganda, Kenya and Tanzania)
- The Poverty Monitoring and Analysis Unit is a small, lean and specialised unit which has aided the flow and analysis of poverty information both internally and externally to key stakeholder hubs. Due to its strategic location, communication distances are short and the flow and management of information is rapid. (Uganda)

But don't rely on technical fixes. One Bolivia PCR points out that the information system proposed to monitor policy-based lending for decentralisation simply clouds the real issue of political clientelism.

- Expensive and complicated information systems to improve management should be questioned for appropriateness to need. More complex and defined procedures may not solve problems of deep rooted corruption based on political clientelism. (Bolivia)

M&E needs good indicators, which can be measured without undue effort and are useful for management. There should be a baseline for assessing impact. In one case (Pakistan) two programmes supplying contraceptives allowed performance benchmarking: -

- Monitoring and evaluation of health performance indicators must be rigorous and baselines established at the beginning of projects and programmes. (St Helena)
- Selection of projects should be based on a baseline study not just to establish viability but to benchmark success. (Kenya)
- It is useful to have two programmes trialling different methods/types of supply of contraception and provides an opportunity for performance benchmarking. (Pakistan)
- Indicators should be used which can be useful tools for managing future (road) maintenance. (St Helena)
- Performance indicators should be realistic and impact measurement needs to occur over a longer timeframe. (South Africa)
- The number of indicators and the difficulty of collecting data on them also absorbed too much effort in relation to the project management benefits. (Bangladesh)

- Targets for community organisations should be set in terms of process rather than outcomes with the self determined indicators at the community level collectively contribute to project level outputs and outcomes. (Bangladesh)

M&E can provide stakeholders with an opportunity for reflection and reinforcing their group commitment : -

- The evaluation demonstrates the importance of spaces for reflection, valuing past experiences, correcting mistakes and identifying a way forward. The monitoring promoted by DFID has helped the partners learn about how to monitor other projects. The vision beyond control monitoring has helped to strengthen commitments, stimulate awareness of different actors and keep the group united. (Brazil)
- Holding a lesson sharing workshop six months before the end of the project was welcomed by all stakeholders and led to transparency, the opportunity for other stakeholders to contribute, time for contributions to be acted on, time for mature reflection. (Nigeria)

Community involvement in M&E can be successful: -

- Establishing assessment partners in the community was successful. (South Africa)
- Local authorities and community representatives can play an important role in monitoring contractors to ensure compliance with social objectives. But community liaison structures will only function effectively if all stakeholders understand the responsibility for their operation. (Mozambique)
- Participatory M&E is a cutting edge methodology for protecting the environment and improving the living standards of the poor. DFID should consider funding seminars, perhaps at the Institute of Development Studies at Sussex, to disseminate the methodology. (Mexico)

But it is as well to maintain a questioning approach to monitoring reports. Two PCRs warn that apparent progress towards targets can be misleading: -

- It is well documented that the poorer northern regions do not receive or have access to, the same level of services provided for in the south. These disparities are easily hidden with the aggregate figures given for overall health achievements in Ghana. (Ghana)
- Complacency is a real danger when progress towards targets is swift, as it is the most difficult situations that are those left at the end. (Kenya)

### 3. PROGRAMME AID, DIRECT BUDGETARY SUPPORT (including support for poverty reduction strategies) AND SECTOR WIDE APPROACHES

#### 3.1 Summary comments

The programme aid sample (20) covers a period when DFID's approach was evolving from traditional programme aid (with strong links to IMF programmes and a requirement to audit a specified sample of the recipient Government's spending) to general budget support for a broader set of policies drawn from PRSPs and a focus on overall fiduciary risk management. There is considerable variety too: - 11 from Africa, where DFID is generally pretty influential and 9 from Latin America and Asia where DFID has much less leverage. Two of the Asian cases are for direct budget support to Indian State Governments. Thirteen of these cases were judged successful (i.e. 1 or 2), one was rated 3, three were failures and the remaining three were considered too early to judge.

The Sector Wide Approaches (SWAs) were defined to include some form of joint donor funding of the sector linked to sector-wide targets. The sample includes 7 operations covering health (3), education (2), decentralisation (1) and basic social services (1). Four of the SWAs are from Africa and one each from Asia, Latin America and the Middle East. Three scored 2, three scored 3 and one scored 4.

Overall, with one exception, these PCRs are consistent with the current DFID wisdom that budget support should be provided in support of recipient government agendas, harmonised with other donors, provided through recipient budgets and systems, predictable and preferably long-term. Several PCRs dealing with sector wide approaches endorse the superiority of SWAs over project support and advocate a holistic sector approach with capacity building to underpin the use of recipient government systems. There were some mixed messages on conditionality and strong support for more investment in political analysis in a number of cases.

Comments on donor coordination covered the efficiency gains to be had from tighter donor harmonisation, albeit at greater cost to donors (Tanzania, Uganda, Malawi). However, in other cases (India, Pakistan, Kenya) coordination was seen as part of the search for leverage over recipient Government policies. It appeared especially important to link up with the World Bank, although concerns were expressed (India) that the Bank was not always a team player or provided inconsistent leadership (Bolivia). The Ghana case (programme aid) concluded that coordination with donors and Government needed to be strengthened in order to tackle the fundamental issue of reforming financial management (see below).

The Uganda PCR argued that conditionality was important because it strengthened the hand of pro-reform elements in the Government. It also recognised the likelihood of sensitive issues on the donor side which could become deal-breakers, so threatening the principle of predictable funding. The PCR argues for a well-understood set of principles and an agreed forum for handling such issues. Good communication with Government was a key lesson from the failed Malawi programme aid case where the end of donor funding caused serious disruption to the government budget.

In the Ghana and Bangladesh health SWAp, influence depended on good communication and the quality of relationships between donors and government counterparts. The Ghana experience of a local DFID health sector office was particularly positive. The Bolivian SWAp (see below) questioned whether DFID's small contribution to the common funding arrangements enhanced its influence or whether parallel funding would have been better.

The Vietnam PCR pointed out that it was important to be realistic about the degree of influence that donors could wield where countries do not depend on aid. Moreover, where the country's track record is good DFID should not be too concerned.

Political conditionality was raised specifically in Ethiopia. The experience there emphasised that the British Ambassador should take a leading role in a high level discussion of such tricky questions.

The PCR for the Uganda education SWAp endorsed the idea of focussing strongly on a few critical programme targets. For programme aid, there was some discussion of the need to target outcomes which were directly related to the reduction of poverty (Pakistan) and there was recognition of how hard this was to do (Vietnam).

Political issues seem to have been at the root of the failure of two of the programmes (Bolivia and Kenya). In the first case DFID did not have a good enough understanding of the political dynamics and, in the second, DFID was guilty of taking at face value assertions of Government commitment to what turned out to be a donor-driven reform agenda. The Indian cases also emphasised the importance of a good understanding of the "drivers for change".

However, the policy framework provided by a SWAp can provide the basis for dealing with political change. Experience from the Bangladesh SWAp underlined the problems of dealing with a change of government but concluded that the SWAp provided a framework for renegotiating donor funding to respond to the new government's priorities.

The Bolivian SWAp (co-financing a World Bank decentralisation sector adjustment credit) was also judged a failure. The reasons were a complex mixture of weak local ownership of the policy agenda, poor donor coordination and local institutional problems.

The Kenyan experience produced an argument for not tying disbursement to a specific expenditure item (in this case retrenchment costs) because it might not achieve the intended policy outcome (a reduced wage bill and protection of social sector spending). The PCR argues for the focus to be kept on outcomes. In Pakistan, on the other hand, funding IFI debt relief provided a convenient mechanism for giving the audit assurances then required.

The health SWAp in Ghana and Bangladesh give strong support to the progressive use of government systems for managing resources. They urge technical assistance to build local capacity to enable this to happen. PCRs for Zambia education and Bolivia programme aid take the same view.

The Bangladesh SWAp points out that donors must provide adequate funding to achieve the objectives. It is self-defeating to set funding levels that are manifestly far too low to

achieve adequate health service coverage and even worse to get the balance wrong by committing more DFID resources to technical cooperation than to funding services.

A SWAp for West Bank and Gaza provides a special case (but not a unique one) of emergency budget support. The PCR advocates fast-disbursing assistance, without conditions, to keep services running.

Several PCRs (Rwanda, Malawi, Mozambique and Uganda) argue for predictable funding and (Uganda) a graduated approach to cutting funds when things go wrong.

There are mixed comments on fiduciary risk. Some PCRs are concerned that more needs to be done to reduce them (Ghana, Kenya, Pakistan, West Bank and Gaza). But the Uganda PCR suggests that we should look more rigorously at the trade-off between development benefits and fiduciary risk when making judgements on budget support. In Vietnam, the PCR points out the Government's relatively good track record and urges realism over the influence DFID can expect to have on this issue.

Both India and Ethiopia point out the added complexities in federal countries when the aim is to bolster poverty-reducing spending and reform at the sub-national level. Commitment at both levels of Government is needed and firm indications of funding should be made at an early stage if transfers to the states are to be achieved.

At a more practical level, it is important to be realistic about the time needed to negotiate a policy matrix (Ethiopia). Both Indian and Ethiopian cases point to the value of learning from colleagues elsewhere in DFID.

### **3.2 Description of the data**

100% sample for programme aid, budgetary support operations and sector wide approaches (SWAps) completed after 31 March 2001 for which a PCR is available (see list). [The list includes one example of direct budget support for a sector programme – State Owned Enterprises, Bangladesh.] Two of the cases did not include any lessons.

### **3.3 The lessons**

#### **Policy dialogue and local ownership**

- The project was successful because the Government had demonstrated strong commitment to the reform agenda (Bangladesh).
- Direct budget support worked well because it was linked to an existing Government programme (i.e. state owned enterprise restructuring) (Bangladesh).
- Budget support was limited (by the GoI) to a year at a time which meant it was harder to focus on outcomes and the path to their achievement; with the risk that short-term concerns crowd out the more critical long-term reforms (India, Andhra Pradesh).
- Strong GoT leadership is critical for success. This has been progressively developing. (Tanzania)
- The changing nature of government-donor dialogue appears to have increased government ownership, though progress has not been even across all institutions and

sectors. Pro-reform elements within GoU have argued that conditionality has helped to accelerate change but conditions need to be communicated clearly and acted on to be credible. (Uganda)

- Funding the budgets of government institutions whether directly into a SWAp or indirectly through general budget support does create a greater sense of ownership, leadership and responsibility. However, institutional strengthening has to accompany such funding particularly in financial management, procurement, planning, budgeting, human resource development and monitoring/evaluation. (Zambia – SWAp)

### **Recipient politics and the reform process**

- The opportunities for supporting reformers can be short-lived so we need to take them when they arise. (Bangladesh)
- The Government was poor at explaining its reform agenda to the public and, as a result, DFID has been in the firing line for critical NGOs (India, Andhra Pradesh)
- The breakdown of Government-civil society relations prevented agreement of a Poverty Reduction Strategy Paper (PRSP), blocked Poverty Reduction and Growth Facility (PRGF - IMF) and Poverty Reduction Support Credit (PRSC - World Bank) programmes and meant that the Government failed to implement a more comprehensive Poverty Reduction Strategy monitoring system. (Bolivia)
- There should be careful assessment of the risks and the political and programmatic benefits and costs of Direct Budget Support (DBS) as it relates to potential political gains for DFID and its sustainability in changing political environments. A more intensive dialogue with relevant high level government officials before finalisation is recommended. (Bolivia)
- Working with the GoO on a broad front of politically contentious reforms takes time and major human resource and TA investment. We need consistently to build relationships with counterparts in Orissa. Increased understanding of drivers of change will help us understand better the pressures counterparts may be under and plan to minimise the delays that result. (India, Orissa)
- Judgements were made about the political commitment of a government which had previously shown very mixed commitment to poverty reduction, improving public expenditure management and tackling corruption. This commitment died once the first tranche of budget support was released by most donors. We have to question seriously the extent to which the political will ought to have been believed. Dividing the release into tranches with clear triggers was, however, a sensible strategy to mitigate the risk of policy reform going off-track. (Kenya)
- A change of government occurred resulting in not all reforms planned under the SWAP being achieved. SWAPs when designed can run counter to opposition parties' policy platforms. This can create problems when/if they get into power. When progress of structural reforms could not be made the way that the SWAP initially envisaged, renegotiating with the GoB was necessary to develop a revised road-map. This is an advantage of the SWAP as you can refocus objectives as the context changes. (Bangladesh)

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## **Donor relationships and influence**

- Working with the World Bank was positive in that they could call on a wide range of expertise, they brought rigour to the discussions and the joint approach reduced the transactions cost for Government while increasing DFID's clout. On the negative side, the key World Bank staff were based in Washington which made communications difficult and too much time was spent on unnecessary details. Moreover, at times it was difficult for DFID's voice to be heard (India, Andhra Pradesh).
- It is beneficial to develop World Bank and Joint Donor matrices simultaneously. (Ethiopia)
- There are lessons from this experience (which are not expressed explicitly in the PCR) about the effect of a wide-ranging DFID programme including budgetary support with high level access and policy leverage on partnership with sub-national government versus the experience of large projects or sector support and working alongside the WB, including approaches to incentives and planning processes. (India, Orissa)
- Donor coordination around the triggers for GBS improved the impetus for reform and promoted dialogue with GoK. (Kenya)
- Clear communication is important, especially when the partner government is open with us. The relationship works well if working in a group. This also reduces transaction costs in terms of Government time. (Malawi)
- DFID dialogue around PRSP implementation has been strong but it is hard to know whether that is due to good ideas, a flexible TA budget, political level engagement and/or the provision of General Budget Support (GBS). (Pakistan)
- Tying disbursement to the PRGF being on track meant that a clear cut and fast disbursement mechanism was achieved but the low level of conditionality meant that the scope for formalised discussion of the reform agenda was limited. A more structured approach in line with other development partners would allow DFID increased leverage over critical reform areas (e.g. in service delivery matters). (Pakistan)
- Future GBS should be tied to progress in the specific areas that we are concerned about (e.g. service delivery) as well as the macro framework being robust. This would then focus attention on the outcome aspect of the support, in line with emerging DFID best practice in this area. (Pakistan)
- Working with other donors increases the transaction costs for donors but reduces them for GoT. Further efficiency gains could be made. However, this would require a strong commitment from donors to rationalise and agree to focus on core competences. (Tanzania)
- There are substantial gains to be had by operating collaboratively with other donors. On balance this has reduced transaction costs for GoU. (Uganda)
- Joint operational procedures should be agreed with government and recorded in a set of principles. (Uganda)
- It is important to be specific about sensitive areas that will cause political difficulties to budget support donors and to agree an agenda and forum for dialogue. (Uganda)
- Government ownership is key and donors can only be useful in adding momentum and some direction in a frank and cooperative dialogue process. (Vietnam)
- Consultation with co-financiers was better than for PRSC1 but still rushed. Nonetheless, the PRSC has become the key instrument for donor harmonisation in Vietnam. (Vietnam)
- Where partner governments have strong commitment to and good track records in growth and poverty reduction, budget support does not have to focus directly on the budget process or allocations and outturns. Instead it can focus on key reforms and

pro-poor developments such as private sector development, pro-poor planning and governance. (Vietnam)

- Given the lack of dependence of Vietnam on external aid it is necessary to be realistic about the influence we could have on the Government in the reform agenda, particularly with issues like fiduciary risks. (Vietnam)
- It is necessary to ensure that DFID is engaged relatively early in the programme process as well as throughout its implementation. (Vietnam)
- Working closely with the Ministry of Health (MoH) and other donors has been key to the success of the SWAP in the health sector in Ghana. Donor/MoH cooperation has enabled the difficulties of the programme to be discussed in an open and transparent manner particularly during the joint MoH/donor summit meetings held every 6 months. This forum allows donors to raise shared concerns openly and allows the Ministry to respond by explaining its actions or intentions. Through the DFID Health office in Accra our influence over the MoH decision making has been increased significantly. (Ghana – SWAP)
- If influencing is a critical agenda care must be taken in contracting out activities that have a high potential to influence partner government policy. The contractor can be seen as DFID, but DFID staff are likely to have less direct access to key figures in government. To influence effectively, relationships must be established. If they are contracted out then DFID runs the risk of diluting and weakening its ability to influence. (Bangladesh – SWAp)
- Education budget support has demonstrated that this is the most efficient, effective and speediest way to achieve donor coordination. (Uganda – SWAp)
- The transition from projects to a sub-sector SWAP approach allowed for a combination of useful initiatives to be implemented under the umbrella of a comprehensive reform programme, thus combining the immediacy of project impact and the sustainability of a programme rooted in the structures of the Ministry. Conversely, without the umbrella, projects risk remaining as isolated pools of excellence. (Zambia – SWAp)
- While entering the sector and influencing the new (World Bank) funding instrument (PSAC - public sector adjustment credit) were important objectives, less DFID resources would have allowed as much opportunity for influencing and engaging. The PSAC faced numerous challenges, including the lack of a clearly defined, evidence-based decentralisation policy; weak government capacity to achieve triggers and conditions; poorly developed triggers and conditions; weak management and monitoring by donors and low levels of transparency and accountability throughout the state. Donors should pay closer attention to their own assessments of institutional capacity and accountability. Policy based lending for decentralisation faces the difficulty that central government may not be the natural champion of decentralisation. Third party actors, such as municipal associations, should be sought to represent better the views of clients, both on a political and a technical level. The decentralisation process has suffered difficulties because of the onerous procedures involved in discretionary fiscal transfers handled by the Unified Directorate of Funds. This stems partly from the lack of harmonised and agile donor procedures. The PSAC did contribute to a more common approach by donors but some key donors e.g. USAID did not take part. World Bank leadership was inconsistent and disagreement between donors created confusion. It is not clear that co-financing in this way, as opposed to parallel financing, was necessary to gain influence. (Bolivia – SWAp)

### **Tranching, conditionality and predictability**

- When using political governance indicators for budget support it is important to get the right people in the international community (including the British Ambassador) to discuss issues with the appropriate people in Government (Ethiopia).
- Splitting the tranches focussed dialogue on the need for government ownership of public financial management reform. But, in that area, better coordination between donors and with Government is essential (Ghana).
- Budget support funds were not provided predictably. Tying disbursements to specific actions or events does not build ownership of policies nor does it allow good budgeting. The disbursement schedule was built around IMF reviews and assessment of education indicators rather than around the GoR's need for timely funds. (Rwanda)
- Suspension of budget support had an impact on GoM since they had anticipated this revenue. (Malawi)
- Budget support needs to become more predictable for example by defining three year rolling agreements with suitable arrangements for handling potential non-compliance or issues in dispute. (Mozambique)
- GBS was the appropriate route for providing additional aid (i.e. a windfall) after the increase in the aid framework on 11 September. (Pakistan)
- A graduated response is desirable when things go wrong, involving fixed and variable tranches of funds. (Uganda)

### **Emergency financial support**

- An operation focused on fast disbursement and without explicit developmental objectives is an efficient and effective vehicle to respond to emergency and crisis situations. Any conditionality or reform requirements, as well as explicit capacity-building components, risk disrupting the flow of critical financial resources, endanger adequate service provision and undermine the functioning and credibility of the public agency. Policy reforms, supported through conditionality-based budget support and investment operations may accompany an emergency operation and should be linked to it, but should not be an integral part of an emergency operation itself. Initially, weak budget management hampered the appropriate allocation of project resources. Experience gained in project implementation as well as the Ministry of Finance's efforts at improving efficiency and transparency of budget planning and management allowed for a better alignment over time throughout implementation of [World Bank projects] ESSP1 and 2. Still, there is much room for additional improvement in the budget process, especially in strengthening coordination between line Ministries. The inter-ministerial committee was envisaged as fulfilling this function, but this has not happened. (West Bank and Gaza)

### **Funding a SWAp**

- At the start of DFID's 5-year programme of support it was assumed more funds would gradually progress from earmarked (UK managed) to direct sector support. In reality this has not occurred to the levels originally expected. In order to move to full sector budget support the MoH needs further encouragement and capacity building to manage activities such as the procurement of goods and services. (Ghana – SWAP)

- The next SWAP should include all activities in the sector, regardless of fund source. It should be policy-based, performance (output) driven agreements with the aim of shifting responsibility to the government budget management systems. The flow of funds should be simple, easy to understand and transparent. A unified government budget structure is required that easily relates to international public finance management norms (both recurrent and capital expenditure). (Bangladesh)
- A budget of US\$3/capita per annum is far short of what is required to fully finance universal preventive and primary services - let alone secondary and tertiary. Attempting to do everything with insufficient resources results in inefficiencies poor outcomes, weak incentives, low productivity and rising corruption. (Bangladesh)
- DFID contribution to pooled funding was 25m + 30m for TA. This was a disproportionate ratio that was criticised by sections of the Ministry and other Development Partners. The majority of the TA funds were spent on somewhat inflexible parallel project TA support specifically designed to take agreed policy changes forward. As TA is often contracted out, and changes occur in the context, the contractor does not necessarily have the time/interest to change contracts and invest in the new policy direction. (Bangladesh)

### **Policy matrices, targets and indicators**

- Be realistic about the time needed to negotiate a policy matrix. Recognise the difficulties presented by inter-ministry working to progress key issues, especially for public financial management (Ethiopia).
- Linking budget support to education indicators encouraged policy discussion between the Ministries of Finance and Education but it did not add significantly to the Ministry of Education's incentives for implementation (Rwanda).
- Future support should be tied to progress in areas of specific concern to DFID (Pakistan).
- It is important, although very difficult, to define appropriate prior actions together with the right indicators to link the structural reform to poverty reduction agenda and focus more on the latter. At the same time it is necessary to be realistic about the timescale for prior actions in order to avoid the need for waivers. (Vietnam)
- The impact of budget support is clearly demonstrated in the critical areas of reduced pupil:teacher ratio, pupil:classroom ratio and pupil: textbook ratio. This could not have been achieved through project support. The focus on these three targets has shown how sector programmes are most effective when they are concentrated on a small number of clearly defined objectives. (Uganda – SWAp)

### **Sub-national governments**

- Budget support to a State government requires agreement with the National Government. The arrangement was costly in transaction time for DFID and subject to changes in the National Government's views. (India, Andhra Pradesh)
- In a federal country, it is important for donors to provide firm information on priorities and resources at an early stage if increased transfers to sub-national governments are needed (Ethiopia).

### **Disbursement mechanisms**

- This was designed to assist GoK finance retrenchment costs resulting from public sector reform without reducing resources available for key anti-poverty programmes. This made sense because retrenchment was a key policy change but tying budget support to particular expenditure raises questions about donors assuming that specific policy actions will achieve desired outcomes and leaves donors taking responsibility for difficult reforms. In this case, retrenchments did not reduce wages and salaries. It is better to target the final policy objective and to leave government to decide how best to achieve it. (Kenya)
- DFID funding of debt relief tied to the IMF programme meant that the support was easy to disburse. (Pakistan)
- The fiduciary risk was minimised by disbursing against the agreed debt payments to the IFIs. (Pakistan)
- Disbursement directly from the programme aid account to fund IMF and IBRD [World Bank] debt service was convenient and avoided the need for a verification exercise which would have been necessary for retrospective disbursement. (Pakistan)
- It is important to decide on the disbursement channel early because the internal GoP discussions take time. (Pakistan)
- PRBS can easily be used for scaling up. (Tanzania)

### **Financial management, and fiduciary risk**

- Linking the budget and the PRS was aimed to encourage the government to prioritise pro-poor spend. But the lack of an Medium Term Expenditure Framework (MTEF) or Public Expenditure Review (PER) undermined the capacity of the government to make these linkages. (Bolivia)
- Better coordination is needed between GoG and development partners on key issues, especially public financial management reform. (Ghana)
- The stringent audit conditions were justified by concerns over the process. (Kenya)
- While the fiduciary risk in Pakistan remains high, budget support was an appropriate way to provide financial aid to the federal government to support PRS implementation and the fiduciary risk was minimised by disbursing against the agreed debt payments to the IFIs. (Pakistan)
- Budget support does not build sustainability since the GoR does not have the means to fill the gap, although some improvements in domestic revenue will provide more self-reliance. (Rwanda)
- Poverty Reduction Budget Support should be designed to support and not undermine GoT processes. (Tanzania).
- An analytical framework for assessing development benefits against fiduciary risks needs further development. (Uganda)

### **Monitoring and evaluation**

- Government-led monitoring and evaluation of progress is important. (Mozambique)
- Monitoring PRSP targets needs to be more sophisticated to add value to the monitoring framework. For example, monitoring should consider progress against budgets not

just last year's expenditure and the functional breakdown of sector spending should be revisited. (Pakistan)

### **Technical assistance**

- Need to accompany DBS with technical assistance in view of the lack of institutional capacity to take forward processes and coordinate donors. (Bolivia)

### **General**

- DFID and the Government believe that budget support is the best way of supporting the poverty reduction strategy since it has lower transaction costs, is easier to harmonise with other donors and allows a focus on core government policies. But this judgement should be assessed independently. (Rwanda)
- It is very valuable to spend time talking to DFID colleagues in other countries where DFID is providing budgetary assistance. (India, Andhra Pradesh)

## 4. HUMANITARIAN ASSISTANCE

### SAMPLE

There were 115 PRISM entries of projects over the value of £1 million that were completed since 31/03/2001. A sample of 58 PCRs were reviewed representing all projects over £5 million (23) and a proportional sample from each region of projects over the value of £1 million. This included 10 projects from Asia, 27 from Africa, 19 from Middle East, 1 Europe, 1 Latin America/Caribbean/Overseas Territories.

The sector covers emergency food aid and some food security programmes, funds for disarmament and demobilisation, emergency health aid, humanitarian support for communities disrupted and displaced by conflict, provision of emergency services (water, sanitation, health facilities), disaster relief funds and care and protection of refugees.

### WORKING WITH PARTNERS

There are predominantly very positive messages about working with partners in Humanitarian Assistance matters.

There were some issues raised regarding the World Banks' financial disbursement procedures and whether these are appropriate/flexible enough for Humanitarian operations.

- The World Bank procedures used by the Financial Management Project Unit for financial disbursement are not appropriate for fast track operations. (Sierra Leone)
- Implementation arrangements engaged all the major stakeholders and worked well. There were cumbersome procurement procedures and slow disbursement. But the operation was undertaken with surprisingly few problems. While efforts were made to streamline procurement processes at the outset, the emergency situation in the West Bank and Gaza provided challenges to the Banks' procurement methods and disbursement arrangements, which are generally geared to development operations than emergency interventions. (West Bank & Gaza)

A vast amount of DFID funds in this sector (around £77m in this sample) have been channelled through the World Food Programme (WFP). The comments indicate that the agency is respected, is good at delivery (all but one project rated 1 or 2), and has a good relationship with Government. However comments also allude to WFP operating quite independently and there are queries around its partnership with government and the local non-government sector.

- There is a feeling that WFP operates on its own too much whilst, at the same time, complaining that food aid is not complemented by non-food assistance. It is unclear the extent to which WFP is building the capacity of local NGOs. Much more funding from WFP should be made available to conduct evaluations of its own programme (Central African Region)
- Whilst DFID is not a major provider of food aid our cash distributions can and have been highly strategic in that they have helped avoid major failures in the food pipeline over the last 18 months by enabling WFP to make appropriate and rapid local food purchase. (Uganda)

There are also queries around the bureaucracy of the UN system as a whole (Bangladesh). Comments on UNHCR, UNICEF and WHO were positive, and highlighted a need to better understanding the advantages and limitations of the UN systems.

- There was very good coordination with WFP and with UNDP but frustration as the UN system was perceived to be too slow and bureaucratic and questionable whether some of the other UN agencies would be able to respond operationally within the 6 month time frame. UN should consider a fast track decision making process that can ensure a turn-around in hours rather than days. (Bangladesh)
- The prompt DFID response and the provision of TC as requested by OCHA was crucial to the effective response. (Afghanistan)
- There should be an inter-agency disaster planning exercise every year by the UN in Bangladesh to develop a comprehensive contingency plan to address known systematic weaknesses and to prepare, as far as possible, for an immediate emergency response. There must be a concerted effort by the UN and donors to reform and improve the existing process for emergency response to make it more efficient, effective and timely. (Bangladesh)

Significant funds are also channelled through the ICRC (around £43m in this sample) with much success (all 7 programmes scoring a 1 or 2) and positive comments on the working relationship.

- ICRC had exceptional access and have achieved a degree of respect from the authorities in very difficult operating environment. Their drought work was also effective, and they were in place early working before most agencies had begun to respond. (Ethiopia)

Comments on NGOs showed the variability of their capacity. MSF and Oxfam did well in Sudan. But there were questions about OXFAM's management in Ethiopia and about HELP (Germany).

- Oxfam are highly effective at working within their chosen niche and avoiding duplication of aid efforts. Oxfam set the industry standards for water, sanitation and hygiene promotion, their work has been emulated by many INGOs. (Sudan)
- HELP (*Germany*) implemented the programme proficiently. However, high levels of international and national staff turnover as a result of low salaries, late payment and poor job security hindered the overall performance of HELP. Poor documentation and lack of transparency regarding donor-funding commitments for the project constrained strategic resource management and budgeting, and meant that HELP staff were unaware of donor resources available relative to expenditure/distribution. (Zimbabwe)
- The relationship between DFID and MSF was positive. MSF employs impressive security procedures in terms of staff training, field protocols and the issuance and operation of essential equipment. Its malnutrition, malaria and cholera treatment protocols are industry standard. (Sudan)

## **EMERGENCY BUDGET SUPPORT**

- The operation focused on fast disbursement and without explicit developmental objectives and provided an efficient and effective vehicle or respond to emergency and crisis situations. Any conditionality or reform requirements, as well as capacity building components risk disruption to the flow of critical financial resources, endanger adequate service provision, and undermine the functioning and credibility of the public agency. (West Bank and Gaza)
- Policy reform supported through conditionality-based budget support and investment operations may accompany an emergency operation and should be linked to it but should not be an integral part of an emergency operation itself. (West Bank and Gaza)

## **LOCAL OWNERSHIP AND INVOLVEMENT**

The Humanitarian sector provides a slightly different take on local ownership and involvement. The data on the involvement in communities can be categorised into beneficiary targeting, more general messages on community involvement in Humanitarian action and government involvement/ownership.

The trends in data on beneficiary targeting are mixed. There is agreement that involving communities in targeting is generally beneficial for accuracy. However, community based targeting is not a perfect process and needs to be supplemented by sound vulnerability analysis and empowering communities to encourage involvement in the process.

- Full community participation in beneficiary targeting is vital to minimise targeting errors. (Ethiopia)
- Women are key partners in community based targeting activities. (Ethiopia)
- The community-based targeting and distribution system has been universally acknowledged to be an improvement on the previous system because of its greater transparency and its limiting role of politicians and Chiefs. However a review of the targeting found as drought progressed wealth differentials within communities because increasingly marginal. Sharing resources in times of hardship is an important cultural process which made targeting meaningless. Real gains were from the acceptance of the principles of community management, entitlement and information flows. Improved vulnerability analysis helped with targeting. (Kenya)

The general lessons on community involvement are quite broad indicating that it is indeed possible and positive for communities to be involved in determining their own development. The involvement of good local NGOs was viewed positively.

- Select NGO partners with a strong local presence - these are able to build rapport with communities and effectively deliver programme inputs. (India)

When working with governments the lessons indicate broadly that this is positive and can come about by either internal will (key advocates within government) or external sources (media pressure). That the support of local or city levels of governments can produce benefits in terms of better targeting, preventing political interference, and providing a sustained presence.

- The programme was considered a success because of the presence within government of a group of technocrats who saw the need for a large response and change in GoK approaches to drought response and the willingness of civil society, donors and UN Agencies to work with the above. (Kenya)
- Early in the drought cycle media coverage of the effect of the drought and *(put)* resultant pressure on politicians to do something by the population. (Kenya)
- In areas of particularly high insecurity UNICEF have discovered that the most reliable partner was local government as they were the most likely agency to sustain a presence. (Uganda)
- Harmonising the programme with the city authorities has helped the programme against political interference. (Zimbabwe)
- The City Health clinics refocused the donor response directly onto those identified as the most vulnerable and deserving children. The commitment of the personnel was instrumental to helping achieve the objective. (Zimbabwe)
- Strengthening the capacity of the government structure in treatment of malnutrition gives the opportunity to provide rapid responses and appropriate interventions when the crisis occurs. (Ethiopia)
- As the humanitarian situation deteriorated a number of agencies sought to supplement Govt budgets in Education and Health with additional funds. However our own monitoring of the situation discovered that at district level significant proportions of GoU sectoral conditional grants were frequently returned to the centre unspent. In some cases this was because of an apparent inflexibility in the earmarking of these down to county/institutional level which meant they could not be allocated to reflect changing needs and, in particular, population flows as displacement increased. (Uganda)

## MONITORING AND EVALUATION

The lessons on monitoring systems were around the efficiency/effectiveness gains that can be made and importance of having appropriate monitoring systems. Lessons from Ethiopia, Bangladesh and Zimbabwe highlight the importance of having responsive and immediate monitoring data in emergency response. Lessons from Zimbabwe and India highlight that involving local stakeholders in monitoring improves the quality and accuracy of information. Lessons from Uganda and Zimbabwe highlight the value of having a monitoring system in a broad sense and lessons from North Korea and Afghanistan reinforce the value of shared monitoring as outlined in the DAC principles on harmonisation and alignment.

- Real time external impact monitoring should be considered. (Bangladesh)
- Monitoring the changing situation from the ground level up will render the programme more relevant and fine tuned to the actual, rather than the perceived, needs of the most vulnerable communities. (Zimbabwe)
- The M&E systems put in place were invaluable and provided continual feedback on project implementation plus professional advice where needed. (Zimbabwe)

## **MANAGEMENT**

There are a number of lessons around management of Humanitarian operations. These have been grouped into four categories: contracting and tendering, responsive management approaches, exit strategies and general management lessons.

Those relating to contracting and tendering focus on the importance of establishing clear terms of reference for contracting work (Mozambique and Iraq) and the efficiency gains that can be had in establishing common formats or pre-qualification criteria for tendering processes (Zimbabwe, Bangladesh). There were a number of comments on the importance of ensuring rigour around maintaining sound contract documentation, including compliance with DFID corporate systems (Iraq, Mozambique, Bangladesh). The pressure to disburse funds quickly and the difficulties this caused to maintaining transparent and effective procurement processes was demonstrated in Nepal. The value of contracting local service providers was reinforced (Zambia, Iraq).

The importance of fostering responsive, fast and flexible management processes, including funds disbursement is born out with through the lessons from seven programmes. One concern (Iraq) was raised about the ability of DFID's systems to be flexible enough to respond to urgent needs on the ground. A lesson in Afghanistan points out the importance of remaining aware of and open to the emergence of legitimate national authorities.

Two separate programmes in Zimbabwe commented on the importance of having an exit strategy in place, preferably from the start and in line with best international practice.

More generic lessons on project management commented on issues including the importance of having a clear communications strategy, ensuring the security of project team members is considered at inception, the importance of hand-over periods to manage staff changes, and the benefits of using national staff to help target affected populations and deliver assistance.

### **Contracting and Tendering**

- When proposals are received seeking funding they should be subject to similar rigour to that applied to commercial contracts. Before any project is agreed for funding there should be a clear and unambiguous Statement of Work setting out the outcomes expected and any methodologies that are to be used or conditions to be applied. (Mozambique)
- When working with NGOs there must be a pre-screening/pre-qualification system in place to reduce significantly the time spent reviewing proposals. (Bangladesh)
- Contracts were awarded through a tender process which developed local capacities, provided support to the local economy and ensured locally appropriate building practices were adopted. (Iraq)
- The short deadlines and changing requirements of the Coalition Political Authority meant that it was often necessary to seek Procurement Dept approval to work around the procedures in order to meet the requirement. The formal DFID system was just not flexible enough to respond to urgent and rapidly changing needs on the ground. (Iraq)

### **Responsive Management Approaches**

- Vital to be flexible in use of enabling financial framework, permitting swift allocation and disbursement of funding in light of crisis. (Afghanistan)
- Successful conflict related work requires flexibility in design and implementation. Low profile is essential. (Nepal)

### **General Management**

- Involving national staff in management and coordination activities in field has helped identification of affected populations and delivery of assistance. (Afghanistan)

### **SECTOR LESSONS**

Predominantly the lessons should speak for themselves but there are a couple of trends around Food Aid programmes; specifically:

- How Food targeting can be undertaken and the importance of food security assessments in Ethiopia, Uganda and Zimbabwe.
- The complex interplay between providing short term food aid and longer term compounding development factors such as HIV/AIDS in Zambia and Zimbabwe.

A couple of programmes mention the vital importance and strategic use of DFID funds to act as a stop gap to avoid failures in the food pipeline and enable pre-emptive approaches (Iraq and Uganda).

### **Food Aid programmes**

- Prior to this project it was assumed that the National Food Aid Targeting Guideline would be unfeasible in disaster affected regions - this assumption proved false. Establishing targeted supplementary feeding centres close to beneficiaries proved critical in solving the problem of accessibility and the long distance travelled by some beneficiaries. Access to public health care is key to improving the nutritional status of beneficiaries but most participants in emergency relief project did not have access to public health programmes. (Ethiopia)
- Food and nutritional assessments need to become more systematic and of a higher quality and clear links need to be established between the findings and decision making. DFID should consider funding a nutritional expert on the next nutrition survey. In funding such programmes DFID should ensure pipeline failure does not occur. (Uganda)
- Timely food security assessments (nutrition surveys, household vulnerability and others) are crucial for information decision making for geographical prioritisation. Advocacy and influencing strategies should be used to underpin Humanitarian Aid programmes to illustrate the rights of vulnerable groups. (Zimbabwe)
- High chronic malnutrition levels and food insecurity were also caused by longer term chronic issues such as HIV/AIDS, poor productivity due to poor access to inputs, inappropriate policies and low investments in rural areas. These issues need to be addressed in long term sustainable interventions. Emergency responses are able to take account the impact on long term development issues and can catalyse coordination efforts between partners at lower levels of operation - such as district and community. (Zambia)

- HIV/AIDS as an aggravating factor needs to be considered when deciding cut-off levels of malnutrition for intervention. DFID should focus more on strengthening nutritional surveillance to monitor levels of malnutrition in under-fives and maintain a capacity to response if acute malnutrition reaches alarming levels. To address the issues of longer term malnutrition in Zimbabwe better, particularly the link between nutrition and HIV, DFID needs to gain a better understanding of the causes of malnutrition. This might be the subject of formal research. Current practices of feeding all children under five years old, by wet rations are questionable. Supplementary feeding of young children for fear of acute moderate malnutrition may obscure attention from acute severe malnutrition, where the indicators are high and alarming by international standards. (Zimbabwe)

### **Reconstruction/ Post Conflict issues**

- Targeting support to ex-combatants (XCs) should not be at the expense of the non-XCs. Continual consideration of reintegrating XCs should be kept in mind and not neglected until Disarmament and Demobilisation have been completed which leads to a stall in the process. Timeframes for XC programmes could be better timed to fit with calendar of those areas that are agriculturally focused. The programme should address the issues affecting women more in terms of how they have been affected and how they can be supported. (Sierra Leone)
- The programme allowed rapid actions to be taken on post-conflict reconstruction providing for tangible improvements in civic services. It was therefore an important contributor to the restoration of “normal” life and maintaining consent. Whilst buildings are only a contributor to the functioning of local government and civic functions, in the absence of useable buildings these functions were not able to operate. Once the buildings were refurbished services were quickly restored. The international team quickly identified a local contractor who provided a capable and effective work force and who were able to operate within the local environment. (Iraq)

### **Humanitarian Aid Modalities**

- Programming Emergency Grants Schemes in the context of annual appeals is problematic as the needs of the two systems are out of alignment in terms of planning and timing. The switch from one type of programming to another was wasteful in terms of effort lost and the resources were ultimately insufficient. (Ethiopia)

### **Other Sectoral Lessons**

- No norms exist for best practice *in volcano monitoring* and methodologies are as varied as practitioners. Impartial advice on the scope and extent of services should be sought from within the scientific community before embarking on the design of any long term assignment. (Montserrat)
- The purpose for undertaking volcano monitoring has to be sharply defined to avoid capture by scientists wishing to pursue and focus on a research agenda. (Montserrat)
- Impartial advice on the scope and extent of services should be sought from within the scientific community before embarking on the design of any long term assignment *in volcano monitoring*. (Montserrat)

- The Private Security Sector is small, incestuous and given to vocalising their feelings. Any hint of preferential treatment will result in letters to MPs, newspapers or Freedom of Information requests. Tendering processes and contract negotiations should be well documented. (Iraq)

### 3. SECTORAL LESSONS

#### **Education (see empowerment in section 1)**

##### Non-formal education

Formal parent teacher association or school management committee with representation from the parents may be worth considering for the future. (Bangladesh)

This project offers detailed lessons on building the capacity of facilitators and providing supporting infrastructure for such literacy and empowerment interventions. High quality teachers and facilitators are essential for the education sector, especially in the weaker, remoter and more marginal areas. The relevance of education provision is a key to its sustainability. One needs at least a five year perspective when planning literacy interventions. (Bangladesh)

The implementing agency realised that there was no point in running a part-time non-formal education programme that did not provide sustainable skills so it decided to extend the programme to a full primary cycle. (Bangladesh)

While the performance of non-formal schools is not great it is better than the formal government sector. If more child-centred methodologies and improved curriculum could be passed on to the better qualified government teachers, it is quite likely that the learning achievements of children in government schools would improve significantly. (Bangladesh)

Residential camps for girls, school mapping/micro-planning, providing a platform for adolescent girls, community based school construction, intensive supervision of non-formal centres, and initiatives for women's empowerment are some of the best practices worth emulating. (India)

Functional literacy. This programme has many lessons for similar activities - including the courseware, management systems and delivery mechanisms, its treatment of multilingualism, its links to livelihoods and its combination of a structured curriculum with assessment of learners' contextualised needs. (South Africa)

##### Formal education

Quality assurance is the main obstacle in the context of the collapsed Russian university system. (Eastern Europe)

The project has demonstrated that, given the commitment of teachers, improvements in educational quality are not necessarily costly to achieve. (Jordan)

If community approaches are to be used to overcome the problem of failing schools there is a need for sustained support. Communities cannot develop new programmes unless the governance environment is favourable. The head teacher and school leadership emerged as the most important factor in making school improvement programmes work. This is in line with international research. (Pakistan)

Teacher training programmes are more likely to change classroom practice if a) they offer helpful techniques which are relevant to the context in which the teacher works, b) they take a whole school approach and c) support and follow-up activity is planned into the training programme. (Pakistan)

Distance education is a cost effective way of providing opportunities for the development of educators. The project successfully used a range of appropriate methods that could be widely applicable (South Africa)

The project's contribution to raising standards of textbook development was significant. Books of international standard can be produced in Sri Lanka. There is potential for public/private partnership in developing readers for schools. (Sri Lanka)

More progress on the ground achieved as a result of the SWAp including enrolments, classroom construction, textbook reform, teacher recruitment and the beginnings of a vision for the whole sector but still a long way to go before we can say that things have really improved for Uganda's children. The Uganda experience of Universal Primary Education has made it clear that cost sharing is a major constraint to participation in Primary Education. It has also demonstrated the critical educational dimension of poverty reduction with each year of Primary Education resulting in 4% increase in household income and a 6% increase for every year of secondary education. (Uganda)

To improve in-service teacher training requires systems as well as skills. The systems must operate at a decentralised level. Distance education also requires systems for learner and tutor training and support, not just materials. Methodology courses that improve teachers' process skills have faster impact than courses that teach content alone. (Vietnam)

## **Health**

### Capacity Building Projects in the Health Sector

Most of the capacity building projects that reported sectoral lessons were in the areas of reproductive health, HIV/AIDS and Sexually Transmitted Infections. The lessons below do not relate to vertical programmes or social marketing approaches.

### Supply, demand and cost recovery issues

Six projects commented on supply, demand and cost recovery issues in relation to service delivery. The message from Kenya is to ensure that the pace of service delivery must match the demand for these services. Projects in Nigeria and India didn't address the demand side of health care, and in both cases there were negative consequences. The project in India also found it difficult to reconcile the conflict between a poverty focus and need for cost recovery. Messages from the Russian Federation suggest that without fees it is difficult to get locums involved in project activities. And messages from Sri Lanka highlight the importance of cost recovery for mobile clinics even in low resource settings. Lessons from Malawi suggest people are willing to pay for high quality services but that in rural areas there are large numbers without the ability to pay, requiring some government subsidies.

### Hard to Reach Groups

Lessons from Bolivia suggest an information, education and communication (IEC) strategy must be developed for hard to reach groups and ensuring that the voluntary testing is conducted by trained medics. Providing TB detection and prevention strategies in public places was proven to be a good way of reaching hard to reach groups in Bolivia. Involving people living with HIV/AIDS in aids prevention and education activities assist in overcoming prejudices. (Bolivia)

### Vertical Programmes and Social Marketing

Three projects comment that social marketing can be effective (Nigeria, Uganda, and Bangladesh). In Nigeria it is felt that it is cost-effective and best used with products that lend themselves to mass distribution rather than those that require counselling or provider information. This was reinforced by lessons from Bangladesh. However, words of caution include that complex reproductive health needs of poor women can't be met by social marketing and that issues of quality of service and ensuring the service provided meets the needs of women are also very important. There are issues raised around the cost of items. Lessons from Bangladesh suggest that a product priced within the reach of poor women can generate revenue to cover costs of marketing and distributing a cheaper product. A lesson from Malawi suggests that financial incentives supported the purchase of anti-malarial nets. Other lessons from India and Pakistan highlight that there is value in a "branding approach" to improve the visibility of the programme and ensure continuity in the information provided.

### Supply, Demand and cost recovery issues

- The pace of service delivery creation has to match the demand for these services. Problems arise when stakeholders operate independently in pursuit of their own goals but not necessarily in response to changing needs and demands that the communities and respective programmes demand. (Kenya)
- The project did not adequately address the demand side of health care - there is a huge need for education of the people to understand their health rights and how to appropriately seek for those rights to be fulfilled. (Nigeria)
- The project approach remained supply oriented - the demand side of issues were not analysed nor information generated to change the direction of the project. The conflict between the poverty focus and cost recovery could not be resolved through a subsidised treatment fund. (India)
- In low resource environments - appropriate simple diagnostic techniques are essential, operationally efficient clinical teams with multi-functional nature and client oriented attitude is main feature, mobile clinics are appreciated by the community. Financial sustainability even in a very low resource setting is essential. (Sri Lanka)
- People are willing to contribute for what are perceived to be high quality Family Planning/ Sexually Transmitted Infection services. However, there are large numbers in rural areas without the ability to pay. There is a need for long term subsidised services through a variety of service delivery channels. (Malawi)
- The absence of fees for locum cover may have deterred a number of applicants from applying to the funding scheme. (Russian Federation)

### Hard to Reach Groups

- Lessons from Bolivia suggest an IEC strategy must be developed for hard to reach groups and ensuring that the voluntary testing is conducted by trained medics. Providing TB detection and prevention strategies in public places was proven to be a good way of reaching hard to reach groups in Bolivia. Involving people living with HIV/AIDS in aids prevention and education activities assists in overcoming prejudices. (Bolivia)
- Providing DOTS (WHO anti-TB strategy) and detection services of TB through non-conventional channels, such as local pharmacies or kiosks in busy public places are a good way of reaching hard to reach groups and promoting adherence to drug regimes. (Bolivia)
- IEC campaigns to disseminate prevention messages about TB and HIV/AIDS has an impact, but it is more difficult to measure on a national level. The IEC strategy for hard to reach groups needs to be specially developed. To promote voluntary testing, it is key to have trained medics or counsellors to provide information in an appropriate way and with a rights based approach. (Bolivia)
- HIV/AIDS education and prevention activities are very effective when implemented by People Living with HIV and AIDS to overcome prejudices and erroneous ideas held by the general public and health personnel. (Bolivia)

### Other Lessons

- Antenatal care visits are a tremendous wasted opportunity for preventing maternal and newborn morbidity and mortality. The ANC (antenatal care) approach has been adopted by districts included in the project in Kenya. (Kenya)
- The LAMB hospital moved away from an emphasis on Antenatal care towards providing institutional care in community-level facilities, proper birth planning, and improvement of health seeking behaviour. Linkages with development programmes can strengthen community health programmes through providing a source of finance. Communities have used this innovatively to re-invest in running community health clinics. (Bangladesh)
- Innovation within the project includes the need to focus on a systems approach to reducing maternal mortality, integrating safer mother hood within health systems development and the importance of human resource development policy to ensure the availability of skilled attendants. (Malawi)
- Marie Stopes has its own branding of services which works and is instantly recognisable. The concept of branding could be used more widely in the private sector so ensure quality but must be done within a regulatory framework. (Pakistan)

### Social Marketing Approaches

- Social marketing can work cost-effectively to serve the poor- even in a country with a dysfunctional public service and low levels of NGO development and capacity. Products and services lending themselves to mass distribution (condoms and pills) work best but products requiring significant counselling or provider information (Intra-Uterine Device or injectables) also can be supported effectively through social marketing. (Nigeria)
- Social marketing can be highly effective in creating demand for Oral Contraceptive Pills. A product priced within the reach of poor women can generate revenue to cover some of the costs of marketing/distributing a cheaper product so there will be more poor women amongst the users. Social marketing can achieve high user satisfaction in terms of quality of product. But the complex reproductive health needs of poor

women can't be met by a contraceptive provision approach alone. This is because there is a gap between the expressed needs of poor women and their ability to access the services and information they want (partly due to social restrictions). They also want respect, protection and care in matters relating to their health. Affordability of contraceptives is one factor but considerations such as quality of service, health status and socio-cultural barriers are equally, if not more, important. The needs of poor women for quality of care need to be systematically addressed through training of distributors, counselling, product information, choice and follow up services. (Bangladesh)

- Social marketing approach can be effectively established in rural areas of Uganda and make an important contribution to HIV prevention and contraception uptake. There is a demand for condoms and other contraceptives through private outlets even when free services and commodities are available through health facilities. (Uganda)
- Financial incentives contributed to the purchase of ITNs (insecticide-treated nets) (Malawi)

### Other Lessons

- The cost of global eradication initiatives such as the Polio Eradication Initiative begins to disproportionately fall on the countries that remain with the disease or their neighbours. This creates a burden on scarce resources and the global community should ensure it fulfils its commitment to the end. (Kenya, Tanzania, Uganda)
- In any market the success relies on being able to innovate in areas such as product, promotions, communications, distribution and services. Unfortunately lack of long term funding over the last 3 years has hampered projects abilities to be as innovative and forward thinking as desired. (South Africa)
- Strategic communication about polio and the imperative for its eradication need to continue to support other programme activities to improve immunisation coverage and achieve targets for polio eradication in India. The communication strategy through popular media and working with NGOs helped to reach the "hard to reach" children. Having a professionally designed polio "brand" has been instrumental to improve the visibility of the programme and in ensuring consistency and continuity in the information provided to families during the campaign, by harmonising and bringing uniformity to what was a fractured approach to IEC materials. (India)
- There is a demand for multi-disciplinary approaches to problem-solving in malaria control and to integrate wider health and development - thus for organisations that can field multi-disciplinary teams. For disease specific projects it is important for Marie Curie to engage in sector developments. (Non-Country Specific)

### Economic

#### Energy

The project demonstrated how energy efficiency can be achieved through a sustainable market mechanism. - energy management companies developing energy performance contracts with the public and private sectors. The approach is replicable. (China)

Capital aid was provided in parallel with sector reforms, recognising that service improvements would help build public support for reforms. This was more effective in urban areas where the benefits of improvements could be delivered more quickly. Flexibility

in the use of funds with changing circumstances was an important lesson. Funds were shifted from this capital allocation towards additional TC. (India – Orissa)

The process was more difficult than envisaged at the outset. The Orissa experience has shown that reforming the intensely politicised power sector is a complex and long drawn out process. It is not just dealing with a technical and economic problem but deeper institutional and governance processes that have taken root over the last 40 years. A sustained process of capacity building and institutional development that is flexible and responds to a changing political environment must therefore be built in. The institutional structure for franchising the rural distribution systems on a cluster basis was an innovative feature which was replicated in other States. (India – Orissa)

Severe drought has helped us understand the adverse impact of the hydro-thermal mix on the financial performance of the power utilities. A fuel adjustment clause has been introduced to mitigate this. (India - Andhra Pradesh)

The pervasive politicisation of the agricultural supply posed significant risks to the project outcome. In order to lock in the reform gains, state ownership of power distribution should be divested to private investors and operators and the sector, especially the rural market, should be opened to entry by new providers. (India – Andhra Pradesh)

Investment decision-making was undertaken on the basis of proper scientific analysis. This should be replicated as part of the State Government's evolution towards reform and privatisation. One of the consultants' reports demonstrated the long-term economic and social benefits of village electrification. This should be part of a properly planned system reinforcement and expansion programme. (India – Andhra Pradesh)

An extremely effective collaboration between ADB, DFID and CIDA. This was based on a common understanding of need and the leverage that bilaterals and IFIs provide. The IFI loan would not be effective without bilateral TA and vice versa. This synergy meant that a formal Memorandum of Understanding was unnecessary. The time taken for reforms must be considered in programme design. A two year programme is unrealistic if sustainable outcomes are expected. Progress has been slower than expected - a common feature of reform programmes. A sustained process of capacity-building and institutional development must be built into a process that is flexible and able to respond to a changing political environment. (India – Madhya Pradesh)

#### Road construction

Labour standards were successfully piloted and rolled out to other donor-funded programmes as well as lessons learnt forming part of the World Bank environmental and socially responsible procurement training. (Ghana)

There are lots of lessons specific to rural roads. Short-term employment on public works projects can provide significant assistance to households recovering from disaster, dislocation and extreme poverty. It can also contribute to the empowerment of marginal groups, particularly women. (Mozambique)

Community liaison structures are unlikely to function effectively unless responsibility for their operation is clearly understood by local authorities, employers, supervising engineers and contractors. Community liaison can assist monitoring the social requirements of contracts. It is feasible and appropriate to include social clauses in contract documentation e.g. to facilitate the enforcement of labour standards. There are lots of roads - specific lessons. The project could provide an additional case study for the DFID Social Aspects of Construction Project. (Mozambique)

#### Statistics

Statistical improvement programmes should begin by building a base of users through wider and regular dissemination of existing outputs before moving to new data outputs. (Nigeria)

Strong and timely products with high response rates have helped this project to gain credibility with local stakeholders and donors alike. An innovation that helped this project significantly was the fact that all of the reports were made publicly available to everyone. Transparent style has contributed to the improvement of donor-local stakeholder relationship and reinforced the incentive for policy dialogue. The datasets were posted on local websites and this ensured that the leadership and guidance of the project was visibly passed on to local stakeholders. (Bosnia)

#### Information and Communication Technologies

The combination of the internet with other ICTs, radio in particular, has significant potential for poverty reduction. (Bridging the digital divide)

#### Micro-finance

Developing an organisational culture of zero tolerance of loan delinquency is essential for financial viability. Poverty-focussed micro-finance programmes for women can be financially viable in Pakistan and taken to scale quickly, if the programme is focused and the product range restricted. Poor people are willing and able to pay sustainable levels of interest on loans. Their main concern is the size and period of the loan, rather than the interest rate. (Pakistan)

Be realistic about the sustainability of credit in poor isolated rural areas...(Mozambique)

To be effective, a microfinance programme should be implemented by dedicated staff through a dedicated organisation to ensure focus and avoid cross-subsidisation...(Pakistan)

#### Micro-irrigation

The mass market development of low cost technologies may require sophisticated production techniques, taking into consideration economies of scale and consideration of cost reductions through improved design. There are selected pro-poor technologies where Tanzanian manufacturers have the potential to become globally competitive with limited and temporary support. (Tanzania)

## **Governance**

### Urban development

Without greater Government commitment to urban planning and decentralisation, LUPP [the Luanda project] cannot have a significant impact on making services and livelihood strategies sustainable. Government action may even undermine programme aims, as in the case of forced resettlement. However, despite the poor policy environment, partners have managed to identify individuals within Government and administrative structures and service providers with whom they can work in partnership. It is questionable the extent to which INGOs can and should attempt to influence policy on a broader level (i.e. beyond sitting on national boards and committees at which they are invited to comment) in a country where DFID has no regular presence and so no accountability for NGO actions. This was designed as four INGO projects rather than as a programme which limited the scope for a strategic approach. It has proved impossible to support the poorest urban dwellers through financially sustainable micro-interventions because the poorest can rarely contribute finance or time. It is very challenging and possibly inequitable to create an island of pro-poor, sustainable interventions in an urban setting where systems are poorly managed and effectively pro-rich. Sector lessons: - cross-subsidising waste collection from water tariffs is fraught with technical and practical difficulties. It is possible to provide successful micro-finance projects in a conflict country with hyper-inflation. Angolans have learnt ways of dealing with inflation and operating in the informal sector. (Angola)

Interventions in slum pockets need to be built into wider and integrated town-wide approaches to poverty reduction. Reforms in municipal management, accounting and organisation are necessary for sustainability. The project helped demonstrate a useful participatory approach. (India – Calcutta slums)

Need for early action on municipal financial management. The success of neighbourhood groups led by women was facilitated by linking capacity building with community level infrastructure projects. The Cochin urban poverty reduction project yielded a range of sector specific lessons e.g. the success of community health volunteers, that successful enterprise development combines access to credit with capacity-building, that small scale waste management activities cannot be scaled up to make a significant impact on the livelihoods of the poor. (India-Cochin)

Participatory Planning and Implementation Approaches are possible cost-effective options for intervention in highly differentiated urban communities. (Jamaica)

Without community contributions there is no sense of ownership of infrastructure projects by the community, little or no interest in design or implementation and subsequent problems in operation and maintenance. Community groups are effective and sustainable as long as a support organisation is there to fund most of the inputs and to take the lead in designing and supervising implementation of programmes and projects. The groups were far more sustainable as long as 50 % of contributions came from the community. (Pakistan – urban)

The programme's land-sharing policy is ground-breaking globally by facilitating partnerships between private developers and poor communities. (Cambodia)

### Justice sector

Technical law revision expertise can be provided effectively from remote locations. (Caribbean)

This was a traditional police training project. The narrowness of the project purpose underlies the weakness of working with only one part of a sector. Any improvements in police delivery would be unlikely to be replicated in prisons or courts. (Ethiopia)

The justice sector SWAP development approach has been highly effective in Kenya. Characteristics are limited support to the sector until the SWAP development process has begun in earnest, relatively low budget and cost-effective technical assistance and up-front donor coordination. It is important to identify the right reform champion for the legal sector since it is frequently unclear which is the appropriate body to head a sectoral reform process. Particular thought should be given to the right champion for commercial justice reform, which can get lost in a more human rights based legal sector reform programme. DFID Advisers can play a highly effective role in SWAP development through effective and high level partnerships with Government. Continuity of engagement is important when DFID is playing an influencing role. A highly strategic and politically aware approach is important in SWAP development. Strategic partnerships with CSOs and the private sector can be more effective than ad hoc support to individual organisations. (Kenya)

It would have been impossible to establish a functioning probation service without simultaneously developing high levels of cooperation with the judiciary and community agencies. (Romania)

This was a very ambitious project that suffered as a result of inadequate planning and design. The police are but the gatekeepers of the criminal justice system and for any project in this sector to be sustainable and successful it must seek to engage with wider elements. Given the lack of devolution in South Africa it is essential to engage at both national and state level in planning and design to ensure both sustainability and the potential for replication of best practice nationally. (South Africa)

### Public sector reform

The ability to take forward various aspects of public service reform will depend on the political context. It is important to recognise what is feasible and likely to succeed. In a resource-constrained environment, it is unlikely that government will be willing to fund an expensive reform programme through their own budget. A joint donor financing arrangement is more likely to be effective. Technical fixes are possible but need to be strategic and linked, not a series of discrete interventions. The issues of organisational culture, change and the socio-political context are rarely addressed but critical to the success of the programme. (Uganda)

A strong and committed leadership is essential, especially when dealing with problems that could be politicised. Collaboration between the Ministry of Finance and the department responsible for Human Resources is crucial for success. The prospect of improved public services and government's commitment to other socio-economic targets are crucial to generating the support and enthusiasm required to implement these reforms. (Tanzania)

International standards and benchmarks were important in the context of Ukraine's ambition to join the EU. Public administration is a difficult area to promote change. Formal structures are often buttressed by informal and behavioural norms. The heavy heritage of inadequate communication (both horizontally and vertically) had to be taken into account. Encouraging communication between different players in public administration reform was an important strategy. DFID should be more active in bringing modern public management discourses (e.g. the changed role of the state, need for delegation of functions etc) into the Ukrainian context. (Ukraine)

Public financial management reform is a very long and incremental process. Thus the Ministry needed to develop its own strategic analysis of budgeting and planning. The accounting system is the weakest component of financial management. Reform is not just a matter of introducing new technology but strengthening and reforming basic public accounting and cash management systems together with the training of qualified public accountants. (Mozambique)

Reform processes in one revenue dept need to be closely aligned to comparable and complementary processes in other parts of government. There should be strong links between the policy agenda, often led by the IMF, and the necessary management reforms. (Mozambique)

Human Resources (HR) and payroll systems are high profile because of the direct impact they have on so many individuals at all levels of government. It is easy to underestimate timeframes and the effort needed to develop and implement effective and efficient systems. A gradualist, phased approach has proved successful. Generic interventions across all government organisations yield more benefits than in-depth interventions in a limited number of organisations. An effective and efficient HR and payroll system helps to release recurrent resources and cut down on corruption. The cross-cutting nature of these systems requires inclusive and tight management and coordination arrangements. Success to date in Tanzania derives from the comprehensive nature of the public service reforms. (Tanzania)

Sequencing of activities is critical for a new payroll system. Delays in capturing and uploading data will inevitably have a negative impact on testing the system's functionality. This in turn will affect training on the new system. Clearing ghost workers from payrolls requires patience in a charged political environment. Payroll projects regularly come into contact with other parts of government over which they have no control e.g. health. Strategies need to be developed for overcoming resistance at different times. Payroll projects need to be linked in to longer term pay reform and civil service management processes. They also need to be linked in to key functions in the Ministry of Finance to ensure that budget planning is effective. (Zambia)

The hardware should not have been selected before the software, since the software determines hardware requirements. The software supplier did not have experience of implementing such a large project. (Ghana)

#### Support for elections

Key needs identified in planning the project were for a clearer and more explicit legal framework, to strengthen the electoral authorities, improve and institutionalise liaison with

the political parties, strengthen voter information, encourage the media, discourage parties from using incumbency or access to resources to create an unfair advantage and support actively the involvement of civil society observers. However, there was not enough time to take this forward. The lesson is being incorporated in a follow-up project which will start early, involve a wider range of stakeholders and include an electoral support fund as part of a joint donor fund. (Nigeria)

#### Anti-Corruption

Once a clear and widely agreed strategic plan was in place the pace of implementation increased rapidly. In terms of interactions between the Anti-Corruption Commission (ACC) and civil society, there have been successes but ACC efforts to stimulate a strong national anti-corruption body have proved less successful. Placing external experts and funding in a selected CSO may be the way forward. (Zambia)

#### Local government reform

The formula-based approach to fiscal decentralisation has provided badly needed resources based on credible logic e.g. population, poverty and Local Government Association capacity-building requirements. (Tanzania)

### **Social**

#### Water and sanitation

One of the key lessons for municipalities is the need to continue to develop their understanding of the management of self-sustaining legally compliant services. (Bulgaria)

There are specific lessons on targeting the vulnerable, working with local government and working with the small scale private sector. Ecological sanitation could have been an interesting area for further exploration as it may have been cheaper and more appropriate than the double-pit latrines that the project was testing. (Nigeria)

#### Emergency Response

Save the Children UK was able to persuade sceptics within government and the international community of the severity of the food crisis through coherent and technically credible data and field observations. Preparations well in advance of distribution proved vital. Good sensitisation is crucial to avoid confusion, especially where only a percentage are going to directly benefit from distribution even though, in an emergency, time for sensitisation is often not enough. By organising its own schedule of distribution from stocks in SCF's warehouses with transporters from the locality, changes could be made where necessary without disrupting distributions unnecessarily. (Malawi)

An operation focused on fast disbursement and without explicit developmental objectives is an efficient and effective vehicle to respond to emergency and crisis situations. Any conditionality or reform requirements, as well as explicit capacity-building components, risk disrupting the flow of critical financial resources, endanger adequate service provision and undermine the functioning and credibility of the public agency. Policy reforms, supported through conditionality-based budget support and investment operations may accompany an emergency operation and should be linked to it, but should not be an integral part of an emergency operation itself. (West Bank and Gaza)

### Emergency Housing

Management of all large infrastructure projects has subsequently been the responsibility of GoM, with no formal DFID role. In the case of the airport, DFID is funding professional supervision consultants to certify the works and monitor the contractor's expenditure. This approach is working successfully. DFID's contracting procedures now require all large contracts to be let by Procurement Department, rather than geographical departments of (as in this case) Emergency Dept. This helps guard against contractual difficulties as have arisen in this case. DFID has taken steps to ensure other HMG departments are aware of the contractor's performance in this case. (Montserrat)

The sustainability of the project is, and was always likely to be, problematic. Many of the physical facilities provided were designed to be temporary in nature, lasting perhaps 15 years at most. In practice, problems with the facilities deteriorating more quickly than expected in the Caribbean climatic conditions, mean that sustainability is unachievable. The poor condition of many of the houses has led to increased recurrent costs for GoM. GoM is selling the houses to the tenants but in some cases they are in such poor condition that it is unreasonable to sell them for much more than the value of the land. A review of GoM's housing strategy is being undertaken. This is a sector in which GoM had very limited experience prior to the volcanic crisis. (Montserrat)

This phase included a pilot scheme for 100% grants to the most vulnerable groups which was seen as a success and transferred to phase 3. (Montserrat – housing materials)

### **Rural livelihoods**

Joint forest management limited to highly degraded forest will only generate a narrow range of goods and services with interventions based on reforestation through plantations and natural regeneration. Issues of land rights, particularly of alleged encroachers on notified forest land are critical to the livelihood security of the forest dependent poor. (India)

The GOLDA project had a very structured process for local problem-solving and decision-making and enabled the development of a set of technologies that addressed the economic needs of households - the villagers perceived a real need for this kind of project support which explains the receptiveness to most project ideas. The project protected the "future poor", preserving a niche for the marginal gher farmer to remain solvent in the face of rising costs, scarce credit, lack of information and other constraints. The landless/labour classes, the project helped expand seasonal employment opportunities and wage rates. The expansion of gher forced an alteration in the livelihoods of those who compete for the same resource - the project didn't foresee this problem. (Bangladesh)

Relative success of the project can be put down to a series of crucial practices; sharp awareness of markets; good diagnosis of sector constraints; good agronomy and well developed value-added technical packages; expert understanding of how to set up farmer owned and managed businesses. (Peru)

There is a place for technological-oriented projects within the realm of livelihood studies. The key is to ensure that complex products are able to feed into the decision framework and be used to provide positive impacts on the poorest sectors of society. (Botswana)  
Greater clarity is required between the two, often competing, strands of sustainable livelihoods and biodiversity conservation. Biodiversity projects that do not consider people and the effect people have on their environments are unlikely to succeed. (Cameroon)

The role of extension officer need not be confined to deliver of end projects and instruction - they could participate in developing the product with the farmers. (Kenya)

Moving away from traditional seeds and tools emergency distribution programme provided opportunities for dietary diversity, a mix of food crops and cash crops, crop diversification and the production of crop rotation and soil fertility measures. (Zambia)

Gravity fed (irrigation) schemes have proven to be reliable and requiring low maintenance. Project activities are very closely interconnected with other aspects of participant's livelihoods and as a result projects must take on a holistic view. (Zimbabwe)

The knowledge of how to use properly the natural and infrastructure resources available, through a clear production and marketing strategy will have better results than trying to look for an impact just by working on the improvement of soil and irrigation infrastructure. (Bolivia)

The fact that conservation was placed at the forefront and was taken forward with more impetus than sustainable development led to conflicts and frustration among "beneficiaries". Greater emphasis should have been placed on processing, marketing and organisation from the start, even if there was no production yet. The time and effort required to manage them can only be compensated by returns in the form of income that justify the model. It is likely that their establishment and results can only be identified in the medium and long term. (Bolivia)

Targeting the poorest groups in agricultural projects is extremely challenging as they have very little or no land for agriculture and the transaction costs to attend Farmer Field School sessions is extremely high for them. Working on wider livelihood options (poultry, livestock and processing) is more acceptable to poorer groups. Farmer field schools should be operated with two perspectives, improving productive ability of the members and group development. - Although the groups were encouraged to tackle wider issues (dowry, access to land, social justice) this did not bring meaningful results as expected. The GOINTERFISH project was highly successful to increase agricultural production and improving capacity of the poor through training. The project could have impacted on the livelihoods more if food security, economic vulnerability and other felt needs of the poor were adequately addressed. (Bangladesh)

Farmer participatory research is important in varietal selection, seed production and other aspects of farming systems. (India)

Input constraints on smallholders remain serious, mainly owing to weak purchasing power (but also to lack of availability of seed), and will continue to prevent a recovery in maize yields. While the maize component of TIP helps to sustain the output of Malawi's main

staple food, the legume component is the key to efforts to diversify food sources. Smallholders view fertiliser as the most valuable component of the TIP packs. Low literacy levels remain a serious problem among smallholder farmers. (Malawi)

Social mobilisation, empowerment and capacity building of such vulnerable groups require a substantial amount of time compared to physical infrastructure development. Self help groups require a minimum of two years for their development and strengthening after their formation. Clear vision, strategy and standards for graduation are needed. Labour-based infrastructure activities provide the most needed employment opportunities at the early stage of rehabilitation. Not only does it provide critical survival needs but it helps build social cohesion. Examples of innovation included the creation of community master farmers for training, promotion of low cost housing of adobe bricks and the development of community leaders to work in difficult environments. (Nepal)

**Annex 3: From Paris Declaration, OECD Development Assistance Committee, March 2005**

**III. Indicators of Progress**

To be measured nationally and monitored internationally

<b>OWNERSHIP</b>		<b>TARGETS FOR 2010</b>
<b>1</b>	<i>Partners have operational development strategies</i> — Number of countries with national development strategies (including PRSs) that have clear strategic priorities linked to a medium-term expenditure framework and reflected in annual budgets.	<b>At least 75%*</b> of partner countries
<b>ALIGNMENT</b>		<b>TARGETS FOR 2010</b>
<b>2</b>	<i>Reliable country systems</i> — Number of partner countries that have procurement and public financial management systems that either (a) adhere to broadly accepted good practices or (b) have a reform programme in place to achieve these.	Target for improvement to be set by September 2005
<b>3</b>	<i>Aid flows are aligned on national priorities</i> — Percent of aid flows to the government sector that is reported on partners' national budgets.	<b>85%*</b> of aid flows reported on budgets
<b>4</b>	<i>Strengthen capacity by co-ordinated support</i> — Percent of donor capacity-development support provided through co-ordinated programmes consistent with partners' national development strategies.	Target for improvement to be set by September 2005
<b>5</b>	<i>Use of country systems</i> — Percent of donors and of aid flows that use partner country procurement and/or public financial management systems in partner countries, which either (a) adhere to broadly accepted good practices or (b) have a reform programme in place to achieve these.	Target for improvement to be set by September 2005
<b>6</b>	<i>Strengthen capacity by avoiding parallel implementation structures</i> — Number of parallel project implementation units (PIUs) per country.	Target for improvement to be set by September 2005
<b>7</b>	<i>Aid is more predictable</i> — Percent of aid disbursements released according to agreed schedules in annual or multi-year frameworks.	<b>At least 75%*</b> of such aid released on schedule
<b>8</b>	<i>Aid is untied</i> — Percent of bilateral aid that is untied.	Continued progress
<b>HARMONISATION</b>		<b>TARGETS FOR 2010</b>
<b>9</b>	<i>Use of common arrangements or procedures</i> — Percent of aid provided as programme-based approaches <sup>5</sup>	<b>At least 25%*</b>
<b>10</b>	<i>Encourage shared analysis</i> — Percent of (a) field missions and/or (b) country analytic work, including diagnostic reviews that are joint.	Target for improvement to be set by September 2005
<b>MANAGING FOR RESULTS</b>		<b>TARGET FOR 2010</b>
<b>11</b>	<i>Results-oriented frameworks</i> — Number of countries with transparent and monitorable performance assessment frameworks to assess progress against (a) the national development strategies and (b) sector programmes.	<b>75%*</b> of partner countries
<b>MUTUAL ACCOUNTABILITY</b>		<b>TARGET FOR 2010</b>
<b>12</b>	<i>Mutual accountability</i> — Number of partner countries that undertake mutual assessments of progress in implementing agreed commitments on aid effectiveness including those in this Declaration.	Target for improvement to be set by September 2005

\* These figures will be confirmed or amended by September 2005.

<sup>5</sup> See methodological notes for a definition of programme based approaches.



**Annex 4: From “Ownership, Leadership and Transformation”,  
Carlos Lopes and Thomas Theisohn, Earthscan 2003**

# 10

## DEFAULT PRINCIPLES FOR CAPACITY DEVELOPMENT

- 01 *Don't rush***  
Capacity development is a long-term process. It eludes delivery pressures, quick fixes and the search for short-term results.
- 02 *Respect the value system and foster self-esteem***  
The imposition of alien values can undermine confidence. Capacity development builds upon respect and self-esteem.
- 03 *Scan locally and globally; reinvent locally***  
There are no blueprints. Capacity development draws upon voluntary learning, with genuine commitment and interest. Knowledge cannot be transferred; it needs to be acquired.
- 04 *Challenge mindsets and power differentials***  
Capacity development is not power neutral, and challenging mindsets and vested interests is difficult. Frank dialogue and a collective culture of transparency are essential steps.
- 05 *Think and act in terms of sustainable capacity outcomes***  
Capacity is at the core of development; any course of action needs to promote this end. Responsible leaders will inspire their institutions and societies to work accordingly.
- 06 *Establish positive incentives***  
Motives and incentives need to be aligned with the objective of capacity development, including through governance systems that respect fundamental rights. Public sector employment is one particular area where distortions throw up major obstacles.
- 07 *Integrate external inputs into national priorities, processes and systems***  
External inputs need to correspond to real demand and be flexible enough to respond to national needs and agendas. Where national systems are not strong enough, they should be reformed and strengthened, not bypassed.
- 08 *Build on existing capacities rather than creating new ones***  
This implies the primary use of national expertise, resuscitation and strengthening of national institutions, as well as protection of social and cultural capital.
- 09 *Stay engaged under difficult circumstances***  
The weaker the capacity, the greater the need. Low capacities are not an argument for withdrawal or for driving external agendas. People should not be held hostage to irresponsible governance.
- 10 *Remain accountable to ultimate beneficiaries***  
Any responsible government is answerable to its people, and should foster transparency as the foremost instrument of public accountability. Where governance is unsatisfactory it is even more important to anchor development firmly in stakeholder participation and to maintain pressure points for an inclusive accountability system.

## DEPARTMENT FOR INTERNATIONAL DEVELOPMENT

DFID, the Department for International Development: leading the British government's fight against world poverty.

One in five people in the world today, over 1 billion people, live in poverty on less than one dollar a day. In an increasingly interdependent world, many problems – like conflict, crime, pollution and diseases such as HIV and AIDS – are caused or made worse by poverty.

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- halve the number of people living in extreme poverty and hunger
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- promote sexual equality and give women a stronger voice
- reduce child death rates
- improve the health of mothers
- combat HIV and AIDS, malaria and other diseases
- make sure the environment is protected
- build a global partnership for those working in development.

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DFID works directly in over 150 countries worldwide, with a budget of some £4.6 billion in 2005. Its headquarters are in London and East Kilbride, near Glasgow.

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