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Indicators and public policies:  
The "sunflower effect"  
The cases of the MDGs and of the  
Paris Declaration

Canberra, AES meeting,  
2 September 2009

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**The power of pre-set  
indicators**

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- To evaluate, we need evidence
- Defining ex-post the kind of evidence needed to evaluate has limitations:
  - × Surprise
  - × Excessive power of evaluators
  - × Waste of resources

*What if the kind of evidence to be collected  
ex-post (indicators) is defined ex-ante?*

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## When defined ex ante, indicators provide



Information



Orientation

... or room for  
interpretation



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## Institutional phototropism

Institutions turn themselves towards spotlights (indicators), especially in the dark (data-poor) environment of development aid.



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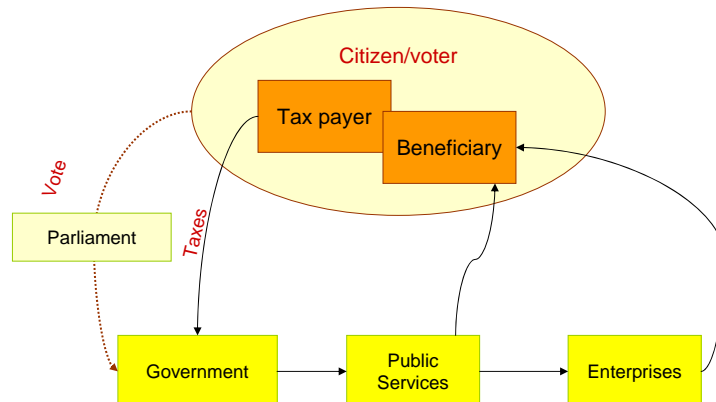
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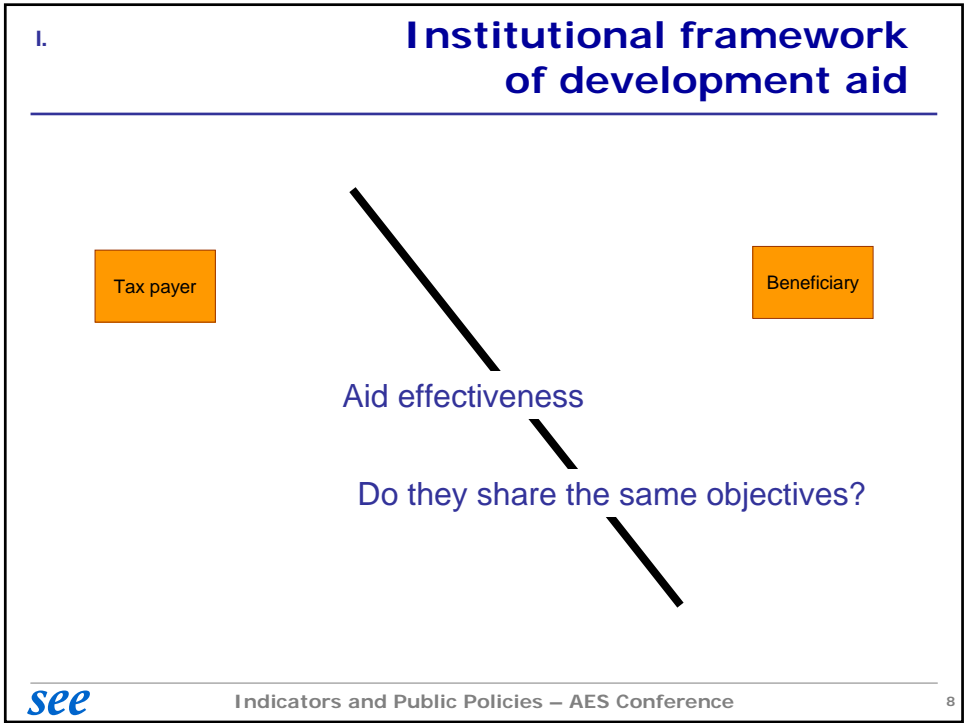
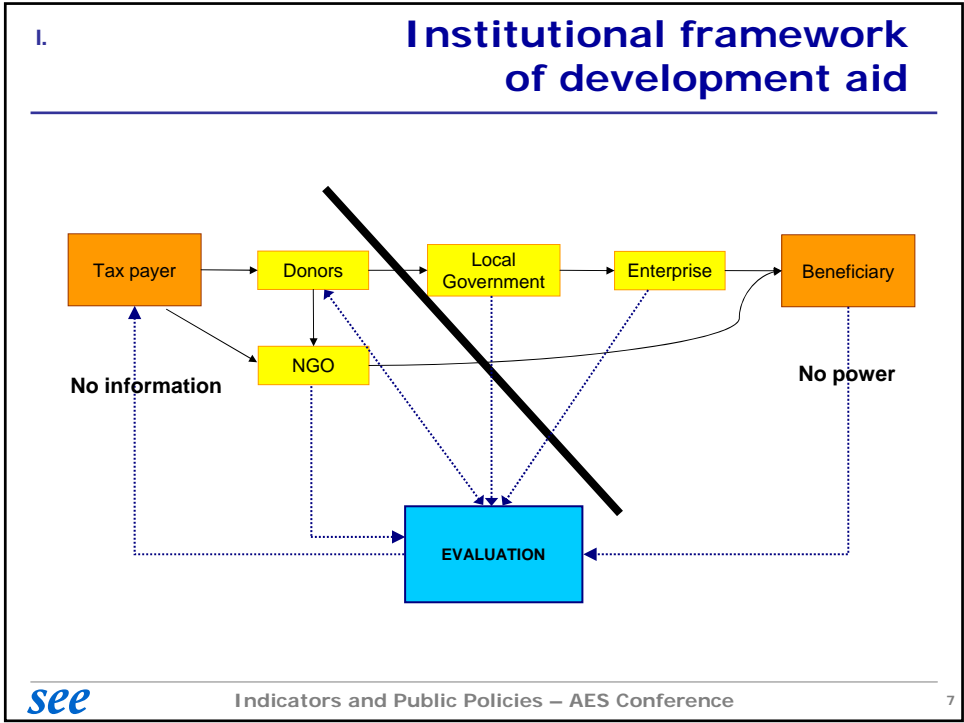
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## Agenda

- I. Institutional framework of development aid
- II. Three major sets of spotlights driving foreign aid
- III. Some benefits and risks

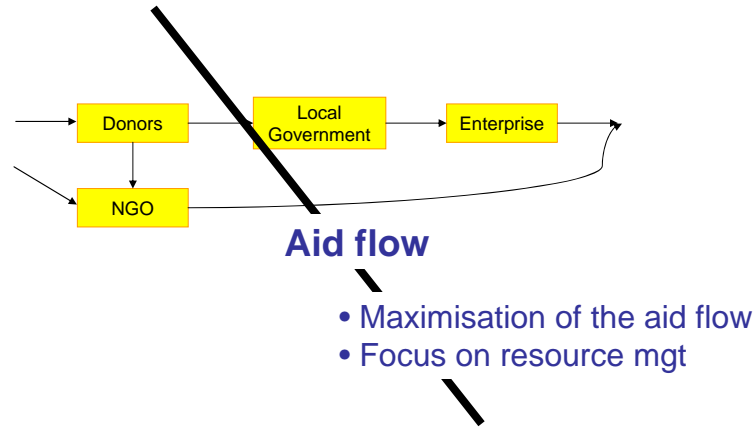
## I. Institutional framework of national public action





I.

## Institutional framework of development aid



Martens B et al., **The Institutional Economics of Foreign Aid**, Cambridge University Press, 2003

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## Agenda

I. Institutional framework of development aid

**II. Three major sets of spotlights driving foreign aid**

III. Some benefits and risks

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II.

## Spotlight # 1 How much ODA to provide?

Comparing efforts rather than effects:

*Official Development Assistance must reach  
0.7% of the GNI of DAC countries by 1980  
(October 1970)*

The first spotlight common to the OECD donors

Convergence of institutional interests and of the principle  
of *distributive justice*

J-D Naudet, *Les OMD et l'aide de 5eme génération*, AFD Working Doc N°2, Paris, mai 2005

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II.

## Yes we try....

...to **show** our efforts:

**0.3%** of the GNI on average (DAC countries)

i.e. USD **107** bn in 2005, of which:

- Debt relief: **25** bn
- Technical coop: **22** bn
- Food aid, emergency and admin: **22** bn
- Development aid: **38** bn

The spotlight is still on:

- External: political pressure to increase commitments
- Internal: pressure to disburse



Homi Kharas, *The New Reality of Aid*, Wolfensohn Center for Development, Aug 2005

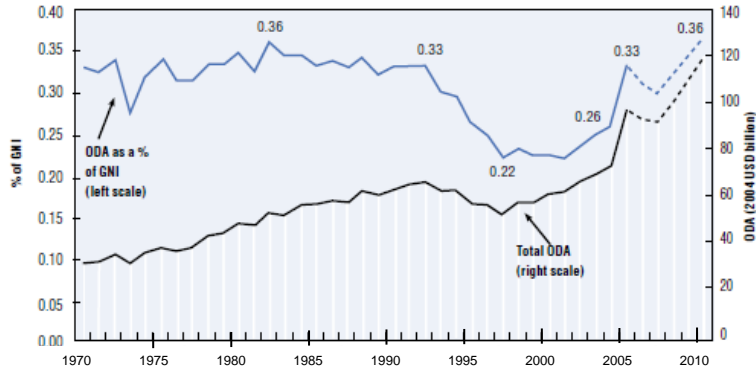
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II.

### DAC members' net ODA 1970-2005 and DAC Secretariat simulations of net ODA to 2006 and 2010



Private aid and aid from non-OECD countries increase much faster

DAC in dates 2006, OECD website

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II.

### 1990-1996 the Great Depression of ODA

*ODA/GNI falls from 0.33% in 1990 down to 0.22% in 1997*

Need to report on performance

↳ shedding light on objectives

↳ assessing progress towards these objectives

↳ reporting on results

↳ need for **new indicators**

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II.

## Spotlight # 2

### For what purpose to provide ODA?

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The first global development objectives

The Millennium  
Development Goals,  
Sep 2000

- 8 goals
- 18 targets
- 48 indicators



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II.

## The Millennium Development Goals

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- Eradicate extreme poverty
- Achieve universal primary education
- Promote gender equality and empower women
- Reduce child mortality
- Improve maternal health
- Combat HIV/AIDS, malaria and other diseases
- Ensure environment sustainability
- Set up a global partnership for development

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II.

2000-2005

## Increasing concern for effectiveness

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Shedding light on results

- ⇒ Effectiveness?
- ⇒ Agreeing on implementation principles
- ⇒ Shedding light on the process

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II.

Spotlight # 3

## How should we do it?

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Feb 2005: The Paris Declaration on  
aid effectiveness

Five principles

1. Ownership
2. Alignment
3. Harmonization
4. Managing for results
5. Mutual accountability

12 indicators with targets

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## Agenda

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- I. Institutional framework of development aid
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### III. Some benefits and risks

### III. Shedding light on development aid is a major progress

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- Donors start monitoring results and improving monitoring tools
- Such information stimulates the political debate
- Historical opportunity for donors to start thinking collectively about their role, their objectives and their effectiveness....
- ... and also about the causes of the problems they want to address
- Benchmarks for evaluation (relevance, effectiveness, coherence)
- The role of the evaluator becomes more predictable for the stakeholders
- Better accountability to the tax payer

III.

## The power of phototropism

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In the dark environment of development aid, phototropism is powerful, but may lead to unbalanced aid patterns



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III.

## Some evidence

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- Niger: PRSP designed to reach MDGs
- Focus on primary schools:
  - Enrolment rate > < quality (Niger)
  - limited resource for secondary and higher education (Niger, DRC, Cameroon)
- Health: big investments for fighting HIV but what about the development of integrated health systems? (DRC, Niger)
- Alignment and 0.7% => budget aid even under poor governance conditions
- Harmonization:
  - Joint evaluation (Niger)
  - Basket funding (Niger, Cameroon, ...)

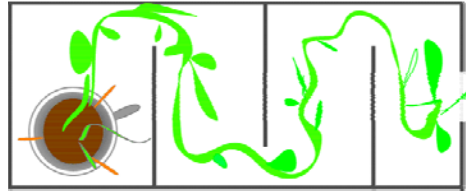
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III.

## Light is sometimes hard to follow



The current set of objectives and related indicators,  
provides contradictory signals



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III.

## Donors' motivations are broader

- Supporting public action of countries lacking necessary fiscal / technical resources to address social needs or to develop assets
- Promoting donor countries values, priorities or interests
  - × ODA dropped at the end of the cold war
  - × 2006 first beneficiary of ODA: Iraq
  - × Correlation income par capita-aid per capita?
- Saving lives without condition (humanitarian action)
- Sharing the cost of addressing global public challenges (biodiversity reduction, climate change, threatening endemic diseases,...)

SEE:

Evaluation of the Implementation of the Paris Declaration by France, Paris, January 2008

Evaluation of the French contribution to the GEF, Paris, 2008

Evaluation of the cooperation between France and Cameroon, January 2009

Other country evaluations

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III.

## Really want to enlighten this?

Partner Gvt.	Donors	MDGs	Paris Decl.
Power => promote constituency	Donor's values/interests	Poverty	<b><u>Ownership</u></b>
Growth	Poverty	Primary education	<b><u>Alignment</u></b>
Competitiveness	Protect own markets	Gender	Harmonization
Own values/interests	Growth	Child mortality	Management for results
Control « minorities »	Promote minorities	Maternal health	Mutual accountability
Poverty??	Global public goods	Environmental sustainability	
Short term	Longer term	Global partnership (open trade)	
<b>ODA / GNI =&gt; spend more !!!</b>			

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III.

## Conclusions

- Defining objectives for aid and monitoring them has led to more concern for **aid effectiveness**
- Rules accepted to improve effectiveness rely on fragile assumptions
- Monitoring aid results (MDGs) together with the implementation of the PD will raise difficult political questions
- Donors went from projects to policies. With those spotlights on, they won't escape going from policies to politics and this is a risky evolution.

**However,**

**It is worth shedding light on development aid. It is the condition to progress.**

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## Single recommendation

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Don't switch the lights off  
Be aware of their power  
And adapt the spotlights