

**Evaluation of the Implementation of the
Paris Declaration:
United States Government
Department of Labor
Case Study**

January 2011



Independent Evaluation Team:

John H. Sullivan, PhD

Kelly Heindel, M.A.

Social Impact, Inc.

Subcontracted under:

Contract # AID-RAN-I-00-09-00019

Task Order# AID-RAN-I-01-09-00019

Managed by: Office of the Director of U.S. Foreign Assistance at the Department of State

Published by: The United States Agency for International Development (USAID)



This is an independent evaluation report prepared by a private contractor. The report was made possible by the support of the American people through the Office of the Director of U.S. Foreign Assistance and the United States Agency for International Development (USAID). The contents are the responsibility of Social Impact, Inc. and do not necessarily reflect the views of the Office of the Director of U.S. Foreign Assistance, USAID or the United States government.

The data collection period for this evaluation began in March 2010 and was completed in early January 2011. Since that time, the reports have been reviewed and revised based on additional information received from agency reviewers and accepted by the independent evaluation team.

Social Impact, Inc

2300 Clarendon Blvd. Suite 300

Arlington, VA 22801

Department of Labor Preface

The Department of Labor (DOL) welcomes the Independent Evaluation Commissioned by USAID and the Office of the Director of U.S. Foreign Assistance at the Department of State. This Case Study of DOL points to paradoxes. DOL is a domestic agency with approximately 16,000 employees but only about 100 specializing on international issues. So the “paucity of knowledge” about the Paris Declaration (PD) principles is not surprising. Yet the study finds that DOL is actually making more progress in implementing some key PD principles than other agencies that do the bulk of their work abroad. The Bureau of International Labor Affairs (ILAB) handles DOL’s international assistance. ILAB is already promoting developing country ownership, policy alignment, donor harmonization, measurable results, and mutual accountability, and is willing to take additional steps to implement PD principles. At the same time, the Case Study recognizes that ILAB faces certain constraints including legal mandates. And the study astutely points out that even if fully implementing all of the PD principles were feasible in ILAB’s case, it might not be a good idea.

For example the PD calls for developing countries to set their own strategies for poverty reduction, and for donor countries to align behind these objectives. Yet as this Case Study suggests, ILAB is effective, in part, because ILAB persuades host countries to take steps they might not take otherwise. It explains that “the most successful efforts at reform emerge when donors apply overt ‘carrot and stick’ practices,” and that ILAB has used these tools to promote worker rights and protect children from the worst forms of child labor. If ILAB simply adopted host countries’ agendas, more countries might fail to fulfill their own international commitments or act in their own long term interests. Practical difficulties would arise as well. For instance, it would be difficult to have host government agencies run ILAB funded programs whose purpose is building the capacity and competence of those same government agencies.

The study points to another dilemma: the tension between achieving measurable results and reducing reporting burdens. DOL-ILAB has at times faced “push-back” from grant recipients about its rigorous reporting requirements. However reporting is often both mandated and necessary to measure impacts and provide lessons about how to make future projects more effective. As the study points out, ILAB is a leader in applying quantitative and randomized methodologies to gauge project effectiveness. We also routinely seek input and feedback from host governments to design and assess projects. ILAB’s latest generation of child labor projects complement host countries’ national strategies for combating problems like child labor and rural poverty. Under a new partnership on child labor in West Africa’s cocoa sector, we are working with governments and industry to jointly set goals and measure results. We also support host country efforts to improve working conditions for adults through Better Work projects in Jordan, Haiti, Lesotho and Nicaragua and a labor rights project in Tanzania.

DOL and other USG agencies have recently taken a crucial step toward implementing PD Principles through the Presidential Policy Directive for Global Development (PPD). ILAB contributed to the interagency process that shaped this PPD and now serves on the Global Development IPC that is implementing it. Key objectives of the PPD bear a striking resemblance to the PD principles. The PPD underscores “the importance of country ownership and responsibility.” It aims to “empower responsible governments to drive development and sustain outcomes by working through national institutions rather than around them.” It directs agencies

to focus on policies and assistance that produce measurable results and “establish mechanisms for ensuring coherence in U.S. development policy.”

ILAB is seeking opportunities to coordinate, cooperate and leverage our technical assistance by finding USG partners working in complementary areas. The Partnership for Growth initiative created under the PPD should help identify possible synergies. Under the PPD, ILAB and other agencies are also providing one another with inventories of our programs, projects, objectives in various countries, and the types of resources and expertise we can share. ILAB has been working on its own to map labor related projects other donors are funding in countries where we work. And, as the study indicates, ILAB also implements many projects through the International Labor Organization, facilitating coordination with international donors.

While pursuing coherence and avoiding redundancy is important, some overlap with other agencies’ objectives is inevitable. ILAB has compelling reasons, for instance, to move beyond a “narrowly focused strategy into a broader development approach to child labor.” We know that child labor is inextricably linked to household poverty. If we do not confront and address this issue, we risk spending a great deal of money removing children from hazardous, exploitive work, only to have them return to these jobs as soon as project funding ends. While USAID and other donors also fund projects that address household poverty, they may not consider or measure the impact on child labor. We expect ILAB’s projects will continue to test and accumulate evidence supporting the premise that fostering sustainable livelihoods protects children, creating a virtuous cycle of better education, improved productivity, and broad based economic growth. We agree with the report that microfinance is no panacea, and we will employ it selectively and cautiously, if at all.

Finally, it is true that members of the U.S. Congress, labor unions, and others pay close attention to ILAB’s work. But ILAB’s high profile does not impede its development agenda. In ILAB’s case, there is no inherent clash or “zero sum game” that pits domestic constituencies against development principles. Our objective is to “ensure that workers around the world are treated fairly and are able to share in the benefits of the global economy.” Preventing the unfair exploitation of workers abroad helps U.S. workers because it levels the playing field. It pushes back against the much decried “race to the bottom” – the scramble to undercut competitors by slashing wages or skimping on working conditions. Protecting vulnerable workers in one country can help workers in other countries too. That is one reason ILAB’s brand of development assistance enjoys broad domestic support.

TABLE OF CONTENTS

Acronyms.....i

EXECUTIVE SUMMARY.....ii

1 INTRODUCTION TO STUDY..... 1

 1.1 The Assessment Approach and Methodology..... 1

2 The Department of Labor Foreign Assistance Programs..... 3

3 FINDINGS..... 5

 3.1 Leadership and Commitment..... 5

 3.2 Strategy and Capacity for PD Implementation 6

 3.2.1 Operating Procedures..... 6

 3.2.2 Tactical Measures for Implementing the PD 7

 3.2.3 Alignment 7

 3.2.4 Managing for Results (MfR)..... 8

 3.2.5 Budget and Reporting 9

4 INCENTIVES, DISINCENTIVES and CONSTRAINTS..... 10

 4.1 Incentives 10

 4.2 Disincentives 10

 4.3 Constraints..... 11

5 COHERENCE..... 11

 5.1 The Political Framework..... 11

 5.2 Coordination and Consistency 12

 5.2.1 Intra-Agency Coordination 12

 5.2.2 With Other U.S. Government Agencies 12

 5.2.3 With Other Multilateral and Bilateral Agencies 13

 5.2.4 Partnership with Recipient Countries in Performance Management & Evaluation 14

6 ANALYSIS AND CONCLUSIONS 14

 6.1 Assessing Leadership and Commitment 14

 6.2 Assessing Strategy and Capacity..... 15

 6.3 Assessing Incentives and Disincentives..... 15

6.4	Coherence.....	16
7	SUMMARY ASSESSMENTS	16
8	MATTERS FOR CONSIDERATION.....	18
8.1	Leadership and Commitment	18
8.2	Strategy and Capacities	18
8.3	Incentives and Disincentives	19
8.4	Coherence.....	19
8.5	Overarching Implications.....	20
ANNEX 1	Interview and Commitment Guides	22
ANNEX 2	Scope of Work	30

ACRONYMS

DAC	Development Assistance Committee
DOL	Department of Labor
FA	Foreign Assistance
GAO	Government Accounting Office
GPRA	Government Performance and Results Act of 1993
ILAB	Bureau of International Labor Affairs
ILO	International Labour Organization
IP	Implementing Partner
KI	Key Informant
MfR	Managing for Results
NGO	Nongovernmental Organization
OCFT	Office of Child Labor, Forced Labor and Human Trafficking
ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and Development
OIR	Office of International Relations
OMB	Office of Management and Budget
OTLA	Office of Trade and Labor Affairs
PD	Paris Declaration on Aid Effectiveness
RFA	Request for Application
SI	Social Impact
UN	United Nations
USAID	United States Agency for International Development
USG	United States Government

EXECUTIVE SUMMARY

This case study provides results of research on international assistance provided through the U.S. Department of Labor (DOL) and the extent to which it adheres to the principles of the Paris Declaration on Aid Effectiveness, a non-binding declaration signed by the United States in 2005. The study is part of a larger research effort into the general response of the U.S. government (USG) to an effort to harmonize “best practices” in aid giving among donor and recipient countries and organizations.

The DOL essentially implements four programs through which its foreign assistance is provided: (1) a bilateral program to combat child labor, forced labor and human trafficking, (2) a bilateral program of technical assistance centering around the concept of worker rights, (3) a smaller effort on HIV/AIDS in the workplace, and (4) other labor-related assistance given with and through the International Labor Organization

(ILO). Each of these assistance activities falls under the administrative purview of the Bureau of International Labor Affairs (ILAB). The ILAB in turn has three offices: The Office of Child Labor, Forced Labor & Human Trafficking (OCFT), The Office of Trade and Labor Affairs (OTLA), and the Office of International Relations (OIR). During the past five years, DOL–ILAB has expended more than \$403 million on assistance programs.

Using the key informant survey methodology adopted as standard across all department case studies, the two-person research team first undertook a document review, and then interviewed twelve respondents in the DOL–ILAB offices and three by telephone at the Geneva headquarters of the International Labor Organization (ILO).

Key Findings

There is a paucity of knowledge in DOL about the Paris Declaration (PD) and the commitments that have been undertaken by signatories such as the United States. No departmental directives, policy papers or policy statements relating to the PD have been issued within the Department. What knowledge does exist has come from the bottom up when the subject has been broached at international meetings or through the ILO. Nevertheless, respondents regularly rated their agency higher in terms of implementing the PD principles than they did the USG as a whole. Two positive areas of emphasis were alignment and managing for results (MfR). The weakest areas cited were coherence and harmonization with other U.S. agencies and other donors.

Paris Declaration Principles*

Ownership - *Developing countries set their own strategies for poverty reduction, improve their institutions and tackle corruption.*

Alignment - *Donor countries align behind these objectives and use local systems.*

Harmonization - *Donor countries coordinate, simplify procedures and share information to avoid duplication.*

Results - *Developing countries and donors shift focus to development results and results get measured.*

Mutual Accountability - *Donors and partners are accountable for development results.*

**www.oecd.org*

Conclusions

While DOL–ILAB expressed few reservations about their agency moving closer to the PD principles and cited examples of trends in that direction, the current mode of operation, one that does not include funding host governments directly, suggests that major changes would be required to achieve closer PD adherence. These changes, because they would affect the legal and political foundations of DOL–ILAB programs significantly, must originate outside the DOL–ILAB at the level of the White House and Congress. Change would also require leadership from the State Department or another designated agency to affect a uniform response across the USG.

Considerations

This paper provides a series of considerations regarding issues of leadership and commitment, strategy and capacities, creation of incentives and elimination of disincentives, and achieving greater coherence of approach within the U.S. government and with other donors. In addition, this evaluation recommends further study to determine what effect greater adherence to the PD principles might have on DOL–ILAB program efficiency and effectiveness.

1 INTRODUCTION TO STUDY

Over 150 countries, donors and international organizations signed the Paris Declaration on Aid Effectiveness (PD) in 2005, in an effort to improve the quality and effectiveness of development assistance. The Declaration was further elaborated on at the Accra workshop in 2008. This study focuses on the PD principles, including the Accra Agenda for Action (AAA) of 2008.

The PD is built around five principles: ownership, alignment, harmonization, managing for results, and mutual accountability. This evaluation is part of an independent international evaluation of the PD to examine its implementation and explore its impacts. Beginning in 2007 and ending in 2010, over thirty

developing partner countries and almost twenty donor countries and international organizations will participate in case study evaluations. The case study results will be incorporated into a Synthesis Report to be presented to the Fourth High Level Forum on Aid Effectiveness in December 2011 in Busan, Korea.

The U.S. government (USG) is participating in this effort by conducting an independent evaluation of its commitment to and efforts towards implementing the PD. To better reflect the reality of USG Foreign Assistance (FA), SI has prepared separate case studies for each of the four main agencies involved in providing U.S. Foreign Assistance: United States Agency for International Development (USAID), Department of State (DOS), Health and Human Services (HHS), and Millennium Challenge Corporation (MCC), and three smaller case studies on the Department of Labor (DOL), Department of Treasury (TREAS), and the U.S. Department of Agriculture (USDA). To enable comparative analysis, all case studies have used the same conceptual framework. A synthesis report draws on the data and information generated by the case studies.

1.1 The Assessment Approach and Methodology

The USG study, along with all the donor studies, assesses four broad areas:

- 1) Leadership and staff commitment to the PD principles;
- 2) The agency's (or agencies') capacity to implement the PD and the steps that it has undertaken to enhance its capacity;
- 3) Incentives and disincentives for implementing the PD principles; and
- 4) Coherence, political framework and coordination.

Paris Declaration Principles*

Ownership - *Developing countries set their own strategies for poverty reduction, improve their institutions and tackle corruption.*

Alignment - *Donor countries align behind these objectives and use local systems.*

Harmonization - *Donor countries coordinate, simplify procedures and share information to avoid duplication.*

Results - *Developing countries and donors shift focus to development results and results get measured.*

Mutual Accountability - *Donors and partners are accountable for development results.*

*www.oecd.org

The Paris Declaration is directed at the effectiveness of development aid, and specifically Official Development Assistance (ODA),¹ as the endorsers of the PD are governments and official agencies. This may include humanitarian and emergency assistance, and other aid in fragile situations.² The international evaluation team’s guidance provided to the USG Evaluation Team stated that this should also include “vertical funds” that combine resources from several types of donors (bilateral, multilateral, private, corporations, etc.).

The guidance continued, “[a]t the same time, the Paris Declaration and AAA are also explicitly and repeatedly concerned with ‘other development resources’ and their inter-relations with the aid flows most targeted by the Declaration. . . .The Evaluation design aims to place aid in its proper context. For this reason, the substantial domestic and external resources available for development other than ODA will be given major attention in the contextual analysis. Beyond their contextual importance, moreover, the Evaluation approach recognizes that other providers of development aid and finance are concerned with ensuring and improving the effectiveness of their own contributions. Even if they have not been so directly targeted by the Declaration, they have nevertheless been participating or taking account of global reform initiatives.”

The SI Evaluation Team’s substantive approach to assessing these areas started with the question: “To what extent are U.S. foreign assistance policies and practices consistent with the five principles of the Paris Declaration?”, rather than limiting our research to those policies and practices specifically labeled, “Paris Declaration.” The team used a mixed-methods approach that included literature and documentation review as well as semi-structured interviews and focus group interviews of senior and other selected agency headquarters staff. The SI Evaluation Team designed a Key Informant (KI) interview guide that included content and rating scales for the interviewers and interviewees to provide ratings and rankings on important topics/questions. This helped to ensure consistency in data gathering and allowed for greater comparability across agencies. Twenty-five of the fifty-five commitments apply to donors; the Team determined that eleven (at least one under each of the five principles) of them were key commitments that should be analyzed for the USG evaluation, as they are relevant and operational in the USG context. A commitment guide was created and used in interviews as a probe for interviewees less familiar with the Paris Declaration. It allowed the evaluators to find out what practices or processes are consistent with a PD principle, but not necessarily labeled as such.³ The Team also met with representatives from DOL and the Office of the Director of Foreign Assistance (F) and the USG Reference Group, consisting of representatives from each case study agency, to discuss and confirm the evaluation process and design. With a few exceptions, the case study evaluations do

¹ ODA as defined by the OECD/DAC: “Grants or Loans to countries and territories on Part I of the DAC List of Aid Recipients (developing countries) which are: (a) undertaken by the official sector; (b) with promotion of economic development and welfare as the main objective; (c) at concessional financial terms [if a loan, having a Grant Element (q.v.) of at least 25 per cent]. In addition to financial flows, Technical Co-operation (q.v.) is included in aid. Grants, loans and credits for military purposes are excluded. For the treatment of the forgiveness of Loans originally extended for military purposes, see Notes on Definitions and Measurement below. Transfer payments to private individuals (e.g. pensions, reparations or insurance payouts) are in general not counted.”

² The general principles of the Paris Declaration are expected to apply in “challenging and complex situations” to these forms of aid, with some special requirements for adaptation (See PD para. 7). In the main, however, humanitarian assistance is excluded from coverage under the Paris Declaration and AAA.

³ Both the interview guide and commitment guide can be found in Annex 1.

not include interviews with field staff. However, field perspectives will be assessed in the team’s synthesis report, through survey and field interview data.

Each case study team worked with their agency representative to identify key informants from program, policy, and functional offices, in addition to senior leadership. The final list of key informants was subject to participant availability and willingness to participate. All interviews are confidential.

Successful implementation of the Paris Declaration principles is not the responsibility, nor even within the reach, of any single government agency. Rather, it relies upon the combined efforts and actions of the agency being reviewed, the host countries it intends to help, other U.S. government donor agencies, other donor countries, and non-government organizations. The purpose and nature of the assistance provided can also have an effect. This report will provide insights into the achievements, challenges, and varying incentives and disincentives to implementing the PD Principles, and present relevant considerations or implications to the DOL.

Aware that the DOL was a small and potentially less complicated dispenser of foreign assistance, the Team relied primarily on three methods of obtaining the desired information. First, official public documents and documents provided by DOL personnel were reviewed. Subsequently, the Team met with a “resource group” of two knowledgeable DOL employees who explained in greater detail the basic operations of their assistance programs. The Team then conducted individual interviews with twelve pre-identified Key Informants (KI) from the offices described in depth in Section 2.

It must be emphasized strongly that the DOL is a domestic agency. Its primary focus is on American work and American workers. Its international programs are a minor part of the Department’s operations, encompassed within one relatively small bureau, the Bureau of International Labor Affairs (ILAB). While there appears to be no lack of general interest in ILAB activities, top leadership in DOL might be expected to have only the most cursory understanding of the Paris Declaration, if any at all. Interviews, therefore, included only two political appointees. This need not be considered a limitation on the report’s analysis, findings, or recommendations, however; mid-level staff provided a considerable amount of useful information. The Team also conducted telephone interviews with four International Labour Organization (ILO) representatives in Geneva familiar with DOL–ILAB programs. They were able to give an outside perspective on DOL’s participation within the foreign assistance community.

2 THE DEPARTMENT OF LABOR FOREIGN ASSISTANCE PROGRAMS

DOL implements essentially four programs through which its overseas assistance is provided: (1) a bilateral⁴ program to combat child labor, forced labor and human trafficking, (2) a bilateral program of technical assistance centering around the concept of worker rights, (3) a smaller effort on HIV/AIDS in the workplace, and (4) labor-related assistance given with and through the ILO. Each of these assistance activities falls under the administrative purview of the ILAB. The bureau, in turn, has three offices: The Office of Child Labor, Forced Labor & Human Trafficking

⁴ ‘Bilateral’, meaning between one entity and another, not just government to government.

(OCFT), The Office of Trade and Labor Affairs (OTLA), and the Office of International Relations (OIR).

OCFT administers the largest share of DOL foreign assistance, providing approximately \$20 million annually for its Child Labor Education Initiative that follows a competitive procurement process and \$40 million through the ILO International Program for the Elimination of Child Labor. It is the largest donor to the ILO's anti-child labor activities. Although the DOL program formally includes forced labor and human trafficking, the ILAB mandate, with only occasional exceptions, does not extend to adults involved in forced labor or trafficking. In its most recent authorization bill, DOL was permitted to go beyond its usual child labor programming into microfinance for families of children at risk. ILAB has had a long history of providing technical assistance to advance labor rights and improve working conditions. Currently, OTLA administers ILAB's worker rights programs, which include annual appropriations for bilateral programs as well as funding from the State Department for labor rights programs in specific regions, such as Central America and the Middle East. OTLA also administers a small program of information and education on HIV/AIDS under the rubric of "AIDS in the Workplace". Both OCFT and OTLA implement some of their programs through the ILO (as a grantee), including the International Program for the Elimination of Child Labor (IPEC), the "Better Work" factory monitoring program, and "Declaration" projects that seek to improve adherence to the ILO's 1998 Declaration on Principles and Rights at Work (core labor standards). OIR provides continuing liaison with ILO and other international organizations.

These DOL-ILAB programs are carried out under a series of congressional mandates and presidential directives. They include the Trade and Development Act of 2000, Executive Order 13126, the Trafficking Victims Protection Reauthorization Act of 2005 and the Food, Conservation and Energy Act of 2008. In addition, annual appropriations bills for the DOL carry earmarks or report language that direct spending and programmatic approaches. The funding levels for fiscal years 2004 to 2009 are enumerated in Table 1.

**Table 1: U.S. DEPARTMENT OF LABOR INTERNATIONAL LABOR AFFAIRS BUREAU,
FY 2005 - FY 2009 APPROPRIATIONS**

YEAR	Office of Child Labor, Forced Labor, and Human Trafficking	Office of Trade and Labor Affairs*		Combined
	Funding Level	DA Funding Level	IA Funding Level	Total Funding Level
2005	\$79,000,000	\$4,000,000	\$16,890,000	\$99,890,000
2006	\$61,000,000	\$0	\$14,876,000	\$75,876,000
2007	\$60,400,000	\$0	\$12,776,000	\$73,176,000
2008	\$65,000,000	\$5,000,000	\$11,758,000	\$81,758,000
2009	\$59,260,000	\$6,500,000	\$6,570,000	\$72,330,000
Grand Total	\$324,660,000	\$15,500,000	\$62,870,000	\$403,030,000

*DA (Direct appropriations) covers HIV/AIDS, Labor Rights Monitoring and Worker Rights; IA (Interagency transfer from State Department) primarily covers CAFTA-DR, followed by PEPFAR funds for HIV/AIDS, and the Ukraine Mine Safety project.

3 FINDINGS

3.1 Leadership and Commitment

Awareness of the five PD principles and their implications is very limited within DOL. At the top of the department, awareness of PD was virtually non-existent. At mid-levels and program levels in ILAB, awareness varies considerably. Some officials at these levels candidly admitted that they had had no idea of the PD principles until the interviews were scheduled. Others indicated being made aware of the PD and its implications as long as two years ago, when the subject was broached at international meetings. Overall, knowledge of the PD varies markedly among responsible officials.

Table 2: LEADERSHIP KNOWLEDGE OF PD PRINCIPLES				
Knowledge of PD Principles	Highly Aware	Modestly Aware	Limited Awareness	No Awareness
# per 12 KIs	1	2	6	3

Furthermore, no “culture” of awareness currently exists within DOL. No strategy documents, public statements, policy papers or best practice notifications have been distributed in DOL–ILAB that relate to PD principles.⁵ The situation may change soon. At an April, 2010 meeting on protocol on child labor in the cocoa industry, held under the auspices of the Economic Community of West Africa States (ECOWAS), PD requirements were raised by two countries, Ghana and Cote d’Ivoire. The DOL representative attending was completely unaware of the PD and e-mailed Washington for more information. During the evaluation’s interview period, this ILAB–OCFT staff member was writing her report on the meeting.

Without directives from the senior level, there can be no institutional commitment to PD concepts. At the same time, virtually all KIs emphasized that they believed many of the principles are already being implemented in their programs, but not within a PD rationale. Congruent activities were emphasized particularly in (1) alignment with country strategies and (2) managing for results.

Interestingly, respondents generally did not have major concerns, reservations or doubts about implementing most of the Paris Declaration commitments. Relying on the host government procurement processes drew the most concern, with KIs citing the possibility for conflict with existing U.S. laws. As one senior management KI stated, “Congress needs to add it to the appropriations language” if DOL is to use host government procurement systems.⁶ At least four KIs were also generally wary of reducing reporting as a means of easing administrative burdens on recipients. They defended the current requirements as necessary to effective performance management, citing the Lutrena Project (under the ILO from 2001–2007) as an example. The DOL, State, and the Danish International Development Agency (DANIDA) provided funding, but they all agreed to use DOL’s reporting style, because it was the most detailed.

3.2 Strategy and Capacity for PD Implementation

3.2.1 Operating Procedures

ILAB staff repeatedly emphasized that program funds are provided on a bilateral basis directly to governments only in very exceptional cases. Although DOL occasionally provides small

⁵ At the time of our interviews, no references to the PD had occurred in DOL documents. Subsequently, we are informed that, on two recent occasions, the DOL has included references to PD and Development Assistance Committee (DAC) principles of evaluation in presentations.

⁶ Subsequently, DOL officials have expressed the view that the senior official quoted was mistaken and that it would take only a policy change within the Department to provide funds directly to governments for non-research activities or to rely on host government procurement processes.

amounts to governments for labor research, it expends the bulk of its resources through cooperative agreements with international organizations, such as the ILO or U.S. international and local nongovernmental organizations (NGOs). These organizations provide important intermediaries between DOL and the host government. Of particular importance is the relationship with the ILO: the ILO is the implementing partner (IP) for about sixty percent of the child labor program and a substantial amount of worker rights-oriented programming. Although the U.S. provides funds annually through the State Department to support the basic work of the ILO, DOL is a prime funder for “special programs” of this United Nations (UN) Family organization. The close DOL-ILO relationship is somewhat unusual: program designs and origins can come from either party. When an agreement is reached on a specific activity to be carried out by the ILO, the DOL submits a contractual document that, in addition to committing the funding, usually requires that the project be branded as being paid for by the American people. As a result, these projects have both international and bilateral coloration.

Although USAID and the Department of State have a series of agreements with recipient countries on such issues as taxation and customs, DOL activities fall outside those agreements and neither DOL–ILAB nor its NGO IPs enjoys such protections. This has led to problems in the past, as IPs struggle against what they believe are unwarranted government impositions. The ILO, on the other hand, has ongoing agreements with governments and usually does not face the same difficulties.

3.2.2 Tactical Measures for Implementing the PD

Respondents were clear that if the DOL were to attempt to align its programs completely with the PD requirements, it would force a substantial revision in how DOL–ILAB does business. It would mean providing funds directly to governments, something the agency has avoided in the past. At least five respondents were quick to suggest that authority for such a marked change did not reside within DOL. At the same time, they indicated that DOL programs have been tending in the direction of the PD principles, particularly alignment and managing for results.

3.2.3 Alignment

In the past, DOL–ILAB contacts with governments were limited. If the bureau wished to undertake a bilateral program in a country, a letter would be sent to its ambassador in Washington that briefly described the scope and requested permission to implement it. It was assumed that the ambassador, in turn, would submit the inquiry to his government. If the response was positive, as it usually was, DOL–ILAB went forward.⁷ With two decades of

⁷ In commenting on this section of the report, a DOL-ILAB representative added the following: “For competitive awards, ILAB’s long held practice has involved contacting key host government ministries, including the Ministries of Labor and Education, and seek their support and input for proposed projects. ILAB requests a letter of support from these ministries, and will not fund an award without receiving such a letter that indicates the government’s support. DOL seeks to incorporate all input from the government and requests recommendations from the government of experts that could serve on the proposal review panel. DOL also often conducts scoping missions to engage with governments and other stakeholders.” While the evaluation team does not dispute anything included here—in fact we have reported a similar process—it should be noted that, according to information we were provided, the “letter of support” from a ministry must be sought by each bidding organization, potentially representing an undue burden on host government officials.

experience, this process has been refined to include an ILAB design mission that visits the country, meeting with government officials, the U.S. embassy, and other potential stakeholders. A key objective of these missions is to gain a more complete understanding of relevant government planning and priorities. Then DOL–ILAB designs specific activities to be congruent with national goals, but always within the parameters of ILAB’s own mandates. In some instances, those parameters include issues and concerns that have been raised in the international community—an example would be emphasis on gender in programming.

For those activities implemented by the ILO and its IPs, ILAB relies heavily on the continuing presence of the UN organization in recipient countries to ensure that alignment occurs. ILO respondents emphasized the tripartite nature of their country programming, a model that involves government, employers’ and workers’ organizations in joint cooperation and, it was argued, helps assure alignment as represented in the PD principles. According to at least one DOL–ILAB respondent, the bureau uses a similar model in designing its Better Work programs. The evaluation team does not view reliance on ILO by DOL–ILAB as inappropriate. Our point is that the DOL–ILO connection facilitates the alignment process prescribed by the PD.

Better Work is a factory-monitoring program conducted jointly by the ILO and the International Finance Corporation. It makes the results of inspections public, enabling international buyers to direct their orders to factories that are improving worker rights and working conditions. DOL–ILAB has funded this program in Cambodia, and is currently funding it in Haiti, Lesotho, and Nicaragua. The KI explained that these programs are “aligned with the government plan, workers’ rights, and the companies’ needs, as it gives increased quotas to good participants.” The program also secures host governments’ buy-in by ensuring that the program is mandated sector-wide, which is a significant commitment on the part of the government and an indicator of political will—as well as encouraging governments (when appropriate) to fund a portion of the program. There are donor and advisory committees for the global program (the U.S. has a chair on both of these) and specific country level advisory committees in which the government, businesses and workers are represented. Most country-level Better Work projects have multiple donors supporting the program. In addition, more than one respondent suggested that since most DOL–ILAB programs can be considered to be “demonstrations”, they must be aligned with government objectives or will be unsustainable from the start. Although a few impressive examples were cited in which governments have adopted or sustained projects begun by DOL–ILAB, the number of these, when compared to the universe of such efforts, appears limited. One difficulty lies in the relatively short span of an individual project. Where DOL–ILAB has been able to fund back-to-back projects in a country—with efforts lasting eight years or more—greater impact and sustainability result, according to ILO respondents.

3.2.4 Managing for Results (MfR)

A second area in which ILAB staff almost uniformly awarded themselves high marks was in managing for results. During the first years of the child labor programs, it is conceded, monitoring and evaluation (M&E) seldom went beyond the “inputs” and “outputs” stages. In 2007, the Government Accounting Office (GAO) issued a report criticizing all organizations combating trafficking internationally, including DOL, for not have any firm idea of the results and impacts of their efforts and funding. Among its conclusions: “U.S. government-funded anti-trafficking projects often lack some important elements that allow projects to be monitored, and

little is known about project impact due to difficulties in conducting evaluations.”⁸ Overall, however, DOL got higher marks from GAO than the other five agencies involved.

Since issuance of the GAO report, DOL–ILAB officials have attempted, on a continuing basis, to improve and upgrade their ability to monitor and evaluate projects and programs. They have contracted with organizations recognized in the field of program management and monitoring and evaluation to help develop systems for obtaining baseline information and to develop indicators of progress. For example, Tulane University has been hired, in direct response to a congressional directive for more information on actions being taken by host governments and the cocoa industry to implement the Harkin-Engel Protocol.⁹ At present, the ILAB principal indicators for all its anti-child labor funding are (1) the number of children withdrawn or prevented from exploitive child labor and provided educational services, and (2) the number of countries in which relevant capacity has been built to address exploitive child labor. Both ILAB and its grantees must report on these indicators.

Interview respondents generally agreed that there has been steady progress toward more effective implementation and the creation of feedback loops into the design process. Currently, ILAB is moving to impact assessment and is poised, along with other U.S. overseas assistance programs, to introduce quantitative and randomized methodologies, as appropriate. ILO respondents also gave high marks to DOL–ILAB for its initiatives in pushing for more rigorous child labor and labor rights evaluations, which include an increasing emphasis on impacts. What is lacking is a response to the PD principles’ call for a joint effort with the recipient country to manage for results. This has not occurred.

3.2.5 Budget and Reporting

Budget and reporting remain areas of concern. The predictability of DOL–ILAB funding is at the mercy of the Office of Management and Budget (OMB) and Congress. In the past, budgets have fluctuated considerably, rendering impossible any idea of “mutual accountability”. During the prior administration, for example, the executive branch eliminated any request to Congress for funding ILAB overseas assistance programs. Each year, however, Congress restored funds to certain DOL programs, such as child labor. Until that occurred, ILAB programming would grind to a halt, and then speed up rapidly to allocate appropriated funds before the end of the fiscal year. The current administration has restored a line item request for ILAB and the funding process is reported to be operating more smoothly. Unless major changes occur, DOL–ILAB will never be able to commit predictable, extended disbursements to any given country or program. On the positive side, when DOL–ILAB does fund a multi-year activity, it commits the money up front, sometimes for as long as four years. According to this study’s reference group, DOL is not allowed to “mortgage” a project (commit only part funding), as USAID sometimes has done.

DOL–ILAB repeatedly has faced “push-back” from recipients about the rigor of the reporting it requires of its IPs. This criticism has come primarily from or through the ILO, whose officials see DOL–ILAB requirements as considerably more onerous than those of other donors. In response, the Bureau has reduced the requirement for technical reporting on its projects from

⁸ “Human Trafficking: Monitoring and Evaluation of International Projects Are Limited, but Experts Suggest Improvements”, GAO-07-1034, July 26, 2007, <<http://www.gao.gov/products/gao-07-1034>>.

⁹ For more information about the Tulane project and the contract, please see: <<http://www.childlabor-payson.org/>>.

quarterly to semi-annually, while retaining quarterly financial reporting. Although the ILO, IPs and beneficiaries applauded this move, they continue to complain about the amount of reporting information ILAB-DOL requires.¹⁰ One ILO respondent suggested that reporting would remain adequate, but place fewer burdens on beneficiaries, if the requirements were fewer and the reports shorter. The bureau appears to stand firm in the belief that it needs and puts to good use the information it seeks. Even by reducing the frequency of technical reporting, DOL–ILAB may be in conflict with OMB directives under the Government Performance and Results Act of 1993 (GPRA).

4 FINDINGS: AGENCY INCENTIVES, DISINCENTIVES AND CONSTRAINTS

4.1 Incentives

Given the scant knowledge of the PD principles in DOL, formal incentives do not exist. Respondents, however, almost uniformly left the impression that they were dedicated to their jobs, interested in doing them well, and open to accommodating new ways of operating. One ILO respondent noted the healthy “flexibility” in the DOL–ILAB staff in dealing with new situations. If the USG mandates most or all of the requirements of the PD, these U.S. officials expressed views that indicate they could be expected to respond positively.

4.2 Disincentives

ILAB-DOL currently uses methods for implementing its overseas programs that present major disincentives to adopting PD concepts. As noted earlier, host governments do not directly manage ILAB-DOL projects and will not be involved in implementing them as long as present systems are in place. Replacing those systems would require different authorities and mandates from Congress and the executive branch. Moreover, such changes likely would require organizational restructuring in ILAB and additional types of expertise. It might also require an in-country presence by DOL to provide management oversight and ensure that funding reaches the intended beneficiaries. Such a move almost certainly would prove to be more costly administratively than present processes and procedures. In addition, as was noted by a DOL–ILAB representative, in some projects the aim is to increase the capacity of the host country’s ministries; therefore, using government systems to manage the project may not be practical. Finally, in reference to the lengthy administrative process cited by the ILO and IPs and described earlier in this paper, two KIs involved in implementing projects noted that streamlining the complex administrative processes could have the dual effect of cutting costs and moving towards better aid effectiveness. “Small, local NGOs can’t compete in our complex process, so we use the same people over and over. Re-examining this process would help in many ways.”

¹⁰ Because we found the issue of DOL-ILAB reporting requirements among the most contentious it deals with in its overseas programs, we include here a further statement from the agency on the subject: “ILAB reduced requirements for Technical Reporting from quarterly to semi-annually, unless in cases where a project’s poor performance suggests the need for more frequent reporting. It is important to note, however, that USG regulations do not permit ILAB to have less frequent (less than semi-annual) reporting. Also, just because IPs may prefer less reporting and less work on their part in this area doesn’t mean that is the best course of action.”

4.3 Constraints

As noted earlier, DOL–ILAB programs, for the most part, evolve out of acts of Congress, presidential orders or international agreements. Those documents set the framework within which the organization works; they both authorize and constrain activities. To those directives must be added mandates, included annually in the appropriations legislation from Congress. For example, funding for the child labor program is earmarked annually in the DOL Appropriations Bill, with approximately sixty percent going to the ILO and forty percent for the bilateral Child Labor Education Initiative. The program has highly committed “champions” in both the Senate and the House. This prominence in the legislative branch helps assure continuance of funding. At the same time, however, the earmark sets a framework within which DOL–ILAB must work. While DOL commentators noted that a child labor earmark “generally does not include an identification of the specific type of program or country focus,” the presence of an earmark does set a focus for how the monies can be used. One KI explained the effect earmarks have on DOL–ILAB’s autonomy to determine what types of programs and projects should be funded, specifically in regards to the PD principles: “In principle, there are no reservations about implementing the Paris Declaration . . . but priorities are always about politics.”

Table 3: DISINCENTIVES AND CONSTRAINTS TO PD				
Perceived Level/Intensity of Disincentives and Constraints	High	Modest	Limited	None
# per 12 KIs	7	4	3	0

5 COHERENCE

5.1 The Political Framework

As noted above, some DOL–ILAB programs have a high profile. The U.S. Congress and American labor unions have exhibited strong interest in them since their inception. Several respondents noted this reality. One put it this way: “The White House and Congress have their agenda and we line up behind that—not principles of development.” The political framework for DOL–ILAB programs may be considered both a blessing and a curse. On the positive side, a constituency exists—in Congress and, currently, in the executive branch, as well as among the American people—in favor of combating child labor and enhancing worker rights. On the negative side, other priorities and competing government agencies rapidly can shift the funding landscape. For example, the DOL–ILAB program HIV/AIDS Workplace Education a decade ago was funded at approximately \$10 million and operated in a dozen or more countries. Funding today, now coming through the Department of State, has diminished over time. The program, reduced to just over \$1 million, operates in only three countries.

5.2 Coordination and Consistency

Successful assistance coordination and consistency has intra-agency, inter-agency and international implications. With the exception of coordination within DOL itself, virtually all KIs described this area as the most problematic for DOL–ILAB programs.

5.2.1 Intra-Agency Coordination

Coordination within DOL was not cited as a problem area. All international assistance programs and activities are centered within ILAB, which is headed by a deputy undersecretary for international affairs. Reporting to that office is an associate deputy and the three offices, described earlier.¹¹ OCFT has four divisions: three regional and an Operation Division. For OCFT, the Operation Division plays an important integrating role among the regional child labor programs. OTLA has three divisions, of which only one, the Trade Administration and Technical Cooperation Division, has operational responsibilities for international assistance. Units of the bureau are closely co-located within the DOL building and interaction among the relatively small divisions was described as healthy.

5.2.2 With Other U.S. Government Agencies

The evaluation’s KIs almost uniformly expressed regret for the lackluster intergovernmental coordination that currently exists for DOL–ILAB programs. Although meetings are held among some of the myriad agencies now dispensing U.S. foreign assistance, they are few, episodic and most often called to remedy a specific problem. Particular concern was expressed for a lack of coordination and cooperation with USAID. Uganda was offered as a specific example. OCFT had a program aimed at getting children out of plantation labor and into school. Local schools, however, were dingy, dirty and generally run down. Concurrently, USAID was building brand-new schools in Uganda that might have been more attractive to potential students—but they were being built in a different part of the country. With greater coordination, some KIs believed, the child labor program in Uganda could have been greatly enhanced. Not only is coordination lacking in Washington, it is also lacking at the country team level. DOL–ILAB has no in-country presence. While some U.S. embassies have labor attachés, many do not. Moreover, labor attachés report to the Department of State and have only peripheral responsibilities for DOL overseas programming.

Amount of DOL-ILAB funds appropriated for ILO's International Program on the Elimination of Child Labor (ILO/IPEC) for technical cooperation projects in the area of international child labor:

\$2.1 million in 1995
\$1.5 million in 1996
\$1.5 million in 1997
\$3.0 million in 1998
\$29 million in 1999
\$30 million in 2000
\$45 million in 2001
\$45 million in 2002
\$45 million in 2003
\$45 million in 2004
\$45 million in 2005
\$38 million in 2006

Source: DOL-ILAB
<http://www.dol.gov/ilab/personnel.htm>

¹¹ See Section II, “The Department of Labor Foreign Assistance Programs”

Some at DOL–ILAB are finding that coordination also can have negative implications. Upon receipt of direct funding for its AIDS in the workplace program, the bureau mounted a robust initiative. When funding was consolidated under the PEPFAR banner within the Department of State, resources were gradually drained away, to a point where the future of the program itself is in question.

5.2.3 With Other Multilateral and Bilateral Agencies

In general, inter-organization coordination is perceived to be a problem area. While DOL–ILAB does engage with other multilateral and bilateral organizations on thematic issues of mutual interest like child labor and workers’ rights, actual harmonization of processes, procedures, and funding is virtually non-existent. Collaboration with the ILO is the exception. The relationship between DOL–ILAB and the ILO has many unusual, perhaps unique, qualities. One respondent called the collaboration “intricate.”

According to the OCFT office, a congressional earmark consistently has required DOL to provide a substantial portion of its child-labor funding to the ILO. Although not mandated to do so, much of DOL funding for worker rights is also done in collaboration with the ILO. These resources are provided to the UN agency through cooperative agreements that are jointly designed and approved. The U.S. is guaranteed “branding” (i.e., acknowledgment that the funding comes from the American people) on the ILO projects it bankrolls, but DOL–ILAB is not involved with their direct implementation. At the same time, ILO is a multilateral organization with many members and a forum for the discussion of issues among nations, including labor-related international assistance. Several DOL–ILAB respondents suggested that it is largely through the ILO connection that the department has derived any sensitivity to the PD principles.

Excluding the ILO, our DOL–ILAB KIs indicated that virtually no coordination or cooperation exists with other international donors. Several, however, pointed out that examining other donor programs operating in a country is written into its grants-bidding documents. The extent to which this actually occurs with DOL–ILAB grantees is not clear, as it is not reported systematically. Several countries have major labor programs overseas, including the United Kingdom and Germany. These are carried out through official aid channels or through government financing of labor-oriented NGOs, including ones affiliated with unions or political parties. With no permanent presence in the field, DOL–ILAB cannot communicate on a consistent basis with the in-country representatives of these organizations. When DOL missions visit a country prior to initiating a project, they seldom have time to seek out those individuals’ knowledge, or their cautions about prospective pitfalls. Several KIs suggested that a comprehensive, Web-based, donor “mapping” of projects in each recipient country, perhaps under the auspices of the UNDP or World Bank, would be of great value.

The lack of harmonization globally is least understandable in the case of child labor. Some 160 nations, both rich and poor, have signed an international agreement, ILO Convention 182, to eliminate child labor. The members of the ILO governing body more recently set a target of 2016 for eliminating the worst forms of child labor, and all child labor by 2020. This past year in The Hague, participating nations adopted a “road map” strategy for reaching those goals. Although the ILO provides a central focus for activities and there are requirements for nations to report to

the ILO on their progress, each country or donor is free to pursue the goal through such means as it may choose.

As a result, some of the more successful child labor efforts have been bilateral initiatives. An example is the Harkin-Engel Protocol, aka the “Cocoa Protocol”—spurred by those two, named members of the U.S. Congress—to eliminate child labor in the production of cocoa. Even though members of Congress, ambassadors of affected African countries, union representatives, NGOs and heads of major chocolate companies witnessed the agreement, it remains an American initiative, made effective in large part by the prospect of a negative impact on business or importation from the potential labeling of chocolate products imported into the United States. Protocol-related child labor programs currently are being funded by DOL–ILAB in Ghana and Cote d’Ivoire.

5.2.4 Partnership with Recipient Countries in Performance Management and Evaluation

Because DOL–ILAB only provides funding directly to governments in rare instances—relying instead on intermediaries like the ILO and NGOs—it maintains virtually no results management and evaluation partnerships with host governments. While agency officials declare they feel strongly about both, DOL–ILAB essentially assesses the quality of their intermediaries’ performance, with government action or inaction largely exogenous factors. When the bureau evaluates, it does so through a contractor, whose mandate in engaging the government may be limited. As it moves toward more rigorous evaluations, however, the bureau may be required to seek closer relationships with host governments.¹²

6 ANALYSIS AND CONCLUSIONS

6.1 Assessing Leadership and Commitment

Any assessment of this type must begin by reiterating that the Department of Labor has an overwhelmingly domestic agenda. Although its international programs are far from an afterthought, they are not central to the work of the department. It is therefore unrealistic to expect robust knowledge of and vibrant leadership on the PD principles at the most senior executive levels. DOL–ILAB officers have differing levels of understanding of the PD; available information has come from the bottom up, rather than from the top down. To date, no one can point to a single strategy document, policy paper or directive of any kind regarding the subject.

¹² Subsequently the DOL objected to the characterization in the study of its current evaluation processes and provided new information. Two particulars should be noted: (1) DOL will be moving to more rigorous impact evaluations in the future, and (2) it will consider building host government capacities in that area. Both objectives are commendable and deserve notice. The full DOL statement follows: “Evaluations conducted by a USDOL external evaluator or through the ILO-IPEC evaluation unit always engage the government as a key stakeholder for inputs into the evaluation TOR and as key informants. In some cases, the evaluation team has included independent evaluators nominated by the host country government, USDOL and the ILO in a cooperative consultation process. In the past the focus of the evaluation process has not included building the capacity of host country government to design and implement evaluations; however as DOL moves to rigorous impact evaluations government capacity building may be an explicit objective. Similarly, evaluations of USDOL funding have been conducted in cooperation with other donors supporting child labor efforts in a country or supporting global efforts such as research.”

Evaluation interviews almost uniformly drew responses that were amenable to adherence to most if not all of the PD principles. As noted earlier, KIs responded favorably to most of the eleven elaborated PD elements as representing elements of an effective process. Most were willing to agree to the reasonableness of even those areas in which DOL–ILAB was seen as deficient. Only on the question of using host government procurement systems was there hesitation and that because of possible conflict with U.S. laws and regulations.

Almost without exception, however, DOL–ILAB officials interviewed rated their agency higher on adherence to the PD principles than other agencies providing foreign assistance.

Subsequently, a DOL representative suggested that this ranking represented the ILAB staff’s years of experience observing trends and patterns across other departments and agencies. The evaluation team believes that “departmental pride” also contributed to this view of PD adherence.

6.2 Assessing Strategy and Capacity

As long as DOL continues to provide foreign assistance as it currently does, it can never be entirely congruent with the PD principles. With rare exceptions, the department does not give money directly to governments, a cornerstone of the PD. To do so would require major changes in its development strategy and operations, raising a further issue: would the effectiveness of the DOL programs be enhanced, or diminished, by such a change?

To date the DOL has taken a “stovepipe” approach to its international programming. It has tackled a few discrete problems—child labor, worker rights—in the countries it serves, using models tested over time and achieving some recognized successes. Twenty years ago, eliminating child labor as a major initiative in international development was the idea of a few. Today, it is the basis of a worldwide campaign that has shown success in a number of countries.

While efforts reportedly are made by donors to “align” programs with government priorities, progress often comes when “carrots” (funding, trade preferences) and “sticks” (loss of same) are employed to move governments to meet commitments they have previously made, but suffer from inertia in implementing. The capacity to employ a new strategy would require considerable readjustment of processes and procedures within DOL–ILAB. This evaluation asserts that officials would be willing and able to adjust to these changes if required. The Better Work program that DOL–ILAB currently is developing and expanding is an example of the bureau’s capacity to adapt its programs to changing international conditions and country requirements.

6.3 Assessing Incentives and Disincentives

The current DOL–ILAB operating environment contains several incentives for moving closer to the PD principles. In order to assure greater sustainability and effectiveness of programming, the bureau has learned over time that alignment, in many instances, is a necessary—if not *the* necessary—component of successful programming. It now sends design missions to potential recipients to review country strategy documents and meet with local officials. DOL–ILAB has adopted more rigorous methods of performance management and evaluation. Many also see closer harmonization with USAID and other donors, now honored in the breach, as meeting important development goals.

The constraints represented by the current operating modes of DOL–ILAB, based on U.S. rules, regulations, and other stipulations, are one disincentive. A second disincentive lies in the possibility of diminished program effectiveness in a completely PD-observant regime. KIs almost unanimously agree that the current methods of operation, particularly in the child labor area, have achieved notable results. Would those same results have been possible if the bureau scrupulously observed the PD principles? ILO respondents were more positive in their answers than KIs from DOL–ILAB.

6.4 Coherence

Generally, coherence is viewed to be a particular problem for DOL–ILAB programs. For example, DOL may be on a difficult path toward coherence with USAID. Congress recently gave DOL–ILAB authority to move into the area of microfinance in its child labor programming. This was justified by ILO respondents because the bureau has seen a need to move further toward a “livelihoods” perspective. The rationale goes like this: parents send their children into laboring jobs because families need the money just to survive. If small amounts of money are made available to borrow, the families should be able to launch small enterprises or activities that would replace the meager earnings of their children. Parents would then be more willing to quit the practice of child labor and, it is anticipated, enroll their children in school. The validity of these premises is as yet untested.

In effect, this new emphasis moves DOL–ILAB programming beyond a narrowly focused strategy into a broader development approach to child labor. Even if these programs adhere strictly to the context of child labor, this initiative may replicate efforts in which USAID has been engaged for more than fifty years. Overlaps and perhaps conflict between the two agencies may arise. In addition, the success of microfinance is not guaranteed. While some efforts have been successful, many have not. No surefire models exist. Moreover, many other donors, both bilateral and multilateral, have microfinance programs in the same countries. Most recipient governments have longstanding policies and programs on microfinance. DOL–ILAB is being thrust into an area in which increased coherence and harmonization will be essential.¹³

7 SUMMARY ASSESSMENTS

This section addresses both the officials’ self-assessments and the evaluators’ assessment of the findings presented above.

The evaluation’s interview guide included a question on respondents’ assessment of DOL effectiveness in implementing the PD principles. The results report how well respondents think their agency implements the PD *according to the principles and their defining features*, not necessarily how well they implement the PD as a signed, international commitment.

¹³ DOL-ILAB subsequently offered the following comment on the move into microfinance: “ILAB realizes this and intends to use this new authority only where it makes sense. In fact, for just these reasons, earlier this year ILAB convened a workshop with State, USAID and experts from NGOs, international organizations and academia on microfinance and other livelihood strategies to discuss how ILAB could best use this authority to improve effectiveness and avoid duplication.”

The bar graph below (Graph 1) shows the range of responses. If the scores were averaged, MfR and ownership would rank highest, with average scores of “4”, and harmonization the lowest, with an average score of “2”. The high rating for ownership appears to stem from many KIs’ belief that DOL programs are considered demonstrations, with the intent that the host governments adopt them. The administration and leadership at DOL have pushed MfR heavily, and most KIs felt they now design more rigorous programming. A KI in program management aptly summarized the low rank for harmonization: “Harmonizing is done on an *ad hoc* basis, if at all.” Many KIs indicated that, as a small foreign assistance operation, harmonization with other donors, and even within the USG, would continue to be a struggle.

Graph 1: Department of Labor KI Compliance ratings

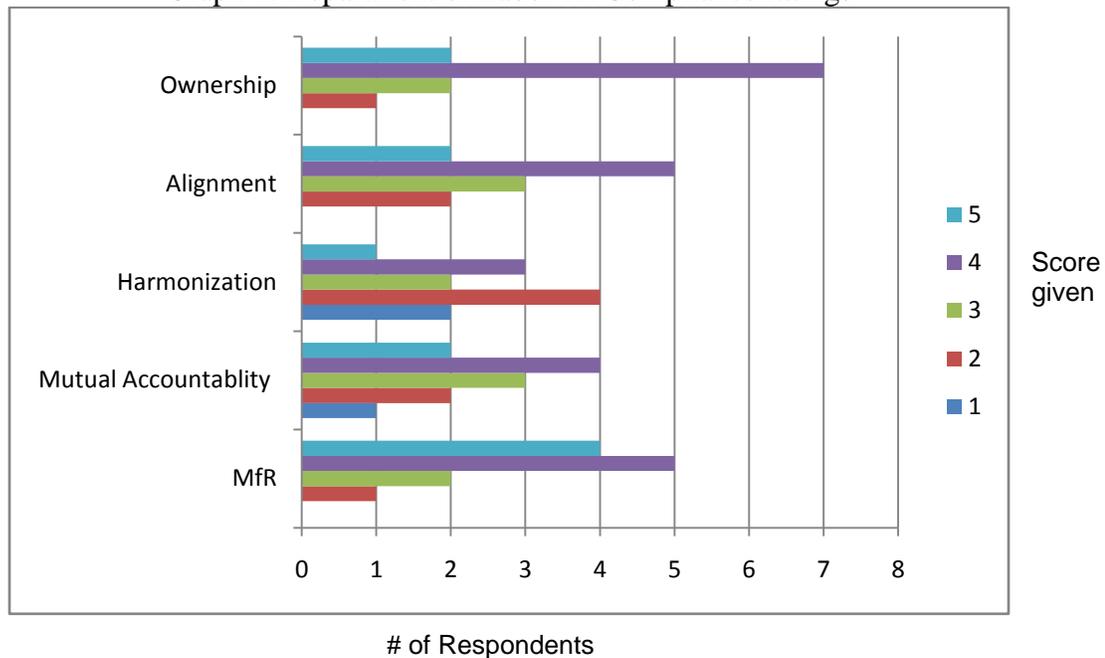


Table 4 identifies the agency’s overall rating, as given by the case study evaluation team. The team used a 1–5 scale, with “5” being the highest, to rate the agency on each PD principle. The rating consists of how the principle is practiced by the agency and its staff, any agency policies or procedures related to the principle, and overall commitment to the principle by agency leadership and staff.

Table 4: PARIS DECLARATION ON AID EFFECTIVENESS AND THE ACCRA AGENDA FOR ACTION PRINCIPLES					
	Harmonization	Alignment	Ownership	Mutual Accountability	MfR
DOL	2	2.5	2.5	2	3

8 MATTERS FOR CONSIDERATION

8.1 Leadership and Commitment

Before leadership and commitment can exist, there must be knowledge and understanding. Those prerequisites are lacking at top levels of the Department of Labor and uneven at program level. At the same time, there appears to be positive interest in the PD principles and no serious reservations about them. Essentially a domestic agency, DOL should not be held as accountable as the Department of State or USAID on the PD principles. Leadership and commitment must come from those sources, or from other entities in the executive branch, and subsequently be communicated to DOL. Discussions with KIs indicate that DOL would not be resistant to such guidance.

Table 5: DOL'S CAPACITY/GUIDANCE TO IMPLEMENT PD PRINCIPLES				
	High	Modest	Limited	None
# per 12 KIs	2	3	4	3

8.2 Strategy and Capacities

DOL strategies, procedures and methods of operation, with rare exceptions, do not involve direct funding to governments. Full compliance with some of the PD principles would require a major reengineering of DOL programs, with the possible exception of those implemented through the ILO. If change is mandated, evaluation interviews indicate that DOL staff clearly possesses the professional capacity to make significant alterations and would be willing to move ahead, once new directions are given.

DOL-ILAB is working on a number of fronts congruent with the PD principles; this trend should be encouraged and should continue. In addition, the Team recommends further evaluation of the bilateral bidding process employed at present. When DOL-ILAB issues a grant request for application (RFA) for a program, as many as twelve NGOs and other organizations may respond

with proposals. The RFA's scope of work currently encourages bidders to obtain letters of cooperation from government agencies involved, solicited at the national, regional and/or local levels. This results in multiple approaches by bidders to responsible officials. Only one bidder, however, will ultimately implement the program. Such redundancies place a burden on host governments and are a potential irritant. By contrast, USAID request for proposals (RFPs) or RFAs often will caution bidders against contacting host country offices or other organizations in search of letters of cooperation and support.

8.3 Incentives and Disincentives

Here again, the question of incentives and disincentives goes beyond DOL and ILAB to touch on larger USG issues. Each of the labor programs has a basis in laws, presidential directives and other executive branch orders that have enormous impact on the programs and set relatively narrow operating parameters. These limitations are complicated further by the requirement for annual appropriations and the earmarks they usually carry.

As a minor player in U.S. international development assistance, DOL is dependent on extra-departmental forces to shape its programming. Interviews revealed a strong sense among DOL-ILAB officials that they were doing important work towards ameliorating child labor and improving worker rights, and have achieved a measure of success in their efforts. That view is reinforced by Congress' and the current administration's willingness to continue, and even increase, funding. Should a major change in operating strategy be required, as per the PD principles, our evaluation recommends that every effort be made to retain the present ethos and morale.

8.4 Coherence

Virtually all respondents identified coherence, on many levels, as a major problem for DOL-ILAB. The lack of effective collaboration within the USG has been documented and the lack of cooperation with other donors—with the possible exception of the ILO context—was frequently mentioned. These shortcomings could be remedied by the following:

- Create a D.C.-based, joint State / USAID-DOL group charged with periodically reviewing the ILAB plans and portfolio to identify opportunities for improved collaboration and synergies.¹⁴
- Improve harmonization with other donors, which—with the exception of the ILO—has been virtually non-existent. Each of the design missions, now standard procedure for DOL-LAB, should require meetings with the on-site representatives of other donors working in similar labor fields. If more time is required than the normal two weeks'

¹⁴ DOL-ILAB's commentary on this case study included the following highly cogent point: "ILAB holds annual interagency meetings to consult with State and USAID about programming ideas. The bigger challenge is finding a more effective way to get information from USAID and State about their programming approaches and strategies. Particularly in the case of USAID, we have asked how best to get such information of various USAID officials but there does not appear to be any single point of access to such information. Field offices have programming plans but so do many different offices in Washington."

duration of such missions, the activity should be extended. One respondent said, “We need a way to coordinate with other agencies, and more flexibility to fund together without losing the competitive advantage of our agency. If we could plan ahead and have more time we could coordinate better.” Contacts with other donors may be among the most valuable resources.

- Reporting and other DOL–ILAB mission documents, including project designs, should explicitly reflect discussions with other donors. Among the elements to be explored in such interactions are the indicators of progress that have been established by other donors. One respondent suggested that adopting common indicators across donor programs in a country would be a major step toward greater coherence.

As noted before, respondents have emphasized the efforts being made by DOL–ILAB to achieve alignment with host country planning and priorities. Partnership with local officials in performance management and evaluation will continue to be difficult, however, as long as the present DOL–ILAB planning, design, implementation and evaluation processes remain. One immediate, positive step would be to share project management reporting and evaluations with designated host government officials on a systematic basis. As experience is gained from such efforts, cooperation can be expanded to other programmatic areas.

8.5 Overarching Implications

Section 6.3, “Assessing Incentives and Disincentives”, raises concerns about whether the DOL–ILAB programs would be as effective as they presumably have been, under a regime devoted to achieving PD principles. Countries often act in ways that are not in accord with—and even destructive to—their international commitments and long-term interests, particularly as seen by the international development community. Although most nations have pledged to end the worst forms of child labor by 2016 and all child labor by 2020, some only pay lip service to those goals. The most successful efforts at reform emerge when donors apply overt “carrot and stick” practices, such as the Harkin-Engel Cocoa Protocol, or identify and expose goods believed to have been produced by exploitive child or forced labor. Although one ILO KI insisted that “softer” methods of persuasion also have been shown to work, no one denies that sanctions can play an important role in persuading countries to accomplish what they already have pledged to do. Would complete adherence to PD principles reduce or eliminate that leverage? Might countries argue that such pressures were inconsistent with the PD? This evaluation recommends that these concerns receive significant study as the U.S. and other donors move toward PD implementation.

ANNEXES

ANNEX 1 INTERVIEW AND COMMITMENT GUIDES

Introduction

The Paris Declaration (PD) on Aid Effectiveness 2005 has become a major milestone in development assistance. Designed to improve the quality and effectiveness of development assistance, it is built around five principles – ownership, alignment, harmonization, managing for results, and mutual accountability. These principles are meant to guide interactions, relationships, and partnerships between development agencies and partnering countries. In addition to monitoring the progress of the implementation of the PD, OECD/DAC has launched a major evaluation of the PD to examine its implementation and explore its impacts.

The USG has joined this international effort and is committed to conducting an independent review of its commitment to and efforts towards implementing the PD. Since the USG review is a part of a larger study, its primary focus is consistent with those of other reviews conducted by participating donor countries. Consequently, the USG review will primarily focus on: commitment to PD principles, capacity to implement, and incentives.

The USG has contracted our firm, Social Impact, to carry out this project. To better reflect the reality of USG foreign assistance, we will prepare separate case studies for each of the participating organizations: USAID, DOS, HHS, MCC, DOL, Treasury and USDA. All case studies will use the same conceptual framework, approach and variables to enable comparative analysis. A synthesis report will then be written using data and information generated by case studies.

To inform the individual case studies, we are conducting informational interviews with senior and mid-level leadership at each organization. These interviews will be completely confidential and no names will be referred to in the reports generated. In addition, we would like to emphasize that this review is an attempt to understand the current state of affairs surrounding the USG's implementation of the PD, not to act as a grading system. Your candid responses will allow us to gain insight into the achievements, challenges, and varying incentives and disincentives to implementing the PD principles, and present relevant recommendations to the USG.

Section A: PDE Key Informant Interview guide (core questions)

Interviewer: _____ Date: _____
 Respondent: _____ Gender: Male Female
 Office/Title/Rank: _____ Length of Service: _____

Thank you for meeting with me today. As introduced in the email from X, I would like to ask several questions about the Paris Declaration on Aid Effectiveness of 2005 and how you see [your Department’s/Agency’s/Unit’s] response to it. Please remember that this discussion will remain confidential.

- 1) How and when did you first learn about the Paris Declaration principles?
- 2) What can you tell me about them?

Scale for interviewer: (based on the answers, circle the most relevant answer below)

Highly aware	Modestly aware	Limited awareness	None
--------------	----------------	-------------------	------

Commitment:

- 1) How would you characterize the extent of awareness of the PD principles and their implications by the top leadership of your agency?

Scale for interviewer: (based on the answers, circle the most relevant answer below)

High	Modest	Limited	None
------	--------	---------	------

Probing Questions:

- How has top leadership shown commitment to implementation of PD principles?
 - If they have reservations about implementing the PD what are the underlying reasons?
- 2) [If applicable] How would you characterize the extent of awareness of the PD principles and their implications by the leadership of your agency in field missions or offices?

High	Modest	Limited	None
------	--------	---------	------

Probing Questions:

- How does their understanding compare with that of top leadership at headquarters?
- Why?

3) How has your agency taken steps to adopt the PD principles and incorporate them into your strategic plans?

Scale for interviewer: Based on answer, rate the KI's awareness level of agency steps

Highly aware	Modestly aware	Limited awareness	None
--------------	----------------	-------------------	------

4) To what extent have these attempts been successful?

Scale for interviewer: (based on the answers, circle the most relevant answer below)

High	Modest	Limited	None
------	--------	---------	------

Probing Questions:

- What attempts have been made to translate PD principles into policies, guidelines, and operational directives?
- If successful, cite some examples. If not successful, can you give reasons?
- Are there documents where these are reflected? E.g. guidance or policy documents. If so, can we have copies of them?

Capacity:

- 1) To what degree do you believe your agency has the guidance and capacity to support implementation of the PD?
- If little or none, what are the main things that are weak or missing?

Scale for Interviewer: Based on answer, rate the capacity:

High	Modest	Limited	None
------	--------	---------	------

- 2) What steps, if any, are being taken to strengthen capabilities?
- 3) How has the PD affected cost-effectiveness of USG delivery of bilateral foreign assistance?
- a. If so, how?

Scale For Interviewer: Based on answer, rate the effect:

High	Modest	Limited	None
------	--------	---------	------

Incentives:

- 1) Are there any positive incentives provided to staff to implement PD principles? (Provide examples, if any.) If so, how effective are they?

High	Modest	Limited	None
------	--------	---------	------

- 2) Are there perceived disincentives amongst staff (at home and in the field) to implementing PD principles?
 - If so, how constraining are they?

Scale for Interviewer: Based on answer, rate the level/intensity of disincentives present

High	Modest	Limited	None
------	--------	---------	------

General:

- 1) How would you rate your agency on implementation of the each of the five PD principles on a scale of 1-5, with 5 the highest?
- 2) How would you rank the five PD principles in terms of effectiveness of implementation by your agency?
- 3) What would be reasons for the least effectively implemented principles?
- 4) How would you rate the USG, beyond your agency, on implementation of each of the PD principles on a scale of 1–5?

For the interviewer: Effectiveness of Implementation: Scale 1–5, with ‘5’ being the highest.

	Ownership	Alignment	Harmonization	Managing for Results	Mutual Accountability
KI's Agency					
USG as a whole					

- 5) What recommendations do you have to better facilitate effective implementation of the PD principles by the USG in general and by your agency?

Section B: Selected questions about aid processes/ elements that lie behind the Paris Declaration

Thank you for meeting with me today. As introduced in the email from X, I would like to ask several questions about the Paris Declaration on Aid Effectiveness of 2005 and the aid processes that lie behind it in relation to your (Department's/Agency's/Unit). Please remember that this discussion will remain confidential.

[These questions may well vary by country and operating unit within [name of Department/Agency/Unit]

1. What role, if any, do host countries or other donors play in the process by which [name of Department/Agency/Unit X] formulates its programs in a country?

If needed for illustrative specificity:

- To what extent does [Department/Agency/Unit X] coordinate with other donors or with the host country in developing its purposes, strategies, policy dialogues, programs, periodic reviews and the like? What are the mechanisms for doing that?
 - Is there a common framework of conditions or indicators jointly developed by [Department/Agency/Unit X] and the host country in the areas of programming? Is there any mechanism to ensure that your operating units have been using that common framework? To what extent do they share the common framework?
 - Is there a common framework of conditions or indicators jointly developed by [Department/Agency/Unit X] with other donors in the areas of programming? Is there any mechanism to ensure that your operating units have been using that common framework? To what extent do they share the common framework?
2. Turning from planning to implementation to what extent, if any, does [Department/Agency/Unit X] use or rely on the recipient country's project implementation systems? What guidance, if any, is provided regarding use of recipient country systems?
 - For example, how common is it to use the recipient country's own institutions and systems for:

- Procurement
 - Accounting
 - Project management
 - Project monitoring
 - Project assessment
- What factors inhibit your greater use of host-country systems?
 - What about other donors? Does [Department/Agency/Unit] ever work out a division of labor with other donors, for example in carving out areas for your respective programming? If so, to what extent is it common or rare? To do what extent does [Department/Agency/Unit] join in consortiums of donors? To what extent, in general, does [Department/Agency/Unit X] act as the lead donor in a consortium of donors? To what extent does it follow the lead of some other donor or delegate responsibility to another donor?
 - To what extent has [Department/Agency/Unit X] collaborated with other donors on joint missions for e.g. analytic work, planning, monitoring, or evaluation? If so, what have been the benefits of such collaboration? What were the constraints and costs? Did the benefits exceed the costs?
 - Does it make any difference for the effectiveness of cooperation with other donors if the program is “cross-cutting” like gender or fragility or conflict?
3. To what extent, if any, has [Department/Agency/Unit X] used its funds to augment the capacity of the recipient countries to formulate, manage, monitor or assess the programs it funds? What has been your experience in doing that? In general, has it made any difference in your subsequent reliance on the mechanisms of the host country?
 4. What measures do you use to assess the development outcomes or results of your overall assistance program (or activity) in a given country?
 - Do you use host country sources of information for this assessment? Why or why not?
 5. How do you use information on the results being achieved by your assistance?
 6. How is the results information you collect used in the implementation of your current programs and in the design of future programs?

7. Do you meet with representatives of the host country to assess the performance of your assistance program and propose plans for future assistance?
 - If so, how often do you meet? Who calls the meeting? Who sets the agenda? Who chairs the meeting?
 - Are you satisfied with these meetings? How could they be improved?

Section C: Paris Declaration Commitments

Donors commit to: (11 commitments, chosen for emphasis. We have changed the wording slightly to fit better with the U.S. context)

- 1) Ownership. Respect host country leadership and help strengthen their capacity to exercise it. (This is the only PD commitment for donors under "Ownership." It received a lot of emphasis in Accra.)
- 2) Alignment. Donors should base their overall support -country aid strategies, policy dialogues and development cooperation programs - on the country's national development strategy and periodic reviews of progress in implementation.
- 3) Alignment. Use country systems and procedures to maximum extent possible.
 - Avoid creating dedicated structures for day-to-day management and implementation of aid-financed projects and programs. [i.e., Project Implementation Units – “PIUs” - this is]
 - Progressively rely on host country systems for procurement when the country has implemented mutually agreed standards and processes.
- 4) Alignment. Predictability. Provide reliable indicative commitments of aid over a multi-year framework and disburse aid in a timely and predictable fashion according to agreed schedules.
- 5) Harmonization. Work together to reduce the number of separate, duplicative, missions to the field.
- 6) Harmonization. Make full use of the respective comparative advantages of donors at sector and country levels by delegating, where appropriate, authority to lead donors for the execution of programs, activities and tasks.
- 7) Harmonization. Reform procedures and strengthen incentives, including for recruitment, appraisal, and training, for management and staff to work towards harmonization, alignment and results.
- 8) Harmonization. Harmonized activities with respect to cross-cutting issues, including fragile states, gender equality, and environment.
- 9) Managing for Results. Countries and donors work together in a participatory approach to strengthen country capacities and the demand for results based management.

- 10) Mutual Accountability. Provide timely, transparent and comprehensive information on aid flows so as to enable host country authorities to present comprehensive budget reports to their legislatures and citizens.
- 11) Mutual Accountability. Jointly assess through existing ("and increasingly objective") country level mechanisms mutual progress in implementing agreed commitments on aid effectiveness, including the [55] Partnership Commitments.

ANNEX 2 SCOPE OF WORK

EVALUATION OF IMPLEMENTATION OF PARIS DECLARATION BY USG FOREIGN ASSISTANCE ORGANIZATIONS

1. Background

The Paris Declaration (PD) on Aid Effectiveness was endorsed in 2005 and has become a major milestone in development assistance. Designed to improve the quality and effectiveness of development assistance, it is built around five mutually reinforcing principles that should guide interactions, relationships and partnerships between development agencies and partnering countries:

**Ownership:* Developing countries must lead their own development policies and strategies, and manage their own development work on the ground. Donors must support developing countries in building up their capacity to exercise this kind of leadership by strengthening local expertise, institutions and management systems.

**Alignment:* Donors must line up their aid firmly behind the priorities outlined in developing countries' national development strategies. Wherever possible, they must use local institutions and procedures for managing aid in order to build sustainable structures.

**Harmonization:* Donors must coordinate their development work better amongst themselves to avoid duplication and high transaction costs for poor countries. In the Paris Declaration, they are committed to coordinate better at the country level to ease the strain on recipient governments.

**Managing for results:* All parties in the aid relationship must place more focus on the end result of aid, the tangible difference it makes in poor people's lives. They must develop better tools and systems to measure this impact.

**Mutual accountability:* Donors and developing countries must be accountable to each other for their use of aid funds, and to their citizens and parliaments for the impact of their aid.

The Paris Declaration provides a practical, action-oriented roadmap with specific targets to be met by 2010. It is a major international agreement on aid relationships that identifies appropriate roles for all major actors, specifies 12 indicators to provide a measurable and evidence-based way to track progress, and sets targets for the indicators to be met by 2010. At the Third High Level Forum (HLF 3) on Aid Effectiveness held in Accra in 2008, both donors and developing countries reaffirmed their commitment to the Paris Declaration and agreed to speed up the process of fulfilling the Declaration's pledges. This agreement was codified in the Accra Agenda for Action, which was endorsed at the HLF 3.

2. Purpose of Statement of Work

In addition to monitoring the progress of the implementation of the Paris Declaration, the Organization for Economic Co-operation and Development, Development Assistance Committee (OECD/DAC) has launched a major evaluation of the Paris Declaration. The overall objective of the evaluation is to assess the relevance and effectiveness of the Paris Declaration and its contribution to aid effectiveness and poverty alleviation. The evaluation is being carried out in two phases.

The Phase 1 evaluation assessed the early implementation of the Paris Declaration. It focused on four central questions: What important trends or events have been emerging during the implementation? What factors and forces are affecting the behavior of recipient and donor countries in relation to implementing their respective commitments? And, is the implementation leading towards the adoption of the PD principles? If not, why not? The Phase I findings of the assessments have been finalized and a synthesis report has been written which provides empirically grounded conclusions and recommendations.¹⁵

The overall objective of this Phase 2 evaluation is to assess the relevance and effectiveness of the Paris Declaration and its contribution to aid effectiveness and ultimately to development effectiveness, including poverty alleviation. The evaluation is expected to document the results achieved through implementing the Paris Declaration, highlight the barriers and constraints which might limit its effectiveness and impacts, and strengthen “the knowledge base as to the ways in which development partnerships can most effectively and efficiently help maximize development results through aid in different contexts – including varying degrees of ‘fragility’.” Phase 2 evaluation plans to undertake 15 country case studies to examine in depth the effects of the Paris Declaration on aid and development effectiveness. In addition, it also plans to commission five special studies to examine critical issues. The evaluation will then synthesize the findings, conclusions and recommendation of all the studies, reports and documents in a comprehensive report.

As a contribution to the Phase 2 evaluation, the USG has committed to conducting an independent evaluation (“USG Evaluation”) of its headquarters’ commitment to, and efforts towards, implementing the Paris Declaration, consistent with the terms of reference provided for such studies as part of the overall evaluation. The purpose of this SOW is to outline the requirements and deliverables for the design and implementation of the USG Evaluation. The SOW specifies evaluation questions, evaluation design criteria, data collection approaches, estimated level of effort required, time table, evaluation criteria and the deliverables.

3. Evaluation Questions

Since the USG evaluation is a part of a larger evaluation study, its primary focus must be consistent with those of other evaluations conducted or being conducted by participating donor countries. It must also take into account the multi-agency management structure of foreign

¹⁵ Evaluation of the Implementation of the Paris Declaration:
http://www.diiis.dk/graphics/Subweb/paris_evaluation_web/index.htm.

assistance that is used by the USG. By agreement among international participants in the overall PD evaluation, individual donor evaluations are largely undertaken at headquarters and focus on three broad areas; commitment to the PD principles at the different levels of the foreign assistance agency, the agency's capacity to implement the Paris Declaration and the steps that it has undertaken to enhance its capacity, and incentives and disincentives for implementing the PD principles. In view of this focus, the following questions shall be answered by the evaluation:

Commitment

1. Are the top leaders of bilateral foreign assistance organizations aware of the five PD principles and their implications for the delivery of foreign assistance? Do they interpret them correctly? What sort of misconceptions, if any, do they seem to harbor?
2. Are the top leaders committed to implementing the Paris Declaration? Do they have any reservations about it? If so, what are these reservations? What are the underlying reasons for their reservations and concerns?
3. Are the managers of foreign assistance programs aware of their leadership's commitment to the five principles and their implications for the programs they manage? Has the implementation of PD affected foreign assistance program's priority setting?
4. How is foreign assistance agencies' commitment affected by the mandates and requirements of the Congress and Office of the budget and management and the demands of the civil society?
5. Has each bilateral foreign assistance organization formulated and implemented a coherent strategy to adopt the PD principles in its policies and programs? If so, what are the major elements of its strategy? If not, what are their reasons for not developing a strategy to internalize and implement the Paris Declaration?

Capacity

6. What attempts have been made by these organizations to translate the PD principles into their policies, guidelines and operational directives? To what extent, have such attempts been successful (cite examples)? If they did not make efforts to revise their policies, guidelines and operational directives, what were the main reasons for this omission?
7. Did foreign assistance agencies launch special training programs to prepare their staff for implementing PD principles?
8. Are assistance organizations' mandates, organizational structures, budgetary processes, and capacities suitable to implement the Paris Declaration? What specific mandates, organizational structures, budgetary processes, and operational procedures have facilitated or impeded the adoption and implementation of the PD?
9. Has the Paris Declaration affected USG delivery of bilateral foreign assistance and its interactions with the recipient countries? If so, in what way? What are the examples of such effects? Are there major differences in the commitment and behavior of different USG assistance organizations?

Incentives

10. Are their perceived disincentives to implement PD principles both at the headquarters and the field?

11. Do bilateral foreign assistance organizations provide incentives to their headquarters and field staff to implement the PD principles? If so, what are these incentives? Did these incentives produce concrete, positive results (cite examples)? Did they also provide additional training to the staff in the field?

General

12. What factors have affected or are likely to affect the implementation or non-implementation of the Paris Declaration by bilateral USG foreign assistance organizations? How can they be categorized?
13. How do partner organizations, civil society organizations and host countries assess USG commitment to and efforts to adopt the PD principles? Do they have concerns about them? Are their perceptions justified and, if so, to what extent?
14. What recommendations can be made to facilitate the effective implementation of the PD principles by USG bilateral foreign assistance agencies and organizations individually and collectively? What general lessons can be drawn from the USG experience for other bilateral and multilateral donor agencies?

4. Multi-Case Study Evaluation Design

Unlike most bilateral donor agencies, there is no single unit of the USG which administers bilateral foreign assistance programs. Presently there are five organizations that manage the great majority of US bilateral foreign aid – the U.S. Agency for International Development (USAID), Department of State (State), Department of Defense (DOD), Department of Health and Human Services (HHS) and the Millennium Challenge Corporation (MCC). In addition, there are 22 other USG agencies and organizations that manage the remaining bilateral foreign assistance. Although the volume of assistance they administer is relatively small as compared to the above mentioned organizations, it is nonetheless significant. This undoubtedly creates a major challenge to any evaluation of foreign assistance programs.

The problem is compounded by the fact that there are significant differences in the mandates and organizational structures of these entities. For example, the mandate, policies and programs of the MCC are very different from the projects run by the State Department. The HHS works within its sectoral mandate, while USAID programs are highly diversified. Agencies managing smaller proportions of bilateral assistance also have different approaches – use of more headquarters line staff; fewer long-term field activities or presence, for example. Their mandates tend to be predominantly domestic. To capture these differences, the proposed evaluation shall follow a multi-case study method, focusing on both major and minor foreign assistance agencies and organizations.

The evaluation undertaken as part of this SOW shall primarily focus on four of the five major bilateral foreign assistance organizations – USAID, the State Department, HSS and MCC. In addition, up to 3 smaller US bilateral donors organization shall be selected on the basis of mutually agreed criteria between the evaluation COTR and the contractor. The contractor shall prepare separate case studies for each of these organizations. All case studies shall use the same conceptual framework, approach and variables to enable comparative analysis. A synthesis report shall be written using the data and information generated by case studies.

Each case study focus on the topics identified below; the list is illustrative and not comprehensive. It is important that each case study individually examine each of the five principles (ownership, alignment, harmonization, managing for results and mutual accountability), as there are likely to be variations in their acceptance, internalizations and implementation within an organization.

1. Awareness of the five PD Principles and their Implications
 - Awareness of the five PD principles among leadership in headquarters
 - Awareness of PD Principles by operating units in the field in the case of major agencies and organizations that have a field presence
 - Misconception and misunderstandings about PD principles, if any
2. Political Commitment to the five PD Principles
 - Leadership's commitment to PD principles
 - The rationale for commitment
 - Reservations and doubts
3. Strategy for implementing the Paris Declaration, if any
4. Translation of PD Principles into Policies, Guidelines and Operational Directives
 - Extent of revisions and changes, if any
 - Effectiveness of such efforts
5. Training for facilitating adoption of the PD principles
 - Introduction of new training programs
 - Effectiveness of new training programs
6. Institutional capacity to implement the Paris Declaration
 - This section shall analyze the mandate, organizational structure, transfer of authority to the field, budgetary processes including congressional earmarks, reporting requirements and general procedures to determine the extent to which they facilitate or inhibit the adoption of the PD principles.
7. Assessment of the direct or indirect impacts of PD on the organization/agency's
 - Allocation of resources for capacity building in host nations
 - Use of host country organizations to manage USG assistance programs
 - Coordination with other USG agencies to avoid duplication and waste
 - Coordination with other bilateral and multilateral agencies in the field
 - Partnerships with host countries in performance management and evaluation
8. Findings, Lessons Learned , and Recommendations
 - On the basis of the information, data and findings of the case studies, a synthesis report shall be prepared. This report shall address the topics above and shall include appendices on methodology, interviews and documents.

5. Data Collection Methods

The contractor shall use the following data collection methods to generate the needed information, ideas and recommendations:

- i) Content analysis of the mandates, policies, budgetary allocation processes, procedures and selected program documents of foreign assistance organizations.
- ii) Review of principal reports, analyses, evaluations and other documents on PD implementation issued by participating bilateral and multilateral agencies, NGOs, think tanks and other creditable sources. (Note: There now exist a plethora of information which will be helpful in framing questions, sharpening the focus of case studies and developing suitable recommendations.)
- iii) Interviews with the senior congressional staffers, OMB, staff at the selected USG agencies.
- iv) Semi-structured interviews with the senior officials of the foreign assistance organizations for which case studies shall be prepared.
- v) Key informant interviews with partnering organizations, including contractors and non-profit organizations which implement foreign assistance programs and projects.
- vi) Telephone interviews with 1-2 host country officials in up to 10 countries based on selection criteria determined jointly by evaluation COTR and the contractor. Such interviews are necessary to understand their perceptions, concerns and assessment of USG's commitment to and efforts towards implementing the Paris Declaration. (Note: at least some of the countries selected shall be those undertaking country-level evaluations in Phase 2)
- vii) Mini-surveys through internet and/or telephone with USG managers of assistance programs and projects in the field. It is suggested that each case study conduct one survey. The number of respondents shall depend upon the size of assistance programs, the number of countries in which they are located and the sectors in which they operate. (Note: at least some of the countries selected shall be those undertaking country-level evaluations in Phase 2)
- viii) Attendance at up to three international meetings in Europe; no other international travel is anticipated.

6. Deliverables

The Contractor shall propose dates to deliver the following in accordance with their technical approach and specific evaluation design. Exact dates will be determined upon the approval of a final management plan within one week after award:

1. A management plan
2. A comprehensive outline of the organizational case studies based on preliminary interviews with concerned agencies
3. Draft of organizational case studies
4. Revised case studies
5. Draft of the synthesis report*
6. Submission of the final synthesis report
7. A policy brief of no more than four pages summarizing the main findings and recommendations of the synthesis report

8. Three briefings or seminars** on the content of the synthesis report, accompanied by a Power Point presentation.
9. Brief monthly progress reports

* The contractor shall arrange for 2 peer reviewers of the draft. The reviewers must be approved by COTR.

**For planning purposes, the Contractor shall assume that the venue and duration of the briefings and seminars is: (1) Paris at the meeting of bilateral and multilateral donors – duration 3 hours; (2) Meeting of the US bilateral donor agencies in Washington D.C, - duration 3 hours, and; (3) Briefing to the senior officials of the State and USAID in Washington D.C., - duration 1hour.