

**SYNTHESIS OF  
REGIONAL  
PROGRAMME  
EVALUATIONS  
2007/2008**

*Paul Thornton and Hilary Thornton*

## OVERVIEW OF COUNTRY PROGRAMME EVALUATIONS

DFID has a rolling programme of Country Programme Evaluations (CPEs) with 5 or 6 evaluations of countries or regions per year. A synthesis report pulling together findings from 5 recent CPEs is also produced annually. CPEs are challenging evaluations attempting to provide an overview of the entire DFID programme over a 5 year time frame and evaluate whether DFID made appropriate strategic choices in the given context and delivered effectively. CPEs are ideally undertaken in the year prior to development of a new Country Assistance Plan, as they are designed to meet DFID's needs for lessons that can inform future strategy and programming, as well as accountability for funds spent at country level. CPEs are intended for a wide audience including DFID's country office staff and partners, senior DFID managers in the relevant regional divisions and members of the public/other stakeholders.

Each CPE is managed by DFID's Evaluation Department and carried out by 4-6 independent international consultants with a mixture of evaluation and development skills. The terms of reference for the CPE programme include a generic evaluation framework closely linked to standard evaluation criteria; this is customised a little for each individual evaluation (and annexed to the report). For CPEs, interpretation of each of the evaluation criteria is as follows:

**Relevance** – CPEs should provide high quality, well evidenced material and judgements on whether 'DFID did the right things'

**Effectiveness** – CPEs should examine key interventions and partnerships and identify and explain successes and failures

**Efficiency** – CPEs should tell a narrative around the allocation of resources (financial and staffing) to deliver the results DFID was hoping to achieve

**Impact** – CPEs cannot produce new information on impacts attributable to DFID, but should consider DFID's contribution to long term outcomes

**Sustainability** – CPEs should discuss evidence on progress towards sustainability in terms of ownership of reforms, capacity development and resilience to risks.

Typically CPEs comprise a one week inception mission to the country to make contacts, scope the boundaries of the evaluation, customise the generic evaluation matrix and make decisions around issues such as field visits. The main CPE fieldwork then takes place around a month later and lasts up to three weeks. DFID's Evaluation Department provides each evaluation team with a large documentary evidence base comprising strategies, project/programme information and context material sourced from a thorough search of paper and electronic files, DFID's intranet system and the internet. During the fieldwork the team interview stakeholders in country and current and past DFID staff. A list of people consulted is annexed to each study.

The views expressed in CPE reports are those of the independent authors. The country office can comment on these in a 'management response' within the Evaluation report. CPE reports are quality assured by an independent consultant who has no other involvement in the CPE programme.

**DEPARTMENT FOR INTERNATIONAL DEVELOPMENT**

Evaluation Report EV694

**SYNTHESIS OF REGIONAL PROGRAMME  
EVALUATIONS 2007/2008**

**Paul Thornton and Hilary Thornton**

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## **Preface**

DFID's Country and Regional Programme Evaluations provide a regular and independent assessment of the performance of our major programmes. They look back over five years at relevance, effectiveness, efficiency, and impact of DFID's work. They also identify lessons and recommendations to guide future decisions on design of new programmes.

Although we usually look at country level, we have also completed three Regional Programme Evaluations since 2006 – in the Caribbean, Central Asia and the Western Balkans regions. Latin America department has also commissioned (with EVD advice) an independent interim evaluation of their programme.

In this synthesis report we bring together in one place what we have learned from these four studies, under the following themes:

1. Supporting the development of regional approaches
2. The relevance and effectiveness of regional strategies
3. The delivery of regional programmes
4. Engagement with and through multilateral partners
5. Development of post-graduation work with Middle Income Countries
6. Policy engagement through regional approaches.

Among the interesting findings I would like to highlight are those around influencing and engaging with multilateral organisations at a regional, as opposed to country level. In particular lessons from where this has worked well and how this can be further developed. This is important as we move to a more regional approach in some areas of our work and in dealing with regional issues such as trade and climate change.

The recommendations in the report have all been allocated 'owners' within DFID. In 12 months time we will follow up to see what action has been taken, reporting progress to the Independent Advisory Committee.

Paul Thornton has led the work on this report. My thanks go to him and to the many expert evaluators at ITAD Ltd and elsewhere who helped. An external quality assessor also provided valuable comments on the draft.

Within my team, I'd like to thank Kerstin Hinds, Iain Murray, Lynne Henderson and Mark Herbert for their excellent work on managing the studies, which have had some unusual logistical challenges to set up and deliver.

Finally I'd like to thank the many staff across DFID who have contributed in various ways. We interviewed and discussed the findings with many staff across the office and as always they have responded in a very positive way. I hope the findings prove useful to the organisation and to people outside.

Nick York  
Head of Evaluation Department



## **Acknowledgements**

This report has been prepared by Paul Thornton and Hilary Thornton from Verulam Associates, synthesising the reports produced by teams from the ITAD led consortium who evaluated DFID's regional programmes in the Caribbean; Central Asia, South Caucasus and Moldova; and the Western Balkans, and a team from the Overseas Development Institute (ODI) who undertook an interim evaluation of the Regional Assistance Plan covering the Latin America region. We are very grateful for inputs from the other team leaders – Nick Chapman and David Booth – and from colleagues from ITAD – Julian Barr, Johanna Pennarz, Corrie Bell and Emma Warner. As a thematic study additional interviews and documentation related to DFID's experience in managing regions and taking a regional approach were included and we would like to thank all those who participated in discussions or recommended relevant documents. We would also like to thank those from DFID's Europe and Central Asia and Latin America and Caribbean Departments who participated in a workshop to review the emerging conclusions and the wider group of DFID staff who met to provide feedback on the final draft of the report.

However, full responsibility for the text of this report rests with the authors. In common with all evaluation reports commissioned by DFID's Evaluation Department, the views contained in this report do not necessarily represent those of DFID or of the people consulted.



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## **Abbreviations**

BiH	Bosnia and Herzegovina
BRIC	Brazil, Russia, India and China
CAP	Country Assistance Plan
CARICOM	Caribbean Community
CASCM	Central Asia, South Caucasus and Moldova
CDB	Caribbean Development Bank
CDS	Country Development Strategy
CIDA	Canadian International Development Agency
CIP	Country Implementation Plan
CIS	Commonwealth of Independent States
CPE	Country Programme Evaluation
CRNM	Caribbean Regional Negotiating Machinery
CSO	Civil Society Organisation
CSP	Country Strategy Paper
CSR	Comprehensive Spending Review
DAC	Development Assistance Committee
Defra	Department for Environment, Food and Rural Affairs
DFID	Department for International Development
DSO	Departmental Strategic Objective
EBRD	European Bank for Reconstruction and Development
EC	European Commission
ECAD	Europe and Central Asia Department
EMAD	Europe, Middle East, Americas and Asia Division
EMAAD	Europe, Middle East, Africa and Asia Division
ENP	European Neighbourhood Programme
EPA	Economic Partnership Agreement
EvD	Evaluation Department of DFID
EU	European Union
EUD	European Union Department
FCO	Foreign and Commonwealth Office (UK)
GCPP	Global Conflict Prevention Pool (now CPP)
GDP	Gross Domestic Product
HMG	Her Majesty's Government
HMT	Her Majesty's Treasury
HO	Head of Office
HQ	Headquarters
IDA	International Development Assistance
IDB	Inter-American Development Bank
IFI	International Financial Institution
IPA	Instrument for Pre-Accession
ISP	Institutional Strategy Paper
LACD	Latin America and Caribbean Department
LIC	Low Income Country
MDG	Millennium Development Goal
MENAD	Middle East and North Africa Department
MIC	Middle Income Country
MIPD	Multi-annual Indicative Programming Documents
MoD	Ministry of Defence

## *Abbreviations*

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NGO	Non-Governmental Organisation
OECD	Organisation of Economic Cooperation and Development
ODA	Official Development Assistance
OECS	Organisation of Eastern Caribbean States
PANCAP	Pan-Caribbean Partnership against HIV/AIDs
PARP	Policy and Resources Plan
PPP	Purchasing Power Parity
PRS	Poverty Reduction Strategy
PRSP	Poverty Reduction Strategy Paper
PSA	Public Service Agreement
RAP	Regional Assistance Plan
RPE	Regional Programme Evaluation
RSP	Regional Strategy Paper
SAIC	Staff Appointed in Country
SIDA	Swedish International Development Cooperation Agency
SP	Strategy Paper
SWAp	Sector Wide Approach
TA	Technical Assistance
UN	United Nations
UNMIK	United Nations Mission in Kosovo
USAID	United States Agency for International Development
VPT	Virtual Policy Team
WTO	World Trade Organisation

## **Executive Summary**

S1 This report is a synthesis of Regional Programme Evaluations (RPEs) undertaken in the Caribbean; Central Asia, South Caucasus and Moldova (CASCAM); and Western Balkans DFID regions, together with the Interim Evaluation of DFID's Regional Assistance Programme for Latin America. These four evaluations were undertaken during the period 2006–08 and cover regional planning periods between 2001 and 2007 centring on strategic plans which relate to the period 2004–07. Whilst only accounting for a small proportion of DFID's overall expenditure these regions cover a significant number of countries and key regional relationships.

S2 The report consists of 9 chapters. Chapter 1, the introduction, outlines the purpose and methodology adopted and Chapter 2, the context, sets the development perspective and provides a brief overview of the four regional programmes. Chapters 3–8 present the synthesis of findings and lessons drawing out the common issues from the four regions. The final chapter sets out the conclusions and recommendations which look forward from the synthesis and seek to inform future policy and practice.

S3 During the period covered by these evaluations DFID was facing new challenges. Its overall programme budget was increasing rapidly to meet its aim of supporting poverty reduction, yet it was having to reduce its administrative costs to meet efficiency targets. New ways of working were emerging including an increased emphasis on working with and through multilateral organisations and regional approaches. This applied particularly to smaller programmes where bilateral country level engagement was becoming less cost effective and where many countries were at or approaching middle income country status. This synthesis focuses on these issues. The summary of the findings and lessons that follow are grouped under the chapter headings which focus on the regional approach, the effectiveness of regional strategies, the delivery of regional programmes, multilateral engagement, working with middle income countries, and achieving policy impact.

### **Rationale for Taking a Regional Approach**

S4 The evaluations suggest that the term 'region' is most relevant where it refers to a geo-political grouping with a degree of integrity and identity that is widely acknowledged and confirmed by the presence of regional institutions or by significant common agendas that are regional in nature. This is confirmed by DFID's experience of taking a regional approach in other contexts, notably Southern Africa. However the practicalities related to DFID policy and resource constraints have also informed the development of regional programmes. The regions evaluated present evidence of this mix of practical and theoretical reasons for change and the resulting outcomes in terms of programme shape.

S5 The synthesis concludes that taking a regional approach requires a regional perspective which is more than a set of regional objectives and includes a sense of regional identity, a common agenda, shared perceptions, and context. Such an approach is appropriate for DFID where there is a strong single rationale for engaging

with the region that moves beyond bilateral agendas but makes less sense in the case of groups of country programmes that are managed collectively to minimise the transaction costs and address the pressures of limited human resources. In the latter case they should not be treated as regional programmes with expectations of a regional approach and strategy.

S6 It can be hard to strike a balance between strong country programmes and a regional agenda. Emphasis on country-led and project-based approaches can result in the synergies, lesson learning and complementarities of the region not being fully developed or realised. However there are benefits from the knowledge and credibility of country based experience that can inform regional approaches. Joint working on common areas of public policy with other UK government departments and of harmonisation and alignment with other development partners and governments at country level can support the transition to a regional approach. However it requires shared analysis, together with commitment, and cannot be assumed to be a natural progression.

## **Developing Regional Strategies**

S7 The evaluations found that it was appropriate to develop a regional strategy, a Regional Assistance Plan (RAP), in:

- Latin America** where continued bilateral engagement with a small group of countries is no longer cost effective or appropriate given the significant number of middle income countries and where policy engagement at the regional level can play a catalytic role;
- The Western Balkans** where there is a single agenda of support for EU accession which will fundamentally change the nature of regional relationships; and
- The Caribbean** with its strong regional identity and historic UK engagement that will continue but which will benefit from a more cohesive framework.

S8 It was less appropriate for **CASCM** where there is no longer a strong regional identity that relates to DFID's presence and where the agendas are increasingly bilateral, or at best sub-regional in nature.

S9 The evaluations point to the appropriate choice of regional strategic objectives set out within the RAPs. However the complexity of engagement at the regional level demands more extensive institutional and political analysis which takes new partnerships and ways of working into account. Such analysis should also take a focused approach to addressing risk and identifying strategies for mitigation. Regional strategies particularly need to address the process of transition from country programmes to regional engagement which takes political and practical risks into account.

S10 Monitoring regional strategies is important. The tendency to focus measurement at activity level and on DFID inputs is not sufficient for effective monitoring of the RAPs. More attention needs to be paid to developing results frameworks with indicators that can measure outcomes at the strategic level. Such an approach will improve analysis of overall results and ensure the reporting of progress against the

strategy. Whilst the results framework developed for CASCM was over complex, strong efforts were made to implement it. Analysing the lessons from this experience can inform the development of more effective monitoring frameworks for regional strategies.

## **Efficient Delivery of Regional Programmes**

S11 Whilst budgets were limited and reducing in the four regions, they were adequate and sufficient to support the programmes. It was however the quality of the human resources that proved to be the most critical requirement for delivering the systems and policy changes that were the focus of the RAP objectives. DFID is well respected for the quality of its staff and it is this quality of engagement rather than the quantum of investment that makes the difference.

S12 The evaluations found that whilst small bilateral country programmes can be effectively delivered by in-country teams, the transition to a regional approach demands new ways of working, with a stronger sense of 'regional team' that combines the interaction of team members in London with those in the region. The collective skills, knowledge and expertise of the team need to be matched to the regional strategic objectives rather than to sector disciplines. High priority needs to be given to developing the analytic, negotiating and relationship management skills required by regional approaches.

S13 A limited range of aid instruments with a focus on small scale flexible interventions and strategic use of Technical Assistance inputs was relevant for delivering the focused objectives of the RAPs, especially where country programmes were anticipating closure. Regional engagement requires even greater emphasis on partnership working and policy level engagement. Similar instruments are applicable but more innovative flexible tools, specifically designed to support strategic change, would be beneficial.

## **Achieving Impact through Multilateral Engagement**

S14 DFID policy has moved increasingly towards engaging with multilateral organisations to influence policy change and achieve impact. This is particularly significant when taking a regional approach. The evaluations found that policy influencing is most effective where it is based on in-depth understanding of the multilateral organisations, including their culture, organisational structure and operating procedures. Such institutional analysis was often absent and hence engagement was less effective.

S15 Influencing can be particularly effective where DFID adopts a team approach drawing on resources in London, in-country, within the multilateral organisations, and located at key regional bases. This was particularly well illustrated in relation to the EU accession process in the Western Balkans where effective London-Brussels engagement was complemented by in-country working. Coherence and planning are vital to the success of this 'joined up' approach to influencing.

S16 Secondment to the multilateral organisations can be an effective tool for achieving policy impact at the regional level. The evaluations noted that secondment is most successful where placements are at the ‘right level’ in the multilateral organisation, i.e. where policy dialogue was possible. The weak institutional analysis of the organisations meant that this was not always the case. Team roles also need to be clear including the differences between the secondees’ role as a member of the DFID regional team and their role as a ‘member’ of the multilateral team.

S17 DFID needs to be led by the multilateral agenda as much as by its own agenda to identify opportunities to engage, appropriate timing, and strategies for maximising impact. To achieve this, the political and process skills for multilateral engagement of DFID staff working centrally, regionally, in-country and on secondment, need to be enhanced.

### **Working with Middle Income Countries through Regional Programmes**

S18 The evaluations found that small programmes delivered with flexibility, good government engagement and a limited range of clear well targeted interventions provided a good basis for working with Middle Income Countries (MICs) and those moving towards MIC status, and for building towards the future relationship. However the closure of the bilateral programme is often seen as the end point rather than the beginning of that transition to a regional approach. Significant additional investment is required to build the new relationships and to explain and promote the regional approach.

S19 Graduation and/or bilateral programme closure was found to be most effective where it was seen as a strategic process and managed accordingly, sharing the decision making with the government concerned through clear and open communication, well in advance of closure. Matching this approach with equally strong communication with other donors to build shared graduation plans and post graduation relationships, not just project/programme continuity, together with continuity of the policy level relationship, directly and through multilaterals, should take priority over project and office closures.

S20 Where regional institutions are stronger and better established, economic, social and broader policy engagement with MICs is possible through regional approaches. Elsewhere the regional approach needs to be complemented with continued country level engagement. The critical factors seem to be the depth and nature of DFID’s relationships, the strength of regional identity, and the extent of country level ownership of the regional agenda. MICs themselves can lead on regional approaches and become strong focal points.

### **Policy Impact at the Regional Level**

S21 Engagement around policy impact at the regional level is only just emerging. The evaluations point to the critical role that can be played by regional institutions as entry points for policy change. However, to be able to effectively represent the region, indigenous institutions need buy in and support from governments within the region. Without this they will not be sustainable and will continue to rely on donor funding.

Balancing the need to support such regional institutions which requires long term engagement and institutional strengthening with the need for them to be self sustaining is a challenge for DFID and the wider donor community.

S22 DFID's corporate agenda is moving regional working into more complex areas of engagement which require different approaches and hard decisions about how and where to engage. For example, trade was a key objective in all four RAPs. However, it is complex, demanding the need to combine influence on regional and global trade policies with extending support to regional institutions to act as focal points for engagement. The nature of the trade agenda suggests that partnerships, particularly with the multilaterals who have greater leverage on trade policy, is the most strategic approach.

S23 Partnership approaches are already working well on conflict and security within the regions with the focus on country level, though regional approaches are emerging. Work on conflict and security has been coherent and consistent and has developed a broader agenda through strong cross-Whitehall working and good strategic engagement. The success of the approach lies in the strong commitment of all departments starting at the policy level in London.

S24 The evaluations found that the mainstreaming of corporate policies, including gender and social inclusion, at the regional level was not effectively addressed. DFID is well regarded for its gender and poverty analysis and its strength in this regard could be more effectively exploited to develop understandings which take account of regional aspects of gender roles and the impact of social exclusion.

## **Recommendations**

### **To support the development of regional approaches:**

S25 DFID's Regional Directors should make a clear distinction between situations where 'region' is being used for administrative/management convenience and where a 'regional approach' is being adopted with a definite set of regional objectives. Regional Plans should only be developed in the latter case with analysis and planning focused at the regional level and strategic objectives that apply across the region. Where a group of country programmes are being managed together to reduce transaction costs planning should be based on individual Country Plans even though resources are managed collectively.

S26 The development of regional approaches by regional teams should be based on a shared analysis and engagement with other UK government departments and development partners as well as with the individual governments and regional institutions concerned. The ideal for DFID to work towards is a single UK (business) plan with strong ownership from within the region.

S27 The expertise and skill to undertake political and institutional analysis of regions, regional institutions, and the relevance and likely impact of regional approaches should be developed corporately drawing on lessons learnt. This should be led by the Policy and Research Division so that regional teams are provided with practical support.

### **To improve the relevance and effectiveness of regional strategies:**

S28 DFID regional teams should work towards partnership agreements as the basis for regional approaches. These should provide the basis for a strategic planning framework including long term objectives, partnership relationships, a resource envelope, agreed success criteria, and processes for lesson learning. Detailed strategic planning at operational level should be left to the regional teams.

S29 Regional Plans should have Results Frameworks that effectively track progress and provide feedback to improve implementation and Monitoring and Evaluation Strategies that focus attention at objective level based on measurable indicators related to specific outcomes. DFID's Finance and Corporate Performance Division should ensure that the guidance on Business Planning takes account of the particular needs of monitoring regional approaches.

S30 All Monitoring and Evaluation Strategies should include a set of process indicators to track DFID partner engagement and policy dialogue (influencing interventions). Guidance and technical support should be available to all regional teams to develop appropriate monitoring tools and processes.

### **To improve the delivery of regional programmes:**

S31 The planning and management of human and financial resources should be directly linked to the regional programme objectives. In particular, team skills, staffing, and structures should be based on these objectives rather than on traditional sector and management roles. This approach should inform and be reflected in the Business Plans developed by regional teams.

S32 DFID's Learning and Development Services Department should give high priority to further identifying and developing the skills, knowledge and expertise necessary to support regional approaches drawing on the experience of regional teams and input from relevant heads of profession. This should include analytic, negotiating and relationship management skills, regional political and institutional analysis, team working and cross-Whitehall working.

S33 A strategic and flexible approach using small scale investments which can have clear and specific impact is particularly relevant when working regionally. The design and scaling up of such aid instruments should be a part of the strategy for planning further engagement at the regional level.

### **To improve engagement with and through multilateral partners:**

S34 International Division should draw on the experience of country and regional teams to develop a thorough institutional analysis (at a deeper level than the Institutional Strategy Papers) of all key multilaterals - with a focus on culture, organisational systems and structures, ways of working, opportunities and entry points for collaboration and engagement - to support operational engagement.

S35 Skills and knowledge for engagement/policy dialogue should be the focus for staff development for all managers, programme staff and advisers in regions, countries and centrally. This should include those to be seconded to multilateral organisations

and staff appointed in country. Specific required expertise should be identified in consultation with regional/country teams and the necessary capacity building resources developed by Learning and Development Services.

S36 The responsibility of the International Directors Office for taking forward DFID's 'multilateralism with edge' agenda should be based on the understanding that policy dialogue/'influencing' is a team process not an individual enterprise and needs to be planned, delivered and monitored on a team basis across divisions and departments at country, region and headquarters levels. This requires different approaches to allocating staff time and managing for 'joined up influencing' – planning who does what where, links within DFID and across HMG.

S37 The EC is an important partner, particularly in regions where the UK is one of the few member states supporting development. A new strategy for engagement should be developed, led by the Europe and Donor Relations Division which draws on regional experience. Priority should be given to DFID and UK wide partnerships with the EC through joined up working at regional level and through links between London and Brussels.

### **To support the development of post graduation work with MICs:**

S38 Graduation and/or bilateral programme closure should be seen as a strategic process and managed accordingly by country and regional teams. Decision making should be shared with the government concerned well in advance. This should be matched with equally strong communication with other donors. In the case of graduation the aim should be a smooth transition to new post-graduation relationships between the country and its development partners, particularly with the multilaterals.

S39 The experience of working with MICs through regional approaches is new – a new approach requiring a different level of analysis and understanding as well as different skills. Learning takes time and will benefit from building synergies between the country, regional and international levels. The Management Board should identify a single point of contact – management lead/champion – for policy and practice in relation to MICs to promote discussion and exchange within DFID, with other donors and with MICs themselves in order to develop post graduate scenarios for support beyond bilateral programmes to catalyze the contribution of MICs to the achievement of the MDGs.

S40 The MIC Strategy (including time bound targets and a monitoring and evaluation framework) should be revised based on collective experience and learning. Supportive Good Practice Guidance should be produced and disseminated and formal links between responsible divisions and departments established to ensure effective implementation.

**To improve policy engagement through regional approaches:**

S41 Under the growth area within DFID's new Research Strategy (2008-2013) the Policy and Research Division should commission research into trade (including policy frameworks, institutional processes, and organisational constraints) in specific regions to identify effective strategies for engagement as part of regional approaches and to inform the international policy debate around trade.

S42 Learning from the effective cross-Whitehall working in the Western Balkans and Latin America should be captured by Europe and Central Asia Department and Latin America and Caribbean Department and shared with DFID staff working at operational and policy level to inform regional practice and policy development.

S43 The mainstreaming of gender and social inclusion has become tokenistic – even as a recommendation in evaluation reports and syntheses. DFID's Policy and Research Division should give clear guidance, based on learning and research, to ensure effective and measurable improvements are made that embed gender and social inclusion as part of regional approaches.

## 1. Introduction

1.1 DFID's Evaluation Department (EvD) has an established series of Country and Regional Programme Evaluations (CPEs and RPEs) under which it commissions some five individual programme evaluations each year. The purpose of these evaluations is to contribute to corporate performance management by providing country level programme assessments, or where groups of countries are managed as regions, regional level assessments. The current model of evaluation is based on the standard evaluation criteria developed by the Development Assistance Committee (DAC) of the Organisation of Economic Cooperation and Development (OECD). These five criteria are: relevance, effectiveness, efficiency, impact and sustainability.<sup>1</sup> The primary audience for the evaluations is the UK government and DFID senior managers including heads of country offices and regional teams. The evaluations also provide an important source of lesson learning for DFID to feed back into improving performance and planning for new phases of its engagement.

1.2 As part of the series of programme evaluations, an annual synthesis report is commissioned to draw together lessons from a number of evaluations. This report is the fourth synthesis and is based on the findings from evaluations of four of DFID's regions. It builds on the findings and lessons from those evaluations and takes account of wider DFID experience of managing regions to inform DFID's strategic planning and delivery of programmes that operate across groups of countries. The synthesis reports add value to the individual studies by bringing together wider lessons in relation to a set of key themes from across the relevant evaluations. For future syntheses a new approach has been adopted based on the identification of a group of evaluations with a single common feature that can act as the focus for deeper analysis and enhance the usefulness of the findings. Since three of the series of programme evaluations conducted between 2006 and 2008 were of regions this provided the first unifying context. This synthesis therefore draws on the three RPEs for the Caribbean<sup>2</sup>, the Western Balkans<sup>3</sup>, and the Central Asia, South Caucasus and Moldova (CASCM)<sup>4</sup> regions and, in addition, the Interim Evaluation of DFID's Regional Assistance Plan (RAP) for Latin America carried out in 2006 and commissioned separately by the Latin America and Caribbean Department (LACD)<sup>5</sup>.

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<sup>1</sup> DAC Criteria for Evaluating Development Assistance;  
<http://www.oecd.org/dataoecd/15/21/39119068.pdf>.

<sup>2</sup> Chapman, N. et al (2007).

<sup>3</sup> Chapman, N. et al (2008).

<sup>4</sup> Thornton, P. et al (2008).

<sup>5</sup> Booth, D. et al (2007).

## **Methodology**

1.3 In preparing the 2007–2008 synthesis an iterative approach was taken. This included engagement with the four DFID regional teams, to enhance the identification and ownership of the findings, and wider consultations within DFID. A review of the four reports and initial interviews with the evaluation team leaders and the heads of the two departments covering these four regions, the Europe and Central Asia Department (ECAD) and LACD, led to a provisional list of themes. A full content analysis of the four reports identified all the material that reflected these themes and identified possible additional themes. A set of lessons based on the themes and provisional recommendations were drafted and shared with representatives of the two departments at a workshop in London, with participation from Barbados, Guyana and EvD. Following this discussion, a draft of the synthesis was completed and shared with representatives from ECAD, LACD, Middle East and North Africa Division (MENAD), DFID Caribbean, DFID South Africa, EvD, European Union Department (EUD) and the International Director's Office (IDO), prior to the production of the final report which takes account of their observations. At all stages the authors also drew on comments from a group of colleagues from the wider programme evaluation team and from EvD.

1.4 The intention of this synthesis is to inform debate and discussion with particular reference to regional working. The lessons and recommendations address the needs of those currently managing regional programmes and also contribute to the consideration of the adoption of regional approaches in other contexts as programmes change and develop. The RPEs are mainly based on secondary data and interviews with those currently involved, and the Latin America evaluation is a mid-term review of the RAP only covering eighteen months and following a different methodology. To address these constraints the team leaders of all four evaluations contributed to the study and the iterative process outlined above ensured engagement by the relevant DFID teams. The synthesis also drew on evidence beyond the specific evaluations – the experience of other regions was taken into account through interviews and a documentation review, and evidence from the policy domain was included, again based on supplementary interviews and documentation review.

## **Emerging Themes**

1.5 Six main themes emerged from the synthesis. The first three themes relate to the way in which regions are framed and to how regional approaches have developed within DFID. They focus on the relevance, effectiveness and efficiency of the regional approaches found within the four DFID regions studied and in other current DFID practice. The lessons inform the developing understanding of regional approaches and regional management. These three themes are:

- The rationale for taking a regional approach
- Developing regional strategy, and
- The efficient delivery of regional programmes.

1.6 The second group of themes focus on key areas of impact and sustainability that were found to be significant to the strategies adopted in the four regions. Again the synthesis draws on wider experience within DFID and the lessons focus on policy level impact. The three themes are:

- Achieving impact through multilateral engagement
- Regional perspectives on middle income countries, and
- Policy impact at the regional level.

1.7 The evaluation report is divided into nine chapters. Following this introduction, Chapter 2 sets the context of regional working and of the regions covered by the evaluations on which this synthesis draws, giving an overview of the four regions, their geographic spread, interventions adopted by DFID, significant actors, aid instruments used and other key features. Chapter 3 presents the findings related to the *rationale of taking a regional approach*, Chapter 4 the findings related to *regional strategy* and Chapter 5 the findings related to the *efficient delivery of regional programmes*. The findings from the second set of themes follow with Chapter 6 focusing on *regional approaches to multilateral engagement*, Chapter 7 *regional perspectives on middle income countries*, and Chapter 8 *policy impact at regional level*. Finally, Chapter 9 gives the *conclusions and recommendations* arising from the synthesis. These apply to DFID's approach to regions and regional working not only in the four regions that were evaluated but more widely. The conclusions also focus on aspects of strategic management that have emerged from this synthesis of regions but are relevant to other programme contexts.



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## 2. Context

### International Development Perspective

2.1 The Department for International Development's (DFID) responsibility for leading the British government's fight against world poverty was affirmed in October 2007 in the government's Comprehensive Spending Review<sup>6</sup> (CSR) under which DFID was given lead responsibility for the Public Service Agreement (PSA) on international poverty reduction.<sup>7</sup> The overall aim of the PSA on international poverty reduction is "the elimination of poverty in particular through achievement by 2015 of the Millennium Development Goals"<sup>8</sup> (MDGs). Under DFID's lead Her Majesty's Treasury (HMT), the Foreign and Commonwealth Office (FCO) and the Department for Environment, Food and Rural Affairs (Defra) will contribute as delivery partners. In addition, DFID will contribute to the delivery of the PSAs on climate change (Defra lead) and conflict reduction (FCO lead). Through its work on poverty reduction, DFID will also indirectly contribute to the delivery of the counter terrorism and migration PSAs (Home Office lead).

2.2 This emphasis on cross-Whitehall collaboration and a wider public policy context builds on the development of DFID's approach to poverty reduction as set out in the three White Papers (1997, 2000 and 2007). Other developments reflected in DFID's Departmental Strategic Objectives (DSOs)<sup>9</sup> include, a greater emphasis on aid effectiveness based on the Paris Declaration<sup>10</sup>, the move from bilateral projects to programme approaches and multi-donor funding, a higher priority to low income countries (LICs), and a focus on influencing the international system. The CSR also indicates that funding for DFID is set to increase over the three years by an average of 11% in real terms to £7.9 billion a year in 2010/11. These changes combine to increase the pressure on DFID to improve its effectiveness (to support the achievement of the MDGs) and efficiency, supported by evaluation that promotes reflection and lesson learning (the seventh DSO).

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<sup>6</sup> HM Treasury (2007).

<sup>7</sup> The new PSAs for the 2008/09-2010/11 CSR period reflect collective government priorities rather than being department specific. Each PSA has a lead government department, with several other departments contributing as delivery partners. Successful delivery therefore depends on cross-Whitehall collaboration.

<sup>8</sup> The Millennium Development Goals (MDGs) are the eight quantifiable targets contained in the Millennium Declaration that was adopted by 189 nations and signed by 147 heads of state and governments during the UN Millennium Summit in September 2000.

<sup>9</sup> To ensure delivery of its contribution to the PSAs DFID has set out a number of DSOs. Over the next three years DFID will: promote good governance, economic growth, trade and access to basic services; promote climate change mitigation and adaptation measures and ensure environmental sustainability; respond effectively to conflict and humanitarian crises and support peace in order to reduce poverty; develop a global partnership for development (beyond aid); make all bilateral and multilateral donors more effective; deliver high quality and effective bilateral development assistance; and improve the efficiency and effectiveness of the organisation.

<sup>10</sup> High Level Forum (2005).

## Regional Approaches

2.3 This wider context of DFID's role in international development is already having an impact on work within the bilateral country and regional programmes. In particular the emerging policies, priorities and operational challenges are contributing to and reflected in the evaluations on which this synthesis is based. The policy<sup>11</sup> of increasing support to lower income countries has been a factor in reducing the scale of bilateral programmes in some smaller countries and, together with the pressure to reduce administrative costs, this has contributed to the development of regions as groups of country programmes. At country level commitment to the Paris Principles of alignment and harmonisation was evident. However, being less relevant to regional working, it is understandable that they were not reflected in the regional strategies.

2.4 The term 'region' is used broadly within DFID to cover continents; groups of smaller programmes managed together for administrative convenience; and groups of countries with a single DFID agenda facing a common challenge or with a clear regional identity. This absence of a clear definition of region has led to confusion and a weakness in developing a common DFID perspective. As practice has developed and as the discipline of producing Regional Assistance Plans has focused the attention of those responsible for managing individual regions, some principles have become evident. The importance of a sense of a shared identity and the value of a common history and culture are identified in all four evaluations. Where an explicit regional approach has been taken the focus is much more on the distinctive and intrinsic aspects of regional identity, as is the case in Southern Africa.<sup>12</sup> Regional approaches are characterised by DFID's response to the regional agenda and by objectives that focus on benefits that are beyond those that can be achieved by the individual countries on their own.

## The Four Regions

2.5 The four regions on which this synthesis is based, Western Balkans, Latin America, the Caribbean and CASCAM vary in their geographical spread and political coherence. Table 1 presents the countries in each region, those with bilateral programmes, and those included in DFID's regional programmes. Western Balkans, comprising Bosnia and Herzegovina (BiH), Albania, Serbia and Kosovo, is the most compact, there is a common history and a shared goal of EU Accession. The Caribbean covers all Caribbean Community<sup>13</sup> (CARICOM) members plus Cuba and the Dominican Republic. While it covers a much larger set of countries with a wider geographical spread it also has a strong sense of coherence.

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<sup>11</sup> Written Statement by Hilary Benn, Secretary of State for International Development, 6<sup>th</sup> November 2003, confirming commitment to increase the share of bilateral aid going to lower income countries to 90%. This was set as a Public Service Agreement target (2003 – 2006 PSA Target 5) and subsequently 90% was set as a minimum (2005–2008 PSA Target 6).

<sup>12</sup> DFID are taking a regional approach in Southern Africa and this experience has been drawn on to supplement the synthesis. The rationale and strategy are set out in the regional plan – DFID South Africa Regional Plan, 2006.

<sup>13</sup> CARICOM Members: Antigua and Barbuda, The Bahamas (community but not common market member), Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, and Trinidad and Tobago.

**Table 1. Countries within the Four DFID Regions**

	<b>Western Balkans</b>	<b>Caribbean</b>	<b>Latin America</b>	<b>CASCM</b>
<b>Core countries with DFID bilateral programmes in the evaluation period</b>	Serbia Albania Bosnia and Herzegovina Kosovo	Guyana Jamaica	Nicaragua Bolivia	Tajikistan Kyrgyz Republic Moldova Armenia Georgia
<b>Other countries with DFID bilateral spend</b>	Macedonia Croatia	St. Vincent & the Grenadines Dominica Grenada Belize	Brazil Peru	Azerbaijan Kazakhstan Turkmenistan
<b>Other countries within the region as defined by DFID</b>		Antigua and Barbuda The Bahamas Barbados Cuba Dominican Republic Haiti St. Kitts and Nevis St. Lucia Suriname Trinidad and Tobago	Argentina Colombia Chile Ecuador Honduras Paraguay Uruguay Venezuela Panama Mexico Costa Rica El Salvador Guatemala	

2.6 Although the DFID region of Latin America now covers the whole sub-continent, earlier bilateral engagement was limited and the emphasis of the regional programme now centres on the sub-regions of the Andes and Central America. The final region CASCM – comprising Armenia, Moldova, the Kyrgyz Republic, Georgia and Tajikistan – has least sense of region. Whilst countries share a common history, they are now moving in different directions and the synergies are limited.

2.7 A key feature of all these regions is the significant proportion of countries that have reached or are close to reaching MIC status. However, in all regions this masks the high incidence of poverty captured by the numbers of people living on less than \$2 per day (e.g. 26% in Latin American and the Caribbean).<sup>14</sup> Annex 1 gives development indicators for all four regions by country. In some regions there are specific countries where poverty incidence is high (Kosovo, Western Balkans; Haiti, Caribbean) whilst in others poverty is widespread with high numbers of people living in extreme poverty even in the richest countries (Brazil, Latin America). There is a relatively good record on progress towards MDGs though meeting health targets, particularly reducing maternal mortality and halting the spread of HIV/AIDs, is problematic in all the regions.

<sup>14</sup> World Bank (2003b).

2.8 Overall the regions are not aid dependent; in half of the countries Official Development Assistance (ODA) per capita amounts to less than 1% of Gross Domestic Product (GDP). CASCAM is the exception with ODA per capita running at over 10% in the Kyrgyz Republic and Tajikistan. Other countries with this level of aid dependency are Haiti in the Caribbean and Nicaragua in Latin America. Western Balkans has low levels of aid dependency with the exception of Kosovo which is highly aid dependant.

2.9 DFID's engagement with the four regions is summarised in Table 2. As can be seen there has been a move from the emphasis on bilateral programmes captured in Country Strategy Papers (CSPs) and Country Assistance Plans (CAPs), towards regional strategies. All four regions now work to Regional Assistance Plans (RAPs) which capture not just regional working but also country engagement, including the bilateral engagement in Nicaragua in the Latin America RAP and the bilateral programmes in Jamaica and Guyana in the Caribbean RAP (though these are also laid out in more detail in separate CAPs).

Table 2. The Four Regions

Region	Caribbean	Latin America	CASCM	Western Balkans
<b>History of DFID engagement</b>	Barbados opened in 1966 as Development Division within the Caribbean and Latin America Department. Organisational changes as ODA grew but always managed as a region.	Longstanding relationship with selected bilateral links – Mexico, Honduras and Nicaragua in Central America and Brazil, Bolivia and Peru in South America.	UK Support to 12 Commonwealth of Independent States (CIS) began under the Know How Fund in 1989. Taken over by DFID in 1997 with focus on poorest 7 countries.	UK has been providing support to Albania from 1993 and to former Yugoslavia since 1999.
<b>Nature of region</b>	Discrete region covering the Caribbean Community (CARICOM). DFID's focus is on the poorer countries of Anglophone Caribbean.	Central and South America major region/subcontinent covered by Inter-American Development Bank (IDB) and World Bank. Now treated as a region from a DFID perspective.	Residue of CIS countries receiving DFID support; 9 countries in 2002 reducing to 5 in 2007 in three separate localities – Central Asia, South Caucasus and Moldova.	Compact historic region; tension between different ethnic groups of former Yugoslavia; all states anticipating EU accession; common cultural identity, economic links but continued tensions.
<b>Period of RPE</b>	2000–2005	2005–2006 Interim Evaluation of RAP	2002–2007	2003–2007
<b>Strategy development during RPE period</b>	Policy and Resource Plan (PARP); Country Strategy Paper (CSP) Jamaica 2001/04; <b>RAP Caribbean 2004/07</b> ; Draft Country Assistance Plan (CAP) Guyana; CAP Jamaica 2005/08; No new RAP but regional strategy 2008/13 being developed.	CSP Bolivia 1998/01 and 2002/04; Brazil 1998/01; Regional Strategy Paper (RSP) Central America 1999/02; CAP Peru 2003/05; <b>RAP Latin America 2004/07</b> ; Regional programme with bilateral support to Nicaragua; No new RAP; Separate approach for Brazil. <sup>15</sup>	CSP Moldova 2000/03; Strategy Paper (SP) for Central Asia and South Caucasus 2000/03; <b>RAP CASCM 2004/07</b> ; No new RAP due to graduation and programme closure with alternative management of Central Asia under a new business plan.	CSP Albania 2000/04; CSP Bosnia & Herzegovina 2000/03; CSP Kosovo 2001/04; CSP Federal Republic of Yugoslavia 2001/04; <b>RAP Western Balkans 2004/08</b> ; No new RAP graduation and bilateral programme closure except Kosovo.

<sup>15</sup> Brazil is one of the larger MICs (BRICs – Brazil, Russia, India, China plus Mexico, South Africa and Indonesia) that are anticipated to play a major role in economic development by 2050 and are a specific policy priority for DFID.

2.10 Table 3 summarises the objectives of the strategies from all four regions as outlined in the RAPs covered by the evaluation period. Synergies can be seen across the objectives of the RAPs with all regions having a poverty focus. This is linked to engagement with multilaterals in Latin America and to the EU Accession process in the Western Balkans. Both these regions also have aid effectiveness and donor harmonisation as objectives. The objective of addressing trade and HIV/AIDS features in all but the Western Balkans, whilst security and conflict issues can be seen in all but Latin America. Regional working is contained in all four, though approaches vary between engaging over specific issues such as HIV/AIDS or trade to promoting regional integration or improving regional analysis and lesson learning.

**Table 3. Regional Strategies**

Region	Caribbean	Latin America	CASCM	Western Balkans
<b>RAP Period</b>	2004/05 – 2006/07	2004/05 – 2006/07	2004/05-2006/07	2004/05-2008/09
<b>RAP Objectives</b>	1.Economic and fiscal management and public service delivery within the framework of poverty strategies.	1.Help the IDB and World Bank to better enable poor people to access markets and international trade; accountable public sector and political systems.	Country Theme 1. To improve governance and the institutional environment for poverty reduction.	1.EU association (accession) policies and processes recognise and support nationally owned pro-poor development strategies.
	2.Trade, regional integration and competitiveness.	2.Improved donor harmonisation in support of government led poverty reduction strategies.	Country Theme 2. To promote pro-poor sustainable growth.	2.To work with other donors and partner governments to agree and implement a common agenda for improved aid effectiveness in each country in the region.
	3.HIV/AIDS and violent crime.	3.Improved regional analysis and lesson learning on global policy issues, especially on trade and HIV/AIDS.	Country Theme 3. Strengthen UK's contribution to conflict resolution and peace building.	3.UK Government policy and active engagement in the region takes account of development concerns.
			Country Theme 3. Regional Issue 1 To counter the spread of HIV/AIDS.	
		Country Theme 3. Regional Issue 2 To improve regional trade and cooperation.		

2.11 A limited range of aid instruments has been used in delivering the regional programmes. Traditional bilateral project support supplemented by technical assistance (TA) predominated. Budget support was only evident in the form of debt relief in the Caribbean, grant aid to the UN Mission in Kosovo (UNMIK) and for an emerging health Sector Wide Approach (SWAp) in the Kyrgyz Republic. Small scale strategic interventions were used directly by DFID in Western Balkans and CASCAM and, in the case of Latin America, through support for Trust Funds managed by the IDB and the World Bank. The latter were a specific tool for influencing. Secondments to multilaterals were present in all four regions, again as a tool for influencing.

2.12 Variations exist in the delivery and management of the four programmes. There are country teams in all countries in the CASCAM and Western Balkans regions, mostly co-located with the British Embassy. Programme management and most advisers are London based. The Caribbean regional programme is managed from Barbados and there are also sizable offices in Guyana and Jamaica due to the bilateral programmes there. The Latin America regional programme is managed from sub-regional hubs in Brazil, Bolivia and Nicaragua. The London team's role in these latter two regions comprises senior departmental management and some advisory support.

2.13 DFID expenditures are low in all four regions. With the exception of CASCAM, where there has been an increase due to the growth of the Central Asia programmes, allocations to all regions have declined significantly since 2000 (Table 4). This reflects the shift in corporate priorities away from MICs towards countries in the low income category.

**Table 4. Bilateral Programme Spend**

Outturn (£ Millions)	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
CASCAM	10.8	10.8	12.3	14.2	15.0	19.0	20.1
Western Balkans	25.3	28.8	18.6	20.3	19.4	15.7	14.9
Latin America	27.9	35.1	33.2	25.9	23.5	18.5	22.5
Caribbean	36.8	32.5	33.8	29.6	29.6	23.7	23.0
<b>Total spend on all 4 regions</b>	<b>100.8</b>	<b>107.2</b>	<b>97.9</b>	<b>90.0</b>	<b>87.5</b>	<b>76.9</b>	<b>80.5</b>
<b>Total DFID Country and Regional</b>	<b>1095</b>	<b>1141</b>	<b>1341</b>	<b>1623</b>	<b>1753</b>	<b>2063</b>	<b>1967</b>
<b>Four regions as % of DFID</b>	<b>9.2%</b>	<b>9.4%</b>	<b>7.3%</b>	<b>5.6%</b>	<b>5.0%</b>	<b>3.7%</b>	<b>4.1%</b>

Source: Tables A.3.2 and A.3.3 Annex 1, DFID (2008b).

2.14 UK spend in real terms and as a proportion of total donor commitment is also relatively low (see Table 5 and Annex 2). However if account is taken of DFID's direct contributions to multilateral agencies the proportion of spend increases. Support to multilaterals is discussed in chapter 6 and full details of the imputed multilateral spend are given in Annex 4.

**Table 5. DFID spend as a proportion of total donor spend**

Region (\$ millions)	CASCM		W. Balkans		Caribbean		Latin America	
	Total	%	Total	%	Total	%	Total	%
<b>United Kingdom</b>	127.2	1.3	894.1	5.6	464.3	8.6	480.9	1.6
<b>All Donors</b>	<b>9948.1</b>	<b>100%</b>	<b>15972.1</b>	<b>100%</b>	<b>5398.9</b>	<b>100%</b>	<b>30533.7</b>	<b>100%</b>

Source: Extracted from OECD statistical data.

2.15 Whilst there is a large number of development partners in some of the regions (notably Latin America), the evaluations suggest that DFID has chosen to engage with only a limited number of these. The emphasis of engagement is on influencing multilaterals: the EC, the World Bank and the three regional development banks, the Caribbean Development Bank (CDB), the Inter-American Development Bank (IDB) and the European Bank for Reconstruction and Development (EBRD). Engagement with bilateral donors is more limited but there are significant partnerships with like-minded donors seeking to engage at regional level, including Canadian International Development Agency (CIDA) in the Caribbean and with the Swedish International Development Cooperation Agency (SIDA) in CASCM and the Western Balkans. Cross-Whitehall working is evident in all regions including engagement with: the Foreign and Commonwealth Office (FCO) and Ministry of Defence (MOD) on conflict in the Western Balkans and CASCM; the Home Office on security in the Caribbean and more recently in Latin America on climate change with the FCO. There is a varied pattern of working with civil society, including engagement with networks of Civil Society Organisations (CSOs) in Latin America and project level engagement of Non-Governmental Organisations (NGOs) in the Western Balkans and to a more limited degree in CASCM.

### **3. The Rationale for Taking a Regional Approach**

3.1 The first group of findings relate to the reasons for choosing to work at a regional level, the nature of the regions and the ways of understanding and engaging with them. The questions addressed relate to the emerging appreciation of the regional approach: the features of a region that make it more appropriate to take a regional approach, and why DFID chooses to work in regions. Other questions centre on the balance between regional and country level: what works well when addressed at regional level and what issues are best tackled at country level, and how are the tensions between regional and national perspectives best addressed? The final question relates to partnership working: what are the benefits of working with other UK government departments and other development partners that emerge from the regional experience?

3.2 The four DFID regions evaluated are quite diverse. However they typify the range of applications of the term 'region' within DFID.

- Barbados was the location of one of the four Development Divisions established to cover large geographic areas when DFID first devolved programme management away from London in the late 1960's. The office has long since changed its role to be the regional base for the Caribbean as a DFID region that is coterminous with a recognised geo-political region with its own integrity and set of regional characteristics and institutions.
- Latin America, as a cluster of country programmes with sub-regional foci within South and Central America, typified the majority of regions as administrative constructs rather than region-led autonomous groupings.
- The Balkans is the historic and geographic name used to describe a larger region of South Eastern Europe. As the Western Balkans it also has a long-standing identity and unity; though recently politically contested. Despite the political tensions the Western Balkans countries do share a common aspiration to join the European Union (EU). Thus the region has its own identity and a policy focus that DFID has used as the major objective for its engagement.
- Finally CASCAM is a region in name only – a name that only has meaning for DFID. It comprises a small collection of countries, geographically separate with an historic connection as members of the former Soviet Union that is not unique to them and is of declining relevance. As the group of countries has reduced with programme closures the connections have become weaker. Before the evaluation, DFID was planning closure of its CASCAM regional programme, with the bilateral programmes in Armenia, Georgia and Moldova expected to close and those in Central Asia moving to a different management model.

## **Regional Identity and Regional Perspective**

3.3 Regional identity and perspective are necessary but not sufficient conditions for a regional approach to be viable. Ideally the purpose of regional approaches is to create benefits for countries that they could not achieve on their own. Thus regional approaches create shared regional benefits or ‘regional public goods’.<sup>16</sup> These benefits also need to be identified and owned by the countries within the region.

3.4 From the evaluation of the Latin America RAP it is clear that their regional programmes come closest to this notion of regional benefit. Similarly the Caribbean RPE concludes that the support to regional institutions in the Caribbean achieve regional benefit. The Western Balkans programme is pursuing a regional objective to very good effect with its support to the accession process at country level with the learning contained within each country team rather than through any substantive synergies and lesson learning across the region. The lessons from the evaluations echo the benefits of the regional approach being taken in Southern Africa where identity and regional perspective come first followed by the identification of regional benefits that can be achieved at a regional level in ways that add significantly to what individual countries might achieve.

## **The Development of the Regional Programmes**

3.5 DFID’s regional programmes have developed from combining or replacing earlier bilateral country programmes rather than being developed at the region’s initiative. Even in the case of Southern Africa, where DFID is piloting a regional approach to poverty reduction which will complement country-led approaches, the initiative has come from DFID. Similarly the movement towards a regional approach in the regions evaluated was influenced by corporate policy and management pressures as well as by initiatives within the regions.

3.6 As discussed in chapter two, in 2003 DFID made a commitment to increase the proportion of its support to LICs to 90%. This inevitably put pressure on the budget for bilateral assistance to middle income countries (MICs). In 2004 DFID along with all UK government departments was set targets to reduce its staffing and administrative costs.<sup>17</sup> This put particular pressure on the Europe, Middle East and Americas (EMAD)<sup>18</sup> Division which had responsibility for most of the MICs, and the smaller country programmes managed in regional groups, including the four regions on which this synthesis is based.

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<sup>16</sup> See DFID (2006b), paras 3.5 and 4.7.

<sup>17</sup> Departmental headcount targets were set in the 2004 Comprehensive Spending Review based on the Independent Review of Public Sector Efficiency undertaken by Sir Peter Gerschon.

<sup>18</sup> EMAD became EMAAD (Europe, Middle East, Africa and Asia Division) in 2007 with the addition of China and South-East Asia together with the policy lead for MICs and BRICs.

3.7 This resource constraint resulted in a major review of EMAD in May 2004, *A Medium Term Plan for EMAD*. The paper took a fundamental look at the work of the division, especially in regions. It proposed that ‘Our regional coverage will be more selective, with reduced country presence (in terms of numbers and structure), focused on the strategically important and the most vulnerable. We will further increase our concentration on working with and through multilateral institutions, and on regional approaches which aim to have a sustainable impact on poverty’.<sup>19</sup>

3.8 This paper proposed a radical reduction in the number of country programmes and in the staffing of the division which have informed the changes in the four regions evaluated. Whilst a response to the resource constraints, the paper sets principles of: ‘maximising poverty reduction and achievement of the MDGs; prioritising assistance to the poorest and most vulnerable and *those countries which are developing their own role in regional or global poverty reduction*; working more closely with *multilaterals and other Whitehall departments*; focusing on activities with *a regional rather than a country impact*; and seeking ...engagement which will...integrate ... efforts more closely with those of *other donors*’ (our italics). The paper resonates with other developments in DFID and in particular introduces the emphasis on regional approaches.

## **Balancing Regional Engagement and Country Level Programming**

3.9 Both the Latin America and Caribbean evaluations highlight the perceived low status given to working in the respective regions; the small and reducing size of the programmes and lack of ‘development challenge’ or use of new instruments, such as budget support, are cited in the Caribbean RPE. Regions, this infers, have been bypassed by country-led development and the principles of aid effectiveness. There has been a shift from donors who saw the aid process as essentially one-way and established ‘their regions’ to deliver ‘their programmes’, to development partners who see ‘ownership’ and ‘political will’ as prerequisites for change around a broader international development agenda.

3.10 However, regions and regional approaches present different development challenges. The regional approach can be seen as more complex than working within a country-led frame since the relationships and diversity of all the countries within the region need to be understood and engaged with. Decisions need to be made about when to engage at regional level and when to engage at country level and about how the two interact. Regions also present opportunities to work in policy contexts that mirror the newer global agendas.

3.11 Regional approaches may not however be relevant in all situations. The decision to take a regional approach should be preceded by a thorough assessment of the nature of the region, the institutional dynamics and the entry points to achieve DFID’s aim of support for poverty reduction. If there is a limited sense of region, weak institutional synergies and the entry points are all at country level then there is no rationale for a regional approach. In such situations a group of bilateral country programmes may be linked to reduce overheads and maximise resource utilisation but

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<sup>19</sup> DFID (2004b), p1.

it should not be assumed that this implies a single regional programme with common objectives. Where there is a significant sense of regional identity and institutional responses that are robust then a regional approach may be appropriate. The test here however is whether there are clear regional level objectives that can add value to what can be achieved at country level.

3.12 The regions considered illustrate these points. CASCAM, with little regional identity and essentially five bilateral programmes, presents the case for the linked group of countries to reduce overheads rather than a regional approach. Latin America, with a strong sense of sub-region and with only one bilateral country programme still active, presents the case for the regional approach. The Southern Africa RAP takes the next step and proposes a programme based solely on a regional approach with no bilateral country elements.

3.13 The balance between regional engagement and country level programming as suggested presents further challenges. Few issues are solely regional in nature and discerning the balance between what to do at regional level and how this can be complemented with country level interventions and engagement is central to regional planning. However, strong commitment to a bilateral programme can present a block to taking a regional perspective and developing a stronger analysis as the basis for a regional approach. The Caribbean RPE highlights this tension – the only region with separate Country Assistance Plans (CAPs) for two of its bilateral programmes running alongside the RAP. The CASCAM and Western Balkans RPEs further suggest that strong country level programmes can mitigate against moving to a regional approach. However the Interim Evaluation of the Latin American RAP argues that it will be challenging to do effective regional work without a country base. The ‘foot on the ground’ gives credibility and knowledge both with the country concerned and with other partners.

## **Managing the Tensions between National and Regional Perspectives**

3.14 The tensions between national and regional perspectives are least evident in the Caribbean where there is a shared regional perspective and regional institutions with a mandate to coordinate across all countries in the region over issues such as trade, capacity building, disasters and HIV/AIDs. The role played by these institutions, which were only strongly evidenced in the Caribbean RPE, is explored in detail in chapter eight. However, tensions have emerged, although these are intrinsic to the regional institutions themselves as they seek to build synergies across national boundaries. The tensions, including contested aspects of accountability and legitimacy to the countries they serve, are acted out through the dynamic of the institution. By focusing on these institutions, providing capacity building support and seeking to catalyse their roles with the region, DFID has placed itself in the midst of the tensions experienced by the institutions rather than seeking to facilitate from outside which limits its role.

3.15 In Latin America the tension in taking a regional approach is due to the scale and diversity of what are in effect two sub-continent – Central and South America. For example, the objective on market access and international trade is so broad and complex, compounded with the breakdown in global trade talks in the region, that gaining region wide engagement is difficult. In part, this has informed DFID’s choice

of partnerships with the two International Financial Institutions (IFIs) who have greater leverage on trade issues. The focus of engagement is on Trust Funds that are providing support to work related to DFID's objective. The objective is appropriate in terms of working for change by the IFIs but does not articulate synergies for the countries concerned. Setting an objective at a regional level that can build coherence across national boundaries is a task for the regional team rather than external agents over which DFID may have limited influence. Here DFID appears to have failed to overcome the tensions of scale by selecting objectives that resonate across all the national perspectives and hence are over-ambitious.

3.16 In regions where there is diversity and deep adherence to state sovereignty bringing the advantages of regionalism to bear is a challenge. In the Western Balkans, countries which have painfully emerged from the former Yugoslavia are unwilling to come together around any policy issue. Nevertheless DFID has chosen to prioritise the contested but common policy goal of EU accession. This regional objective was developed through each bilateral programme with DFID making the connections to Brussels and with other donor partners. However networks do exist amongst civil society across the new borders and around the EU agenda. This could have provided an entry point at the regional level to complement the support DFID was giving to governments at country level. DFID made an appropriate choice of objective since accession will have long term poverty and development impact. DFID managed the tensions well by working at a systemic level across the region without attempting to create synergies between governments. The only weakness was to ignore the opportunities to use other institutional networks which were less susceptible to the political tensions.

3.17 In all three cases the transaction costs in terms of analysis of the tensions and the management of them are significant. Only in the Western Balkans does the investment seem to be sufficient to achieve change and appear commensurate with the overall achievement of DFID's stated objectives. With limited resources DFID is ill-advised to adopt regional approaches that involve extensive engagement with the tensions between regional and national perspectives. DFID's strategy should be developed around objectives that are supportive of common goals and build on existing synergies unless there is a specific and overarching objective that can justify a higher investment and the resources to support it.

## **Taking a Regional Approach with Donor Partners and Other HMG Departments**

3.18 The regional equivalent of the principle of country-led development is a commitment to regional identities that are defined by and build on the connections and relationships between groups of countries themselves. The evaluations support the view that strategically the only sustainable rationale for focusing engagement at the regional level is the presence of a development agenda that is acknowledged within the region and can best, perhaps only, be addressed at the regional level. Much of the focus of harmonisation and alignment of development partner engagement is framed around country level agendas often related to Poverty Reduction Strategies (PRS) and broader

Country Development Strategies (CDS).<sup>20</sup> DFID has devoted considerable energy to supporting PRS and CDS processes often taking the lead role, notably in CASC (e.g. Moldova, the Kyrgyz Republic, Tajikistan) and the Western Balkans (e.g. Serbia, Bosnia and Herzegovina). In both these regions there has been less success in encouraging the adoption of a regional approach from other bilateral development partners. Engagement with SIDA around EU accession has led to region wide lesson learning but this has all been based on country level experience. In the Caribbean a commitment to regional processes has been shared with CIDA and United States Agency for International Development (USAID) amongst others.

3.19 This experience suggests that where there is a common regional analysis, partnership approaches at a regional level are possible but that the transition from bilateral to regional approaches is more difficult. As for DFID, the historic relationships and commitments of individual project based interventions need to be deconstructed and can present blocks for other bilateral development partners.

3.20 In Latin America the development partner focus was more with multilaterals. This theme is addressed in chapter 6. In terms of the rationale for taking a regional approach the experience across all four regions is that multilaterals tend also to be more country focused. In the Caribbean and Latin America the regional development banks are more regional in their perspective but both the World Bank and the European Commission (EC) take a country focus for most of their programming. The exception for the EC is the Western Balkans where most of its programming is linked to the EU. Similarly the World Bank (in part as a result of DFID influence) is adjusting its approach in Europe in the light of the implications of potential EU accession and neighbourhood status. However in both these cases this is evidence of country level programming responding to a regional agenda rather than choosing to take a regional approach.

3.21 With the increasing emphasis on a unified approach to UK policy noted in para 2.1 it is not surprising to see evidence of DFID working closely with other UK departments in all four regions. Conflict reduction, security, trade, migration and climate change are areas of joint work on policy issues to which we will return in chapter 8. The RPEs record evidence of specific good practice in joint working especially around conflict prevention (CASC and Western Balkans), security and migration (Caribbean) and climate change (Latin America). Joint working has benefited from co-location and joint responsibility for programmes (e.g. the Global Conflict Prevention Pool – GCPP). However without coterminous regions and shared regional objectives the practice is invariably focused at country level. There are clear comparisons with development partner experience where, without a shared regional analysis and commitment to a regional approach, supporting the transition in joint working from country to regional level is equally challenging.

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<sup>20</sup> Multi donor supported government led strategies in the Central Asian countries.

**Box 1 Lessons on Taking a Regional Approach**

- Taking a regional approach requires a regional perspective – this is more than a set of regional objectives – and includes a sense of regional identity, a common agenda, shared perceptions and/or context.
- These evaluations and other DFID experience suggest that the term ‘region’ is most relevant where it refers to a geo-political grouping with a degree of integrity and identity that is widely acknowledged and confirmed by the presence of regional institutions (e.g. the Caribbean, European Union); or significant common agendas that are regional in nature (e.g. trade/cross border issues in Southern Africa).
- Where groups of bilateral country programmes are managed collectively to minimise the transaction costs and address the pressures of limited human resources this should not be treated as a regional programme with expectations of a regional approach and strategy.
- A regional approach can be appropriate for DFID where there is a strong single rationale for engaging with the region that moves beyond bilateral agendas (EU accession – Western Balkans; multilateral performance – Caribbean).
- It is hard to strike a balance between strong country programmes and a regional agenda (e.g. Western Balkans, Caribbean). Emphasis on country-led and project-based approaches can result in the synergies, lesson learning and complementarities of the region not being fully developed or realised. However.....
- ....there are benefits from the knowledge and credibility of country based experience that can inform regional approaches.
- Whilst there is good evidence of joint working on common areas of public policy with other UK government departments and of harmonisation and alignment with other development partners at country level the transition to a shared regional approach requires a shared analysis and commitment at that level and cannot be assumed to be a natural progression.



## **4. Developing Regional Strategy**

4.1 This chapter assesses the relevance and effectiveness of the strategic approaches to regions taken by DFID with a focus on a set of key questions that emerged from the evaluations and the process of the synthesis. Which strategic approaches are most relevant to regions? How can regional strategies take account of country level agendas and regional systems? How are regional objectives best developed? What strategic objectives are most successful for a regional approach? How are outcomes at the strategic level effectively set and measured? How can the monitoring of regional strategies be improved? How can corporate imperatives and policies be most effectively mainstreamed in regional programmes?

### **The Regional Strategies**

4.2 Table 3 in chapter 2 sets out the strategic framework for the four strategies as they appear in the RAPs covering the respective evaluation periods. For all four DFID regions these are the final regional strategies framed in this way. CASCAM closed as a region in March 2008 and as the bilateral programmes in Armenia, Georgia and Moldova close the two Central Asia programmes – Tajikistan and the Kyrgyz Republic will be developed under a new business plan for Central Asia. The Western Balkans objectives will continue until country bilateral programmes close as countries reach EU accession. The Caribbean programme will continue as a regional programme with a new regional strategy for 2008–2011 separate from a RAP. The Latin America programme will reduce further with the regional programme element managed as a set of policy interventions and a separate approach for Brazil as one of the BRIC countries. These developments indicate significant strategic development following the RAPs, much of which was presaged within the evaluations. Despite these transitions all four evaluations judged DFID’s engagement in these four regions to be relevant. Further, the individual programme objectives were, in general, all seen as relevant and appropriate to the purpose and direction of the programmes.

4.3 The CASCAM and Western Balkans RAPs were the only strategies exclusively covering the regions. For Latin America, the Peru CAP overlapped with the RAP running until 2005 when the Peru bilateral programme closed, and for the Caribbean there is a CAP for Jamaica that covers the same period and also a CAP drafted for Guyana. This suggests a degree of confusion over the scope of the regional approach and the application of the RAP objectives at country level. In both these regions resource allocations were initially based on the bilateral programmes and have only recently been adjusted to relate to the regional programmes.

4.4 Even for CASCAM the first three RAP objectives were specifically focused at country level and implementation was through annual Country Implementation Plans (CIPs). In essence what began as an attempt to impose regional cohesion on a small but diverse group of countries was unsustainable and defaulted into a set of country level plans with a resource framework determined regionally. Only the Western Balkans RAP established a strong sense of ownership and accountability to the RAP objectives – or objective – with the strong commitment to support for EU accession becoming a driver for the whole programme.

4.5 A long time was devoted to the analysis and development of the RAPs and they all achieved more focused programmes than before with strong connections at objective level well linked to DFID corporate policies. Though successful at the higher levels the logical linkages between objectives and component programmes (e.g. Latin America), sub-objectives (e.g. Western Balkans) and existing country programmes (e.g. Caribbean and CASCAM) was not always clear. The result was a complex programme architecture with ambitious expectations at objective level based, in all cases, on partnership working linked to more traditional country and project based delivery that lacked follow through in terms of new ways of working. The impression given by all four evaluations is that the period of development of the RAPs absorbed considerable energy in addressing the internal compromises around reducing country programmes and programme spread as the teams tried to make the transition in approach, direction and ways of working.

4.6 These weaknesses were identified: during the RAP development in the case of CASCAM, where a pre-RAP review recommended a strategy of engagement, no sector restrictions but no increase in total aid, with a focus on impact, flexibility and an improved role for country offices<sup>21</sup>; at the midterm review in the case of the Western Balkans; or as part of the interim evaluation in the case of Latin America. Lessons have been learnt and the later periods covered by all four RAPs have shown more confidence and commitment to the regional approach, though there is a pull back towards traditional country based models in some cases.

4.7 In all four cases the evaluations identify similar underlying difficulties. Firstly, the increased focus on regional approaches was informed by internal DFID priorities as much as the nature and needs of the regions. Resource constraints, the questioning of continued bilateral support to a number of smaller programmes in countries approaching or at MIC status, and a pressure for a stronger results focus were all legitimate and appropriate management and political expectations. However, the result was a period of development of the RAPs and of transition to a regional approach that was constrained. Producing a coherent document took precedence over working towards a shared new vision to underpin the regional approach, in itself no easy task as it coincided with the need to communicate programme closures. Secondly transition was not approached as a process – the RAPs though a long time in gestation were presented as fixed, ambitious, and complex plans – flexibility and space to explore and develop the new relationships came after the event. Thirdly the regional focus on partnership working and influencing which applied across all four regions required deeper analysis, new skills – in for example negotiation, political analysis, collaborative working, team working – that did not necessarily fit with existing adviser and programme management roles and disciplines.

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<sup>21</sup> Oxford Policy Management (2003), p 26.

## **Developing Regional Strategies**

4.8 The development of a regional strategy was relevant in three of the four cases. In Latin America, where DFID lacks a deep historic relationship and has never invested in long term substantive bilateral programmes, continued bilateral engagement with a small group of countries was no longer cost effective. Many countries within the two sub-regions are now at or approaching MIC status and a shift in relationship, with an emphasis on support through multilaterals and regional approaches to key policy issues (e.g. trade, climate change), was timely. In the Western Balkans, despite the political turbulence, the trajectory of EU accession presented a focus for DFID support that, though country focused, benefited from operational synergies and team working on a regional programme model. The Caribbean is a discrete region with strong historic ties to the UK that continue through a significant diaspora and trade relationship. Moving from a bilateral to a regionally based relationship is a more sustainable and appropriate model for longer term engagement. The exception is CASCAM which lacks any regional identity and is a group of bilateral programmes which are moving in different directions. Regional management is at best a convenient and cost effective approach to what is a relatively short transition phase.

4.9 Though relevant as regions and as strategies the development of the RAPs became embroiled in the process of transition, primarily from an internal DFID perspective. The necessary exercise in resource planning, staff development, renewal of relationships and establishing new partnerships does not fit with the production of a polished plan. A shorter, less complex RAP with clear objectives, greater emphasis on the resource requirements, especially in terms of staffing, and space to plan and deliver the transition process with clear milestones at objective level may have been more appropriate.

4.10 Whilst the direction of travel – towards a regional strategy – was given, the development of that strategy required closer engagement with the realities of the regions. Regional strategies must be based on analysis of the political economy of the region and the cultural, institutional, and functional relationships between the countries in the region and their institutional networks.

4.11 Similarly, given the emphasis on partnership working, a deeper analysis of the individual institutions is essential – be they multilaterals, international finance institutions, regional development banks, regional political institutions, bilateral partners or national governments and civil society networks – as well as an assessment of the institutional relationships and frameworks within which they operate. The RAPs lacked sufficient nuanced appreciation of the different organisational cultures and the options for developing different forms of relationship. Much of this understanding needs to inform the skills and ways of working adopted to achieve the objectives. Institutional assessments are thus dynamic tools for engagement available to the teams not prescribed procedures set down in formal plans.

## **Setting Regional Objectives**

4.12 The regional objectives were, as the evaluations indicate, in general well chosen. However there was some confusion between means and ends with aid effectiveness set at objective level in both Latin America and the Western Balkans. Further, aid

harmonisation and alignment are country specific rather than region wide issues. This was acknowledged in the Western Balkans RAP but this adds a further confusion over whether objectives are country specific or regional in nature.

4.13 To be relevant strategic objectives need to be regional in aspiration and context. They should set the direction for a regional strategy rather than provide an umbrella for country based programmes. To be effective they need to be specific and measurable. Weak identification of measurable outcomes at the strategic level led to a lack of analysis of overall results and limited reporting of progress against strategies. This was aggravated where there were large portfolios with many small projects, as in the Caribbean, and as a consequence of reducing staff numbers which affected all regions but particularly Latin America.

4.14 Beneath the regional strategic objectives a more rigorous logical framework would have benefited the articulation of the RAPs. The lack of logical linkages between objectives and sub-objectives and the retro-fitting of existing country level programmes, often at project level, resulted in cumbersome and complex presentations that lacked clarity, were weak on risk analysis and failed to drive changes within programme delivery that could rise to the challenge of some of the objectives.

4.15 The risk analyses varied between the four RAPs but in general terms lacked a strong enough focus. Risks are not simply expected problems to be stated but clear and specific events to be taken into account. Broad statements of possible political crises are insufficient and deeper political analysis that supports practical mitigation measures is required. Below objective level, risks, assumptions and indicators all slipped to activity level.

## **Monitoring Regional Strategy**

4.16 The RAPs did not provide sufficiently for monitoring and evaluation. Whilst project level scores using DFID's internal systems were generally good, reflecting sound project management and implementation capacity, this did not necessarily aggregate up to objective level. Efforts were made in CASC and the Western Balkans to develop monitoring frameworks. In the former case the result was too cumbersome, and whilst attempts were made to operationalise the model there was insufficient management support to encourage effective buy-in. In the Western Balkans a similar framework was used for management decision making at regional level and had strong management support. However there was a disconnect between HQ aspirations and country level application. Refinement of the framework in 2006 addressed this to a degree but the disconnect still remains.

4.17 The analysis in the Latin America evaluation applies across all four regions. Here an exclusive focus on activity level milestones, invariably simply the completion of agreed activities rather than their impact, left little evidence of substantive progress towards the objectives. Clear objective level indicators that are measurable, outcome related, and time bound were lacking in all cases. Process milestones are useful adjuncts but RAPs should be provided with a simple and effective means of tracking the delivery of the plan's outputs.

4.18 Given the focus on influencing and policy engagement the lack of any arrangements for collecting, recording, and analysing information on the process of influencing handicapped the monitoring of all four RAPs. DFID has strong and well established project level monitoring processes in place. There is a clear need to develop similar simple systems for monitoring process activities of which influencing is the most significant.

## **Mainstreaming Corporate Policies within Regional Strategy**

4.19 The evaluations suggest that the RAPs made some attempt to include corporate policies but that implementation was weak. For example, attention was paid to addressing social exclusion, gender, HIV/AIDS and environmental concerns but the notion of how to mainstream such corporate policies into regional issues such as trade, EU accession processes or influencing multilateral performance was not really considered.

4.20 Learning in this respect did develop over the course of the RAPs. Reviews at key points proved particularly valuable in reasserting the agenda and identifying new approaches. Civil society networks may provide the best entry points for regional programmes to take account of mainstreaming as they often operate across national boundaries and address the cultural and institutional aspects that lie beyond the realm of national policy and donor sponsored projects and programmes.

### **Box 2 Lessons on the Relevance and Effectiveness of Regional Strategy**

- Developing a regional strategy was relevant in:
  - Latin America – where continued bilateral engagement with a small group of countries was no longer cost effective and not appropriate given MIC status;
  - The Western Balkans – with a significant single agenda of EU accession and again MIC status; and
  - The Caribbean – where there is a regional identity and historic UK engagement that will continue.

It was less appropriate to CASCAM where there is no longer a strong regional identity that relates to DFID's presence and where the agendas were increasingly bilateral.

- Regional strategic objectives are generally appropriate and the RAPs set a strong descriptive context. However, there is a need for more institutional and political analysis at the process level and regional strategies need to address the process of transition from bilateral programmes to regional engagement.
- Monitoring of the RAPs was weak with more focus at activity level and on DFID inputs. Though over complex, the results framework developed for CASCAM was implemented across the region and yielded lessons that can be applied elsewhere.
- Weak identification of measurable outcomes at the strategic level led to a lack of analysis of overall results and limited reporting of progress against strategies. This was aggravated where there were large portfolios with many small projects (Caribbean), and reducing staff numbers (particularly Latin America).
- Programme risks were identified (though often in an abstract way), mitigation measures were not always practical and political risks should have been taken into account more effectively.

## **5. The Efficient Delivery of Regional Programmes**

5.1 For regional strategies efficiency is of particular interest since most of DFID's systems and structures for addressing issues of efficiency have been developed with bilateral country programmes in mind. The questions related to programme efficiency centre on the human and financial resources that DFID has at its disposal to deliver regional strategies. How are financial and human resources efficiently mobilised in support of a regional programme? How are inputs balanced between region and country level working? What skills and capabilities are required for regional approaches? Which interventions are most appropriate to regional programmes and specific regional approaches? What engagement is appropriate with national government and civil society when a regional approach is adopted?

### **Financial Resources**

5.2 As noted all four regions were facing budget pressures.<sup>22</sup> Even CASCAM which has shown an increased budget during the RAP period has declining programme spend in three of its five country level programmes. Of itself a limited budget framework need not present problems. The difficulty is that the lead time for design of new interventions and the run on of existing commitments combine to give a gap between the start of a new planning phase and the availability and application of funds. This lag in changes of strategic direction was noted in the previous syntheses<sup>23</sup> and was particularly evident in CASCAM and the Western Balkans. The Caribbean had a larger portfolio of smaller projects so avoided this difficulty to a greater extent though there was discontinuity in the education sector. The interim evaluation of the Latin America RAP did not analyse the expenditure and programme finances in as detailed a way. However here too the lag effect seems to be less significant, though the major changes in spend through IFI Trust Funds took some time to take effect due to the time taken to negotiate and establish new funding approaches.

5.3 These resource management aspects of regional planning seem in practice to have been more challenging in the transition to regional strategies under the RAPs than the constraints on expenditure due to pressures elsewhere in DFID's overall budget. Thus, whilst the evaluations refer to the impact of the constrained budgets, and the reductions were quite substantial, few examples were given of abrupt termination of investments. At project level the transitions seem to have been relatively smooth.

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<sup>22</sup> See Table 5 page 8 for details of the changes in expenditure. Between 2000/01 and 2006/07 CASCAM saw an increase of 19.1%; while the other three regions saw reductions - of 18.7% for the Western Balkans, 36% for the Caribbean and 27.1% for Latin America.

<sup>23</sup> See in particular Barr, J. and Vaillant, C. (2008).

5.4 Had a zero based budget model<sup>24</sup> been applied how would the four RAPs have been costed? This question was not asked within the individual evaluations but an assessment of the ambitious nature of the programmes suggests that more resources could potentially have been absorbed to good effect. It is however the scale and nature of investment that may be more critical. The sort of systems and policy change that were the focus of the RAP objectives are not critically affected by the quantum of investment but more by the quality of engagement. It is the way in which DFID staff, as the most important development resource, can most efficiently be used that is more important than the financial resources allocated. The way in which their contribution can be maximised is returned to after discussion of staffing at region and country levels.

## **Staffing at Region and Country Levels**

5.5 At the beginning of the RAP period all four regions had a similar pattern of staffing (summarised in table 6) with a mix of UK appointed and locally engaged – Staff Appointed in Country (SAIC) – staff managing the country offices with regional support from a hub location (e.g. Barbados in the case of the Caribbean) or Headquarters (HQ). However there were variations in the provision of advisory support. As transition to more regional approaches has taken place there has been divergence, with Latin America in particular reducing its country presence.

5.6 CASCAM and the Western Balkans continued the pattern of small teams managing the country programmes with most of the advisers based in London together with regional programme management under the respective team leaders until April 2008. The small regional programme budget for CASCAM has remained static at around 7% of the total CASCAM budget whereas that for the Western Balkans has grown over the last three years to over 16% of its total budget. Capacity to support this regional programme is provided by the team members based in London who focus on the EU Programmes (the Instrument for Pre-Accession – IPA and European Neighbourhood Programme – ENP) and coordination, together with adviser and team leader support.

5.7 The Caribbean and Latin America programmes have followed different approaches. The Caribbean region has always been managed from Barbados with both UK appointed and SAIC advisers based in the region. This has continued with management of the regional programme in Barbados and the residual country programmes managed in Jamaica and Guyana respectively. As the regional programme has grown (increasing by over 25% from 2005/06 to 2006/07) there has been a shift in the role of advisers and programme managers from country to regional programme responsibilities but no change of location. Latin America was managed from London at the start of the RAP period in a similar way to CASCAM and the Western Balkans. However in 2006 the post of Head of Region was replaced with a policy adviser and the leadership shifted to focus on the regional programme as country programme commitments declined. As of 2008 Nicaragua is the only country programme in this region and the offices in Brazil and Bolivia only support the regional programme.

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<sup>24</sup> An approach to budgeting in which all expenditure has to be justified rather than inflating some costs e.g. core staffing on an annual basis.

Table 6. Staff and Programme Allocations 2005/06

Region	Caribbean	Latin America	CASCM	Western Balkans
<b>London</b>	Head of Department		Head of Department	
	Small advisory team		9-10 advisors some covering both regions	
		UK appointed Head of Latin America Region 3 advisers and Programme Mgt (total 10)	Team Leader for CASCM Programme Mgt Group including staff leading on EU Neighbourhood policy work (total 8)	Team Leader for Western Balkans Programme Mgt Group including EU Coordinator (total 5)
<b>In-country – regionally</b>	UK appointed Head of Caribbean Region and 2 other Heads of Office (HO) 3 teams of UK appointed/SAIC programme managers and advisers (all UK) 19 Barbados (incl. 4 advisers) 8 Jamaica (incl. 1 adviser) 8 Guyana (incl. 2 advisers)	3 UK appointed HOs 3 teams (all but one SAIC) of advisers/ programme managers 14 Nicaragua (incl. 2 advisers) 8 Bolivia (incl. 2 advisers) 7 Brazil (incl. 2 advisers)	UK appointed HO and 1 advisor in Tajikistan and Kyrgyz Republic SAIC HO in other countries, 3 member SAIC admin teams in all countries	UK appointed HO except Albania (p/t Deputy High Commissioner FCO plus 2 SAIC) 4 SAIC programme mgt/admin teams
<b>Programme</b>	Bilateral country programmes in Guyana, Jamaica. Regional programme managed from Barbados.	Bilateral country programme in Nicaragua. Regional programmes managed from London, Bolivia, Brazil and Nicaragua.	Five bilateral country programmes in Moldova, Armenia, Georgia, Kyrgyz Republic and Tajikistan. Regional programme managed from London covering EC (IPA) & EBRD; with GCPP work jointly with Western Balkans.	Four bilateral country programmes in Serbia, Albania, Bosnia & Herzegovina and Kosovo. Small regional programme managed from London covering EC (ENP) & EBRD; with GCPP work jointly with CASCM.

5.8 Annex 5 presents the results of an analysis of administrative costs for 2006/07 across the four regions undertaken as part of the evaluations in the CASCAM and Western Balkans regions and retrospectively as part of the synthesis for the other two regions. The administrative cost as a proportion of total budget is similar for three of the regions (12% for CASCAM and the Western Balkans; and 14% for Latin America) which is reasonable given the scale of the programmes and the changes over recent years. For the Caribbean, the proportion is 29% which is high, possibly because of the rapid reduction in programme scale in advance of staffing changes and possibly because of the cost of administering the programme from Barbados. It would seem that the Caribbean programme is no longer cost effective and this analysis suggests a more thorough review should be undertaken.

5.9 All the country programmes in the Western Balkans and CASCAM (with the exception of Armenia) and the Nicaragua country programme have administrative costs between 10% and 15% of total spend. This supports the conclusion drawn by the CASCAM RPE that a small devolved country office with a mix of UK appointed and SAIC staff is able to support a programme at a comparable level of efficiency to one where support is totally HQ based. Given the scale of these programmes and the presence of a full range of adviser disciplines the administrative costs seem relatively good. However the administrative costs for the smallest programmes (e.g. Armenia, 20%) are proportionately higher suggesting that as programmes reduce in scale the value for money benefits decline. Jamaica (23%) and Guyana (22%) are of a similar size to other programmes and the higher ratio may again be due to excess costs of administering the Caribbean programme. The option of distance management from HQ or a regional hub does not seem to yield substantial efficiencies in such cases. From a purely economic perspective there does seem to be a point beyond which declining programme size makes a country presence inefficient and no longer cost effective. The development of the regional programmes is not yet sufficiently advanced to draw conclusions from the administrative cost analysis. However it does appear that costs are higher than country programmes and so spend and impact need to justify the support.

5.10 The variation in scale and the recent transition towards regional approaches makes comparisons between the costs of the regional programmes more difficult. The impression given by the analysis is that the administrative cost of three of these four programmes is similar and they are generally efficiently managed. However working practices are still largely determined by project management functions. New approaches are beginning to be managed in different ways with secondments, staff based in regional hubs, more flexible roles for SAIC staff working across the regions and a shift from technical to policy advice. However all the evaluations were undertaken too early in the transition process to enable an assessment of the relative cost benefits. Regional approaches do have different programme management requirements that challenge accepted practices; organisational learning from the experience of these regions can contribute to exploring different models in the future.

## **Skills and Capabilities for Regional Approaches**

5.11 Managing a regional approach requires particular skill and understanding to balance the regional focus with sufficient country level knowledge to identify the strategic interventions that can support regional objectives. The focus is more on engagement with regional institutions, political processes and systems, and partnerships, especially through multilateral engagement. A wider range of small, flexible

instruments with an emphasis on human rather than financial resources draw less on project management competencies and more on analytic, negotiating and relationship management skills. The evaluations suggest that the distinction between administrative and adviser roles is less evident than in large scale bilateral programmes, with smaller teams drawing on knowledge and expertise from new skill sets. In the Western Balkans and CASCAM these include governance, political analysis, conflict reduction, and European systems and processes; and in the Caribbean and Latin America, trade, regional institutional analysis, multilateral engagement and climate change together with a strong common capacity to support policy dialogue.

5.12 All the evaluations identify the focus provided by the RAP objectives whilst expressing concern at the ambitious nature of the programmes. Just as the financial resources have been based on historic patterns so too have the roles of staff and team composition. As the Western Balkans evaluation states, RAP priorities are reflected in programme management decisions, especially in HQ, but not in the allocation or approach of advisers. Numbers, titles and job descriptions reinforced sector emphases and the project focus. A more logical approach would be to identify the skills needed to deliver the objectives and plan and locate the teams accordingly. Basing the financial and human resource planning and management more directly on the RAPs would have improved the programmes, set a better basis for monitoring and contributed to the transition to a regional approach.

5.13 Rather than being seen as breaking new ground in terms of regional approaches and a greater focus on policy engagement, MICs and multilateral influence, managers reported difficulty in recruitment due to the perception of these regions as small, less dynamic and not at the cutting edge of development practice. This perception has begun to change but the positive views of the evaluations are still not widely shared. This has affected recruitment and retention of staff with the appropriate experience and skills. The age and experience profile and staff turnover, especially of younger advisers and fast stream recruits, was commented on most explicitly by the Western Balkans evaluation and identified as an issue by the others.

5.14 The country based teams are more stable due to the longer term commitment of SAIC staff whose loyalty and institutional memory are assets to the profile and contribution made. However, these very qualities can hamper the transition from a country to a regional focus. As with all DFID staff, SAIC need support in taking a regional perspective and translating their own contribution as the RAPs are implemented. Gaining regional experience and extending the particular political and cultural perspective that many SAIC staff bring can further enhance the overall regional team approach. However, the challenge yet again is in learning new skills and applying knowledge in new ways.

5.15 Lesson learning and team working around specific practice areas (e.g. the use of small financial commitments to leverage reform in the Caribbean; EU process engagement in the Western Balkans; aid effectiveness and harmonisation in CASCAM) was noted in all regions, though the extent of lesson learning was judged to be less strong in Latin America. This supported the transition at an operational level. However, a stronger commitment to structuring the teams and approaching staff development based on the RAPs with a focus on the transition to a regional approach could have taken this further.

## **Interventions and Instruments within Regional Programmes**

5.16 As summarised in chapter 2 the four portfolios are characterised by a limited range of aid instruments, a preponderance of smaller projects and TA support, little use of budget support beyond debt relief in the Caribbean and support to UNMIK in Kosovo, and as the transition to a regional approach has developed, an emphasis on newer approaches to policy change through multilateral engagement. This balance and trend is appropriate given the reducing scale of the programmes, the transition to a regional approach and the fact that most of the countries are at or approaching middle income country status.

5.17 Aside from the Caribbean countries, DFID has always been a relatively minor donor.<sup>25</sup> DFID's value addition has been in focused support in a limited number of sectors using small scale interventions in a strategic way. Even in the Caribbean, given the level of debt relief over recent years, the resources available for the country programmes have been limited and again the programmes have been dominated by small scale projects.

5.18 In CASCM and the Western Balkans there had already been a sectoral focus introduced prior to the RAP. In addition, the emphasis on public sector reform, related to poverty reduction, naturally gained emphasis as a RAP objective with developments, in for example the health sector and water and sanitation, limited to the growing country programmes in Central Asia. In the Caribbean and Latin America the range of sectors covered was broader and the focus introduced by the RAPs led to disengagement from whole sectors as well as the closure of specific projects. Where this took place over a relatively short space of time (e.g. education and environment in the Caribbean) the evaluations identified the loss of valuable lessons. Where a planned decision to focus on a limited range of sectors is made these issues need to be managed. Transferring commitments (to civil society partners as in Latin America; multilateral partners as in CASCM) or extending the end phase of support to allow work to be concluded are appropriate and relevant approaches.

## **National Level Engagement within a Regional Approach**

5.19 All the evaluations comment on the significance of direct engagement, the value of in-country teams and the knowledge, sensitivity and networking benefits of locally appointed staff. Particular comment was made on the contribution DFID's in-country offices have made to donor harmonisation and alignment, bringing a strong commitment to the Paris Principles. However all programmes were managed with the accepted division between administration and adviser roles and a wide range of adviser disciplines maintained, especially in CASCM and the Western Balkans. Even more flexibility in programme management with greater delegation to country offices and a broader remit for SAIC staff is being explored particularly in the Caribbean offices and in parts of CASCM and the Western Balkans. Such approaches are more effective and efficient where staffing and programme scale are limited.

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<sup>25</sup> Table 13 annex 2 gives an indication of the UKs ranking in terms of aid flows.

5.20 As the Caribbean evaluation notes DFID cannot have a presence everywhere and historic engagement around a bilateral country programme is not necessarily appropriate to newer regional objectives. The loyalty and commitment to a country programme can create tensions for staff as more regional approaches are pursued as can managing regionally, whilst based in a specific country in the region.

**Box 3 Lessons on the Efficient Delivery of Regional Programmes**

- The critical requirement for delivering the systems and policy changes that were the focus of the RAP objectives is human capacity rather than financial resources; limited budgets were adequate and appropriate to support the small scale, flexible range of interventions that were most effective. It is the quality of engagement rather than the quantum of investment that makes the difference.
- Small bilateral country programmes can be effectively delivered by in-country teams comprising a mix of SAIC and UK staff; SAIC staff in particular bring stability and knowledge of the local context and culture. However the transition to a regional approach demands new ways of working and a stronger regional perspective – this presents challenges at all levels and a stronger sense of regional team and team working is required.
- Small programmes can be administered relatively efficiently with in-country teams. However as they reduce in size they become uneconomical. This suggests programme closure or where appropriate a regional approach that can give more value added. Regional programmes seem relatively expensive – smaller teams with more focused roles may reduce these costs.
- Skills, knowledge and expertise need to match the content and process requirements of delivering regional approaches. The appropriate skill range and mix is not currently present and high priority needs to be given to identifying and developing skills with particular investment in team working and the analytic, negotiating, and relationship management skills of what has been called ‘development diplomacy’.
- A limited range of aid instruments with a focus on small scale, flexible interventions and strategic use of TA inputs is relevant for delivering the focused objectives of the regional programmes at country level; regional engagement requires even greater emphasis on partnership working and policy level engagement.
- Effective policy level interventions demonstrated at country level across all four regions, including harmonisation and alignment, the use of small scale strategic impact funds and multilateral influencing; similar engagement at regional level is only just beginning to develop.



## 6. Achieving Impact through Multilateral Engagement

6.1 Working through and with multilateral organisations can have significant regional impact. For DFID the 1997 White Paper identified a set of priorities for engaging with multilaterals the first of which was ‘to encourage all the multilateral development partners to strengthen their commitment to poverty alleviation’. Further White Papers and DFID’s Public Service Agreements (PSAs) have subsequently reinforced this agenda with the new PSA (2008–11) committing DFID to ‘improve the effectiveness of multilaterals’. This section outlines DFID’s multilateral engagement within the four regions. It looks first at the importance given to working with multilaterals in terms of financial allocations and strategic objectives; it identifies who the key partners are and assesses their relative importance within the region and for DFID, before going on to outline ways in which DFID engaged. The section goes on to look at the learning that is emerging on multilateral engagement particularly with respect to regions and concludes with identifying which approaches are most effective for engagement.

### Multilateral Partners

6.2 Engagement with multilaterals is set as a RAP objective in two of the four regions and programmes in all four regions include engagement with multilaterals. In financial terms DFID’s bilateral commitment to each of the four regions, whilst relatively small (table 4, chapter 2) is complemented by DFID’s direct contributions to multilateral budgets. Table 7 gives the imputed value of these contributions. There has been significant growth in DFID’s contributions to multilaterals; since 2004/05 multilateral allocations have been approximately twice the bilateral allocation. Thus in financial terms multilateral engagement is particularly important for DFID. DFID staff have been seconded to multilaterals: as of 2005 there were 2 with the Inter-American Development Bank (IDB) and 1 with the World Bank in Latin America; 2 with the European Commission (EC) in the Caribbean and Western Balkans, 1 with Caribbean Development Bank (CDB); and 1 in the European Bank for Reconstruction and Development (EBRD) in CASCAM: a further indicator of the importance given to working with multilateral organisations within the four regional programmes.

**Table 7. DFID Bilateral Aid and Imputed Multilateral to RPE Regions**

Amount (£ millions) All Four Regions	2002/03		2003/04		2004/05		2005/06		2006/07	
	Total	%								
Total Bilateral Aid All Four Regions	97	7.3%	90	5.6%	88	5.0%	77	3.7%	80	4.1%
<i>of which Technical Cooperation</i>	46		45		37		30		24	
<i>of which Debt Relief</i>	13		9		11		14		19	
Total UK Multilateral Share of Net ODA	148		141		164		132		168	
<b>Total DFID Spend on Country &amp; Regional Programmes</b>	<b>1,341</b>	<b>100%</b>	<b>1,623</b>	<b>100%</b>	<b>1,753</b>	<b>100%</b>	<b>2,063</b>	<b>100%</b>	<b>1,967</b>	<b>100%</b>

Source: Bilateral and Technical Cooperation DFID (2007b); Table 14.4, Multilateral data Table A.6 DFID (2008b). Full details in Annex 4.

6.3 The key multilateral players are the World Bank, the EC and the three regional development banks; the CDB, the IDB and EBRD. The World Bank and the EC are represented in all four regions whilst regional development bank support is restricted to the specific regions they represent (see table 8). The highest commitment by the EC is to the Western Balkans where it is the largest donor, its funds being largely committed to support the EU Accession process. It is also the largest donor in the Caribbean and Latin America with the World Bank being the largest donor in CASC. EBRD is a relatively insignificant donor in both CASC and the Western Balkans whilst commitments by the other two regional development banks in the Caribbean and Latin America are more substantial.

**Table 8. Official Development Assistance Disbursements  
2000-2006**

£ millions Donor	Region							
	CASC		West Balkans		Caribbean		Latin America	
	Total	%	Total	%	Total	%	Total	%
EC	778	7.8%	3689	23.1%	797	14.8%	2465	8.1%
IDA (World Bank)	1431	14.4%	1314	8.2%	91	1.7%	1729	5.7%
CDB	-	-	-	-	215	4%	-	-
EBRD	68	0.7%	28	0.2%	-	-	-	-
IDB	-	-	-	-	384	7.1%	1042	3.4%
Other Donors	7670	77.1%	10941	68.5%	3912	72.5%	25299	82.9%
All Donors	9948	100%	15972	100%	5399	100%	30534	100%

Source: OECD Statistical data extract 24/06/2008. Full details in Annex 2.

6.4 DFID's Institutional Strategy Papers (ISPs) which articulate policy priorities in relation to the multilaterals provide a framework for engagement. The CDB ISP of 2001 is mentioned in the RPE as providing 'a comprehensive if ambitious framework' which influenced priorities for engagement, (financing of soft lending, regular Board support and social policy advice to encourage reforms that aim to increase the Bank's poverty focus and operational efficiency.)<sup>26</sup> However, other ISPs produced in 2001, for the EU, the IDB and EBRD, were not acknowledged by the RPEs to have overtly guided the engagement in the regions, though there was implicit acknowledgement in the case of Western Balkans and the Caribbean. With respect to regional working the revised EU ISP (2008)<sup>27</sup> is particularly relevant with targets related to the global issues of climate change, trade and migration and the European issues of Accession and EU Neighbourhood.

<sup>26</sup> DFID (2001).

<sup>27</sup> DFID (2008c).

## **Regional Development Banks**

**6.5 Caribbean Development Bank (CDB):** DFID is a founder member of the Caribbean Development Bank and a significant contributor to the Special Development Fund (SDF), the key vehicle for poverty based concessionary lending. The RPE reports that increased disbursement in 2005 was based on the CDB's positive score against the Multilateral Effectiveness Framework and that engagement more generally has been related to supporting CDB to align its objectives with the ISP, particularly targeting the focus on poverty reduction and making the bank into a more effective regional institution. In turn the engagement enables DFID to have a wider reach within the region, especially the poorer states. CIDA is a close partner of DFID in engaging with the bank. The RPE presents a confident relationship based on strong understanding of the bank as an institution.

**6.6** Whilst progress has been slow in a number of reform areas, DFID is reported to have successfully influenced the bank and achieved impact:

- As a valued and active board member: 'The view expressed by CDB directors that DFID has played an active role in bringing the bank into line with international aid agendas, encouraging participation in the different IFI fora and adopting improved operating practices'.
- In relations to secondments: 'The DFID social development advisor attachment to the CDB has been judged effective. Positive changes linked to their influence include the establishment of a Socio Economic Research Unit and an increase in advisory staff'.

**6.7 Inter-American Development Bank (IDB):** The IDB does not share the same history of engagement with DFID as that of the CDB and hence in working with the bank in Latin America DFID needed to place greater emphasis on understanding the bank and building the relationship. There is no evidence that the necessary institutional analysis was undertaken and hence DFID was building more on opportunity than on measured analysis at the start of the engagement. However, the fact that IDB was undergoing a process of restructuring provided an opportunity for DFID to engage in fruitful discussions about how they might work together. This gave DFID scope to promote its agenda of influencing the bank to incorporate more poverty focused approaches through the Markets and Governance for Poverty Reduction and Trade and Poverty Trust Funds operated by the IDB with DFID support. The key strategy for achieving this was the placement of two secondees within the IDB at the bank's headquarters in Washington. This location was particularly relevant given the centralised nature of IDB decision making and that IDB country offices were reported to be less active. This higher level engagement also provided the forum to pursue issues at a regional rather than individual country level.

**6.8 European Bank for Reconstruction and Development (EBRD):** Table 8 highlights the low levels of EBRD funding in both regions where it is active, CASCM and the Western Balkans. In CASCM opportunities for influencing EBRD are presented through its active engagement in the Early Transitions Country Initiative which promotes private sector development and through a secondment to the EBRD in London. However, influencing opportunities appear to be present at EBRD HQ and Board level rather than at the regional level. The same is true for the Western

Balkans, where the RPE reports a lack of scope for engagement at the strategic level with EBRD offices in country. However, it goes on to suggest that at the technical level closer partnerships at local level might have influenced EBRD's approach to social and political aspects of its transition support.

## **The European Commission**

6.9 The European Commission (EC) is one of the largest grant donors currently responsible for managing €7.6 Billion of the total €46 Billion EU spend on development assistance. It has programmes in all four regions considered in this synthesis. As a member of the EU the UK is a major funder of the EC through DFID. DFID's engagement with the EC is extensive, including joint programmes and acting as co-funders for SWApS and Budget Support. However, in Europe the relationship is influenced by EU Accession. Hence the focus of DFID's engagement in the Western Balkans and to a certain extent in CASC is markedly different from practice in other regions.

6.10 In the Western Balkans DFID support concentrated on preparation of documentation for the Instrument for Pre-Accession (IPA) which focuses on assisting candidate countries to align with the standards and policies of the EU and implement the full requirements for membership of the EU, the *acquis communautaire*. More specifically support centred on ensuring that the Multi Indicative Programming Documents (MIPDs), prepared for each country in the region, reflected the government's national priorities including poverty and equity issues. DFID demonstrated excellent team work through the combined actions of in-country teams and of the HQ team member who, as dedicated DFID coordinator for the EU accession process, provided the link to the region and engaged with the EC in London and Brussels. At country level, DFID country teams effectively built on previous links to government to identify national priorities for inclusion in documents and engaged with EC delegations in-country over the accession agenda. Priorities were then able to be taken up by the DFID coordinator with those responsible for drafting the documents in Brussels with DFID using its technical and analytical skills to support the drafting process; a move that was reported as welcome. In terms of evaluation criteria the RPE reports this engagement as relevant, in that it was linked to the EU Accession process and effective, in that DFID engaged as a team and was successful in meeting the objective in the RAP and in achieving impact.

6.11 In the Caribbean engagement is more complex. The RPE draws attention to the importance given to improving EC performance by national governments and development partners within the region, particularly given the EC's poor record in disbursement. There was an expectation expressed by development partners that DFID/UK as the sole EC state in many of the countries would assist in facilitating the EC's improvement. However, DFID engagement at country level has been viewed as more that of a partner rather than as an 'agency to influence and hold accountable'. Significant engagement in the region since 1997 has been through the secondment of four social advisors to the EC delegations in Barbados and the Organisation of Eastern Caribbean States (OECS) to enhance the EC's awareness of the social aspects of poverty. Whilst the posts have become more strategic over time there is a recognition that the impact has not been on reforming structures but on achieving a better

understanding of the social dimensions of economic change. Influence has more recently brought to bear at UK level where senior level interaction between Brussels around the sugar transition agenda has contributed to more flexibility in regulations governing funds which will impact on disbursement. The conclusion drawn by the RPE is that DFID should have played a greater role earlier on. The RPE highlights the importance of a more focused approach which ‘combines local interventions by staff with good experience of the EC with a closer engagement at a higher and more political level in UK’.

6.12 Both the Caribbean and the Latin America evaluations suggest that DFID should be placing more emphasis on engaging with the EC given its high profile and spend within the regions. This is seen as a priority for future engagement in Latin America, given the early stage of the evaluation but a strong immediate priority in the Caribbean.

## **The World Bank**

6.13 With UK being the greatest contributor to the World Bank, DFID potentially has considerable ‘position power’<sup>28</sup> which can enable it to influence the bank to promote more poverty focused approaches. DFID engages with the World Bank in all four regions including; HIV/AIDs (CASCM), secondments (Latin America), providing funding for World Bank posts (Guyana, Caribbean), and engaging in PRS processes (Western Balkans, CASCM).

6.14 The specific influencing agenda with the World Bank is most strongly articulated in the Latin America programme where a secondee was assigned to the World Bank in Washington, with the objective of enhancing the World Bank’s poverty focus. With no restructuring agenda, as in the case of the IDB, and with stronger country offices and less scope for influencing the decision making process in Washington, finding entry points for engagement was more complex. Hence, the evaluation reports that the secondment has been less effective. More successful examples of DFID using its influence has been the lobbying to promote more effective EC-World Bank working in the Western Balkans and some evidence of DFID influencing to give greater attention to social and poverty issues in PRSPs (CASCM).

## **Lessons from DFID Experience**

6.15 Understandings of the best ways to engage with and influence multilateral agencies are still emerging. The Europe, Middle East, Africa and Asia Division (EMAAD) has been at the forefront of debate and discussion around the ‘improving multilaterals’ agenda, particularly through the EMAAD Multilateral Development Banks Virtual Policy Team (VPT). Through engaging with team members in HQ, in-country/region and working within multilateral organisations the group provides an effective forum which is able to draw directly on evidence from practice to inform policy. The more evidence based approach from the VPT has been matched with more theoretical perspectives from commissioned papers, including a review of

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<sup>28</sup> Spicer (2001) quoted in Harrison and Keeling (2004) – see discussion in Paragraph 6.16.

secondments.<sup>29</sup> Particularly relevant to this study is the discussion over the importance of understanding the different types of power and where power lies in organisations. The following paragraphs explore this concept to inform the final discussion on which approaches to multilateral engagement were most effective.

6.16 DFID needs to give specific consideration as to what ‘power’ it has in terms of the relationship and how best it can use it. Spicer’s (2001) categorisation of power into ‘position power’, ‘resource power’, ‘expert power’ and ‘person power’ sheds some light on approaches that can be taken. As an organisation DFID can be seen to have considerable ‘position power’ by virtue of its position at the international policy table and through channelling substantial financial resources through multilateral organisations: it is currently the largest contributor to the World Bank. However, in the regions it can be seen as a ‘small’ donor with limited resources and hence with limited ‘resource power’. Considering how best to use its considerable ‘position power’ (membership of regional development bank and World Bank boards, member state of the EU) to strengthen engagement with multilaterals demands a joined up influencing approach which seeks to link engagement at policy level to influencing on the ground where ‘expert power’ (having the knowledge to engage effectively) and ‘person power’ (individual and group influencing skills) are more evident. Such an approach needs to take account of all parts of DFID, in HQ, in-country and working within multilaterals.

6.17 The ‘power’ analysis, whilst helpful, can serve to perpetuate the ‘one-way’ movement of influencing; an approach that can be conceived as DFID pushing their own agenda to bring about change with too little appreciation of the multilateral organisation’s agenda. The word ‘influencing’ too can be seen to emphasise this one-way approach. A ‘policy dialogue’ or ‘engagement’ approach may be a more appropriate concept than ‘influencing’ built on mutual respect and understanding. Strong relationships built on flexibility, responsiveness and being proactive are identified in the Virtual Policy Group’s report<sup>30</sup> – these are vital to building an approach which goes beyond the one-way concept in the ‘power’ analysis.

## **Emerging Themes**

6.18 Four key themes emerge from analysis of DFID’s strategies for engagement with multilaterals in the four regions and from the lesson learning undertaken to date; the importance of understanding the multilateral partner you are engaging with, the impact of planning the engagement, the effective use of human resources and the importance of timing and location to successful influencing. These are covered in the following paragraphs.

6.19 **Understanding your partner:** In most cases partnerships were impeded by DFID not understanding its partners’ systems that well or knowing how to use the knowledge they did have to the greatest effect. Knowing that the EC is a large bureaucracy with systems that often appear to be inefficient and unwieldy provides useful background to the context in which engagement will take place. However, the influencing agenda can only move forward if DFID has an understanding of where the

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<sup>29</sup> Harrison, J. and Keeling, A. (2004).

<sup>30</sup> DFID (2007a).

power lies, where policy is made and of its potential entry points with the EC as an institution. In the case of the Caribbean engagement with the EC, greater acknowledgement that policy change needed to happen in Brussels to leverage change at the regional level was required. In this case DFID was able to use its 'position' power with the delegation in Brussels to facilitate change at the regional level. Had this happened earlier DFID's engagement would undoubtedly have been more effective. By contrast in the Western Balkans, the EU accession agenda has clearly defined parameters making it easier for DFID to understand where decisions get made and thus how to influence them.

6.20 These approaches to the EC do not necessarily translate across to the World Bank and the regional development banks. As banks they have some synergies, particularly the emphasis in these regions on loan financing and conditionality. Yet they also have differences as evidenced in Latin America. Whilst both IDB and the World Bank had their headquarters in Washington, engagement with the IDB was reported to be more successful in part due to the more conservative and centralised culture of the bank. The decision making process enabled DFID to influence the way in which trust funds were spent and to fully engage with the IDB. By contrast the strength of the World Bank's regional programme meant that engagement at regional level could be seen as important for DFID. However, the World Bank's centralised process of allocating trust fund money gave DFID little influence over how it was spent so even had DFID engaged with them at regional level, influencing would have been more difficult. DFID can make the decision to engage or not engage but it needs to be fully aware of its position and the extent to which it is possible to influence.

6.21 **Planning the engagement:** The emphasis in a number of the regional programmes is on making the multilaterals more effective and in particular, improving the poverty focus of their work. There is an assumption built in here that DFID has the stronger poverty agenda and that it has the power to change the multilateral organisation; an assumption that has caused some partners to perceive DFID's intentions as misguided or even arrogant (EC Caribbean; World Bank, Latin America). DFID can only plan its own interventions; is it doing the right thing in the right place, has it identified the most appropriate interventions and taken sufficient account of the institutional analysis of the partner organisation. The approach to planning needs to reflect all levels of the multilateral and within DFID; how will DFID engage with the partner at regional/country level, how will it engage at headquarters level and how will it link its own engagement at headquarters to its engagement in the region/country?

6.22 **Team working:** One of the most successful approaches to engagement is seen with the EC accession agenda in the Western Balkans outlined in para 6.10 above. Having a team member in HQ with direct access to Brussels who coordinated all DFID inputs from country/regional team members appears to have been an effective influencing strategy and ensured that influencing was a team work rather than individual response; an effective use of 'person' power and 'expert' power at both the individual and collective level. However, a smaller HQ based presence, as evident for the Caribbean and Latin America teams, makes the appointment of a dedicated HQ advisor for a particular multilateral less of an option. The relationship with DFID HQ is also constrained when the headquarters is in Washington, as in the case of the World Bank and the IDB.

6.23 In the case of the Latin America programme, the use of **secondments** from DFID to both the World Bank and the IDB in Washington was a particularly appropriate response. However, there is a question over the extent to which the secondees were ‘members’ of DFID regional teams or whether they were working very much as individuals within the multilateral organisations. There is a danger that the secondee can begin to identify more with the partner organisation than with DFID, as is reported in the case of a secondment to EBRD in CASC. In this case clearly identified team roles and a good communications strategy can go some way to ensure that the secondee identifies closely with DFID and takes an objective and strategic approach to working with the partner organisation.

6.24 The choice of secondments appears to have been based on ‘who’ DFID wants to influence, with less attention paid to ‘how’ the influencing agenda will be played out or to whether the secondee will have the necessary ‘power’ to influence the organisation. Successes have emerged over time as the secondee has become more familiar with the influencing role and as understanding of the multilateral has increased. Lessons learned, most specifically from the Caribbean region, suggest that secondments have been most effective where specific influencing objectives are clear, where the host partner is receptive, where the placement time-frame is sufficient to gain understanding and trust, where the secondee role is integrated with DFID approaches and instruments, and finally where a partnership philosophy supersedes a one-way influencing agenda.

6.25 The issue of having ‘power’ is particularly relevant when considering secondments or advisor placements in regional offices of partner organisations. If the regional office has no decision making power (EC Caribbean) such placements can be counterproductive and lead to tensions and a limited role for the advisor/secondees who may be better able to influence from a relative position of power within DFID’s own regional office.

6.26 **Timing the engagement:** Timing too is of the essence; not DFID’s timing but that of the multilateral organisation it is seeking to influence. To engage with the IDB at the time of its reorganisation though not evidently planned was apposite. Being aware of points at which discussions around new regional strategies are being planned and engaging accordingly would be a relevant approach for DFID. Informal engagement and lobbying (e.g. Western Balkans) and more formal events (e.g. workshops on sugar transition in the Caribbean) have also been effective tools for influencing: here timing before the high level policy dialogue proved particularly effective. As an evaluation of influencing in Western Balkans<sup>31</sup> points out, influencing a few actors before the event is likely to have more impact than attempting to influence a committee of 27 at the policy dialogue table.

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<sup>31</sup> Evaluation of UK influencing of 2007-09 European Commission MIPDs for Albania, Bosnia and Herzegovina, Kosovo and Serbia.

**Box 4 Lessons for Achieving Impact through Multilaterals**

- The term ‘influencing’ can be seen as one-way and pejorative. The concept of policy dialogue or engagement with the multilateral organisation presents more of a two way conception based on mutual respect and understanding.
- Policy dialogue is most effective where it is based on in-depth understanding of the multilateral organisation, including their organisational structure, operating procedures and entry points for engagement (EU Accession Western Balkans; CDB).
- Policy engagement can be particularly effective where DFID works as a team drawing on resources based in HQ, in-country, within the Development Banks, at the EU in Brussels, and located at key regional bases. Coherence and planning are vital to the success of this ‘joined up’ approach to influencing (EU Accession Western Balkans).
- Secondments can be an effective tool for influencing if the secondee has the necessary ‘power’ to influence in the organisation – but DFID support is needed and clarity over the differences between the secondee’s role as a member of the DFID regional team and their role as a ‘member’ of the multilateral team.
- DFID needs to be led by the multilateral agenda as much as by its own agenda – to identify opportunities to engage (IDB restructuring Latin America), appropriate timing (EC, Caribbean and Western Balkans) and strategies for maximising impact at regional level through central level engagement (IDB secondment).
- Engagement with the Regional Development Banks seems well grounded; particular success with the IDB is noted. The World Bank remains a challenge and the EC presents the greatest opportunities given its growing role and the UK’s positional power as a major investor and often the best and at times only member state active in development.



## **7. Working with Middle Income Countries through Regional Programmes**

7.1 This chapter presents lessons on working with middle income countries (MICs) from the regional experience. Engagement with MICs increasingly takes place at the regional level as DFID focuses its limited bilateral assistance for MICs on countries and issues where it can add value to the wider international effort. This is part of DFID's aim of helping to achieve the MDGs in MICs by improving the effectiveness of the international system in MICs.<sup>32</sup> The delivery of poverty reduction and aid effectiveness – DFID's two policy imperatives for MICs – through regional approaches has implications for the transition from bilateral to regional engagement and for the shape and delivery of regional objectives that relate to MICs. The four regions have a substantial number of MICs and countries approaching MIC status. This chapter focuses on the following questions: how has DFID approached its engagement with MICs in these regions and where has a regional approach added value? What lessons have been learnt in these regions for ensuring continued impact whilst moving away from bilateral assistance to MICs? What contribution is being made through regional engagement to DFID's policy of improving the effectiveness of the international system in MICs?

### **The Focus on Middle Income Countries**

7.2 Middle-income countries (MICs) are the countries that fall into the middle-income range set by the World Bank's World Development Indicators.<sup>33</sup> In 2006 some 86 countries were classified as MICs.<sup>34</sup> They account for just under half of the world's population and are home to one-third of people across the globe living on less than \$2 per day. However China accounts for 18% of this figure and the other 85 countries around 14%. They cover a wide income range, with the highest income MIC having a per capita income 10 times that of the lowest. The group has grown in number since the mid-1990s, including 10 countries (for example China and Egypt) moving from the low-income to middle-income status.

7.3 The environment in MICs has changed significantly in recent years and is likely to continue to evolve rapidly. As a group they are performing well economically but there is considerable diversity and the gains can be fragile. The poverty challenge in MICs remains huge. Inequality is growing in more than half of MICs.<sup>35</sup> Overall MICs make up ten out of the twenty countries with the highest levels of inequality in the world with Latin America the most unequal region.<sup>36</sup> This presents particular

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<sup>32</sup> DFID (2004a).

<sup>33</sup> They include all lower middle income countries in receipt of official development assistance (oda) and upper-middle income countries below the threshold for World Bank loan eligibility.

<sup>34</sup> Independent Evaluation Group (2007).

<sup>35</sup> Ibid, p25.

<sup>36</sup> Bouillon, C. and Buvinic, M. (2003).

challenges in achieving the MDGs. Some of the smaller MICs are struggling whilst the larger ones (e.g. Brazil, Indonesia, China, Mexico) are playing key roles sub-regionally, regionally and at a global level, again demonstrating the diverse nature of MICs as a group.

7.4 Despite the importance of MICs the approach of donors is uncoordinated and lacking in focus especially with respect to graduation<sup>37</sup> and forward planning. These concerns have brought MIC strategy to the fore. DFID published its own MIC strategy in 2004 and there have been recent policy and strategic developments by Germany, Netherlands, Spain and France amongst others. The World Bank has produced three major papers for MICs in the last six years, possibly symptomatic of the difficulty it has had in grappling with this topic.

7.5 Among the four regions covered by the RPEs the majority of countries are MICs, most above the threshold for World Bank concessional International Development Assistance (IDA) credit.<sup>38</sup> Together they provide a significant body of evidence of DFID's practice in MICs and the implementation of the MIC strategy. They also provide valuable insights into the opportunities for engaging with MICs through regional approaches. Indeed the RPEs all indicate that the adoption of a regional approach in these four cases was at least in part catalyzed by the clear direction set by the MIC strategy with its focus on improving the effectiveness of the international system in MICs and limiting DFID's bilateral assistance for MICs to countries and issues where it can add value to the wider international effort.

7.6 The evaluations note that most of the MICs within these regions were small with relatively small and declining DFID bilateral support prior to the RAP periods. All the evaluations reported well managed programmes and positive perceptions of DFID from most stakeholders due to its visibility and involvement in harmonisation and aid coordination issues even though programmes were small.

## **The Transition from Bilateral Assistance**

7.7 The implementation of the MIC strategy and the policy commitment to allocate at least 90% of DFID's spend to Low Income Countries (LICs) (see paras 2.2 and 3.6) led to an increase in the closure of bilateral programmes as countries achieved or moved towards achieving MIC status. The regions varied in the way in which the programmes developed to take account of these changes; for some closure of bilateral programme heralded a direct move towards a regional approach whilst in others MICs continued to be managed bilaterally with less emphasis on regional working.

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<sup>37</sup> Graduation in this context means a move from concessional to non-concessional assistance; including the withdrawal of grant support to a particular country by bilateral donors, and a change in the terms of multilateral development bank lending from concessional to market based terms – it is the recipient country that graduates not the donor.

<sup>38</sup> According to the World Bank 2007/08 ranking all countries in DFID's Latin America Region are MICs though Nicaragua, Honduras and Bolivia are eligible for IDA credit; in the Caribbean all countries are MICs except Haiti though Guyana, Dominica, Grenada, St Lucia, and St Vincent and The Grenadines are IDA eligible; in CASCAM Armenia and Georgia are MICs but IDA eligible, The Kyrgyz Republic, Tajikistan and Moldova are LICs; in the Western Balkans, Albania, Serbia, and Bosnia and Herzegovina were all ranked as MICs with Albania and Bosnia and Herzegovina both eligible for IDA credit; since Kosovo is included as part of Serbia it does not show as a LIC which it now technically is as an independent country.

7.8 In the Caribbean DFID ceased direct funding of Antigua and Barbuda and St Kitts & Nevis in the 1990s and focused support on Jamaica, Guyana, Belize and the Organisation of Eastern Caribbean States (OECS). By the end of the RAP period the only bilateral programmes were Jamaica and Guyana though some residual funding to other countries continues (see table 16 Annex 4). The development of the regional programme has maintained engagement across Anglophone Caribbean. Given the objectives on trade and economic integration and the focus on the development banks and regional institutions DFID's reach extends widely over these MICs.

7.9 In Latin America the bilateral programmes in Honduras, Peru, Brazil and Bolivia had all closed by 2006. The subsequent shift to a regional approach covering the MICs has built on the country links and the decision to retain country presence though it has led to some confusion. For example, DFID retains a presence in Bolivia as a regional hub, but there is no bilateral DFID programme there.

7.10 In the Western Balkans there were proposals to close the bilateral programmes in all countries except Kosovo in place before the RAP as countries were moving towards MIC status. The programmes in Croatia, Romania, Bulgaria and Macedonia closed in 2005/06. The regional objectives take this into account particularly with the focus on support for EU accession. Whilst this has become an effective and compact region the engagement is through the country programmes with the regional synergies exercised by DFID itself.

7.11 CASCAM has not seen any significant transition towards a regional approach and following the closure of the programmes in the Ukraine is managed as a group of five bilateral programmes, three of which are MICs.

7.12 Overall the experience has been one of small bilateral country programmes managed as groups, followed by a period of transition with extensive programme closure leading to a more compact regional approach covering most MICs in the Caribbean with two country programmes; engagement with MICs through the regional programme in Latin America with a standalone country programme in Nicaragua; a regional objective being delivered through separate country programmes in the Western Balkans; and CASCAM unchanged as a group of bilateral country programmes.

7.13 Many of the programme closures demonstrated good practice with early notice, effective consultation, and appropriate lesson learning. Where there was a negative reaction (e.g. Peru, Latin America) the evaluations found that the hard work of DFID staff reduced the effect. Overall the experience suggests that final exit is easier to address than the transition to a new relationship where even more investment is required to explain and promote the regional approach and build new relationships with the government and other partners.

7.14 Bilateral programme closure was often seen as synonymous with graduation. Whilst DFID's decision to close these bilateral programmes was linked to the progression towards MIC status, DFID was the only bilateral donor making this move. The process was also uncoordinated with no direct linkage to the changing nature of concessional lending. In practice these were not country graduation processes but unilateral DFID bilateral programme closures and transitions. There is a need for honesty about the reasons for closure and also the development of a more systematic approach to MIC graduation in which all donors engage and the country concerned plays a lead role.

7.15 In some cases (notably in Latin America) the decision seemed to have been more sudden. Closer communication between the centre and country offices and a stronger corporate understanding could have resulted in better planning for closure. Preparation does not mean winding down the programme but ensuring that long term commitments are not started or new initiatives that have extended lead times contemplated. If the country is approaching the MIC transition, different aid instruments, more strategic and policy oriented interventions and broader partnerships should naturally be explored. The evaluations found little evidence of this more strategic and systematic approach to graduation/closure. Whilst much in the MIC strategy was informing aspects of the process the strategy was not being applied holistically. There is clearly scope for more learning and exchange between these regions with larger MIC constituencies and between regional teams and those with the policy role in relation to MICs. In particular good practice should include stronger partnerships with MICs themselves.

## **The Emerging Regional Experience with MICs**

7.16 The evaluations cover the bilateral relationships, the transition process, and the development of the regional programmes well. The regional relationships with MICs are only just becoming established and the evaluations had less evidence to draw on. Building regional relationships with MICs takes time. Without tangible project activity and with the focus more on policy dialogue, capacity building, multilateral engagement and support to regional institutions a process of unlearning and relearning is needed on all sides. The new ways of relating are more transitory and often mediated through other parties (e.g. international NGOs in Latin America and engagement through multilateral partners in the Caribbean and Latin America), or, as we have seen in the previous chapter, where DFID is playing a brokerage role with multilaterals in support of regional issues (with the EC around the sugar transition support in the Caribbean).

7.17 Where regional institutions are stronger and better established, economic, social and broader policy engagement is possible, with the Caribbean demonstrating continued DFID engagement around the new programme across the region. Elsewhere the regional dimension is still only possible to promote through bilateral engagement (e.g. in the Western Balkans). The critical factors seem to be the depth and nature of DFID's previous relationships, the strength of regional identity, and the extent of ownership within the region of the regional programme's agenda.

7.18 A further model is emerging in the case of Brazil where support is being provided to a significant player within the region – a larger MIC and a BRIC playing a regional and growing global role. Even here the new relationship is very different from that mediated through the earlier bilateral programme. The experience has developed subsequent to the interim evaluation. UK FCO and DFID support has provided climate change expertise in Brazil to enhance learning with another BRIC and regional hub – Russia.

7.19 The final evaluation of the Latin America RAP may bring further learning and there is clearly scope for a more structured approach to sharing and tracking the experience of engaging with MICs through regional approaches. Discussion and exchange within DFID, with other donors and with MICs themselves is needed to find the appropriate models for support beyond bilateral programmes if the contribution of MICs to the achievement of the MDGs is to be further catalyzed.

## **Improving the Effectiveness of the International System in MICs**

7.20 There is also a need for continued dialogue to achieve the DFID MIC strategy objective of improving the international system in MICs. One key focus for policy engagement in this respect is the World Bank given its lead role. The World Bank's most recent strategy on MICs<sup>39</sup> aims for an enhanced partnership with MICs by improving the Bank's offerings in five areas: (i) strategy and coordination services, (ii) financial services, (iii) knowledge services, (iv) World Bank Group synergies, and (v) international cooperation and partnerships. The experience of regional programmes can contribute to this discussion.

7.21 As the RPE's have found there is a need to ensure understanding and application of MIC strategy at regional and country level. Staff who have worked mainly at country programme level have more experience in programme management than policy engagement with MICs and their regional institutions. Just as countries need support in approaching the transition to MIC status so too do staff need support and guidance to face the transition in their changing role.

7.22 The recent evaluation of the World Bank's support to MICs concludes that, 'the Bank should continue its engagement with MICs, but it must depart from business as usual. To produce greater development benefits, it has to become more agile and needs to draw upon MICs' own capacity much more systematically, connecting such capabilities to help low-income countries and to tackle global challenges. The Bank's work has to more clearly demonstrate best practice to deliver impact beyond its limited direct role'.<sup>40</sup> This conclusion applies equally to DFID and is echoed in the findings of the evaluations with respect to the experience of working with MICs in these four regions.

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<sup>39</sup> World Bank (2006).

<sup>40</sup> Independent Evaluation Group (2007) Summary of Findings and Recommendations.

**Box 5 Lessons on Working with Middle Income Countries through Regional Programmes**

- The evaluations found good practice prior to the transition to a regional approach with small programmes delivered with flexibility, good government engagement and a limited range of clear well targeted interventions. These provide a good basis for working with MICs and those moving towards MIC status and for building the future relationship with more flexible engagement.
- The closure of the bilateral programme is often seen as the end point rather than the beginning of the transition to a regional approach. Experience suggests that final exit is easier to address than the transition to a new relationship where even more investment is required to explain and promote the regional approach and build new relationships with different departments of government and other partners.
- Graduation and/or bilateral programme closure is most effective where it is seen as a strategic process and managed accordingly; sharing the decision making with the government concerned through clear and open communication, well in advance, is most effective. This approach should be matched with equally strong communication with other donors to build shared graduation plans and post graduation relationships not just project/programme continuity – with continuity of the policy level relationship directly and through multilaterals given more attention than project and office closures.
- Where regional institutions are stronger and better established economic, social and broader policy engagement with MICs is possible through regional approaches; elsewhere the regional approach needs to be complemented with continued country level engagement. The critical factors seem to be the depth and nature of DFID's relationships, the strength of regional identity, and the extent of ownership at country level of the regional agenda.
- The experience in working with Brazil is demonstrating interesting results; this may provide an appropriate model that can be pursued with other BRICs.

## **8. Policy Impact at the Regional Level**

8.1 This chapter looks at the lessons learnt from addressing policy change through regional programmes. In particular it considers those global policies that are of significance to DFID, e.g. trade, migration, conflict and security and climate change,<sup>41</sup> that have been addressed in these regions. The following questions are addressed: what features have resulted in significant achievement for regional level policy objectives? What is the role of regional institutions? And where do regional approaches provide the most appropriate opportunities to work on the wider policy agenda?

### **The Regional Experience**

8.2 Regional approaches to engaging in the policy debate related to DFID's current agenda are just emerging. They reveal lessons about the joined up nature of engagement whether it be with other UK government departments, the multilaterals or regional institutions. In some cases engagement is likely to be more country based, e.g. security and conflict, though there is room for regional approaches, particularly at policy level, and for learning lessons across sets of countries. Others by their nature such as trade are regional and demand a regional approach engaging at all levels to facilitate change. The evaluations explore the strategies that DFID has used to engage on these policy issues and assess how effective DFID has been.

### **Working with Regional Institutions**

8.3 Support for regional institutions was seen in the Caribbean RPE as a key entry point for promoting programme objectives. Particularly relevant with regard to addressing policy are the Caribbean Regional Negotiating Mechanism (CRNM) which focuses on trade and the Pan-Caribbean Partnership against HIV/AIDS (PANCAP) which is the regional coordinating body for addressing HIV/AIDS. Both these regional institutions along with others which come under the Caribbean Community (CARICOM) umbrella, whilst appropriate entry points for engagement over policy, have their limitations. The RPE draws attention to the fact that they are supported more by donor than government funding. This it suggests can impact on sustainability, with low government commitment to the regional institutions from countries within the region and questions asked as to 'who owns the institution?' and 'of what benefit to partner governments are regional institutions?'. There is a danger that institutions that rely on donor support for finances and capacity building can be seen as, and may become, overly donor driven with weaker regional ownership.

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<sup>41</sup> Policies highlighted in White Paper 3 (DFID, 2008b) and in the 2008-11 PSAs, Para 2.1.

8.4 Regional institutions were not as significant in CASCAM or the Western Balkans. In CASCAM the residual institutional relationships with Russia remain but are in decline whereas in the Western Balkans historic institutional links have largely been destroyed. The exception that is identified in the RPE is networking amongst Civil Society Organisations (CSOs) and these could emerge as significant regional players in the Balkans. More generally the emphasis of the Western Balkans and CASCAM RAPs on EU Accession and EU neighbourhood policies means that the focus is on the wider EU institutions rather than on those specific to the regions in question. Supporting engagement at this level is a very relevant agenda for DFID but it is not one that focuses in on the ‘regional institutions’ specific to the DFID regions. In Latin America despite the clearer focus on regional programmes the scale of the region limits the identification of indigenous regional institutions and to a degree the regional development banks are being used as surrogate regional institutions. In this respect the engagement through the IDB Trust Fund focused on trade is particularly relevant to the policy agenda.

8.5 The role of regional institutions is critical as these provide the fora for countries to develop their regional understandings and the space to contain and nurture the regions’ institutional culture. The weakness is that many regional institutions lack ownership and/or the political will to become significant within the political economy of the region. The Caribbean and Latin America evaluations in particular surfaced the question of accountability and legitimacy of regional institutions. It is important that regional institutions have a mandate and legitimacy that is grounded in the region itself and formal accountability to governments and/or directly to the communities they represent.

8.6 The experience suggests that, whilst working through regional institutions has the potential to support policy change agendas, ensuring sufficient buy in from countries within the region is vital for sustaining the institutions and ensuring that they are indeed representing the region. Recommendations and lessons from the Caribbean RPE suggest that ‘thorough analysis is needed to ensure that DFID makes sound choices...in selecting...regional partners’ and that ‘support to regional institutions requires long term engagement with a substantial focus on institutional strengthening’.

## **Trade**

8.7 Trade by its very nature is particularly relevant as a regional issue. A country’s primary trading partners may be the countries closest to it; thus trade is a cross border and regional issue. There is also the value added of tackling global barriers to trade regionally, fighting for more equitable trade rules and to reduce barriers to trade. Leverage is likely to be greater with a coordinated approach on a regional level than if countries seek to tackle these issues on their own. The commitment of DFID to promote more equitable approaches to trade is laid out in White Paper 3. It focuses on the more global trade agenda of ensuring that ‘the Doha Development Agenda delivers gains for developing countries’ and that ‘EU Economic Partnership Agreements (EPAs) help African, Caribbean and Pacific countries increase economic growth and reduce

poverty'.<sup>42</sup> DFID's (2005) paper 'Work on International Trade and Development 2005-07' highlights the tendency of regional trade agendas to move faster than global agendas and the increasing importance of working through regional institutions.

8.8 Trade is a regional objective in all but the Western Balkans with the emphasis on addressing trade through regional integration and competitiveness in the Caribbean and on improving regional trade and cooperation in CASC. In CASC the RAP focus is on 'working with the EU partners to ensure that EC policies on the New Neighbours Initiative...contribute more effectively to political and economic reform'.<sup>43</sup> This includes EC policies on trade.<sup>44</sup> The Latin America RAP has two objectives mentioning trade, the first objective which focuses on enabling poor people to access markets and international trade and the third which seeks to improve regional analysis and lesson learning on global policy issues. In Latin America the evaluation found 'less consistent support for the trade focus as it stands...partly due to developments in the Latin America region with regard to trade, such as the breakdown of discussions on the Free Trade Talks with the Americas and the breakdown of the Doha Development Round of the World Trade Organisation (WTO)'.<sup>45</sup> With these constraints to addressing trade within the region, DFID chose to focus its work on trade by supporting the Trade and Poverty Studies under the IDB Trust Fund and by engaging in debate over what a regional approach to trade entails. This appears to be an effective approach to influencing a multilateral partner.

8.9 Strategies in the Caribbean concentrated firstly on facilitating banana and sugar transition support through the EC; a complex process which took time to achieve results. Secondly and more specifically they focused on trade at the regional level addressing trade through regional institutions. Success is reported in the RPE in achieving two of the three objectives: 'effective trade negotiations for the Caribbean by the Regional Negotiation Machinery is now operational and progress is being made towards harmonised support by donors...CRNM is now the main source of technical advice for CARICOM and individual Caribbean states on negotiations under the Free Trade Area of the America and the Economic Partnership Agreements with the EU.'. However, CRNM, as a regional institution, suffers from sustainability and government ownership problems which need to be overcome if it is to effectively act as the regional institution for trade.

8.10 Experience from the evaluations provides key lessons on policy for DFID. The complex nature of the engagement, combining the need to influence regional and global trade policies with extending support to regional institutions to act as a focal point for engagement on trade, point to partnerships, particularly with multilaterals, being the most strategic approach. Strengthening regional institutions is an appropriate strategy but needs to be supported by work to increase buy in by country governments in the region. To do this DFID needs to find ways to maintain its relationships with

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<sup>42</sup> DFID (2006a).

<sup>43</sup> DFID (2004c), p11.

<sup>44</sup> DFID (2004d).

<sup>45</sup> Booth, D. et al (2007).

country governments even when bilateral programmes have closed. This clearly needs strategic linkages to be established between DFID's engagement with trade policy at international level, through regional approaches and at country level.

## **Migration**

8.11 Whilst not identified within any of the objectives of the four Regional Plans, issues related to the positive and negative aspects of migration are evident in all four regions. Migration, seen in the wider context of movement within regions and beyond regional boundaries, is increasing; it brings with it a new set of issues which have begun to be identified in these four regional programmes. The opening up of the EU has significantly increased movement across EU countries as economic opportunities open up; the EU accession agenda will open the same opportunities to those from the Western Balkans. In the Caribbean RAP migration is highlighted as a significant issue including the drain on the region's skilled working population and the impact on social cohesion of families living apart. In some cases there may be security related issues, e.g. crime and drug-trafficking related to migration and relations with the diaspora in the Caribbean and in Latin America. Cross-Whitehall working, which is discussed below, figures strongly in addressing these issues.

## **Conflict and Security**

8.12 Conflict and security do not naturally lend themselves to a regional approach in the way that trade does. However cross border issues are evident which give rise to the need to think beyond country boundaries. Conflict is often sub-regional impacting on a number of countries e.g. Nagorno Karabakh in CASC. DFID Policy, outlined in White Paper 3, recognises the sub-regional nature of conflict; it identifies roles for organisations working regionally such as the UN and the EU and suggests that regional organisations who have adequate capacity to prevent and respond to conflict have a part to play.

8.13 Of the three regions which have specific objectives related to conflict and security; the Caribbean (HIV/AIDs and violent crime), CASC (resolution of conflicts and peace building) and the Western Balkans (conflict) it is only in Western Balkans that conflict is specifically addressed using a regional approach. The approach to addressing security and conflict in these three regions is primarily through UK wide approaches, with the Foreign and Commonwealth Office (FCO) and Ministry of Defence (MoD) through the Global Conflict Prevention Pool (GCPP). In the fourth region, Latin America, the evaluation mentions security but only at country level as part of collaboration with the British Embassy. The evaluation touches on the potentially conflicting agendas of the Embassy and DFID, a concern also referred to in the CASC RPE with respect to differing Whitehall agendas.

8.14 In Western Balkans ways of working between DFID and its Whitehall partners is at the centre of engagement on conflict. The RPE reports positive results in terms of joint working and promoting the UK 'brand'. More specifically it identifies 'good integration around GCPP and more widely on partnership between the FCO political role in the Western Balkans and DFID's development role'. The success in engaging at regional level has lain with the strong HQ engagement between the three agencies and

with the engagement of the embassies at country level up to ambassadorial level which will continue beyond graduation. At impact level the GCPP work has been able to influence state-level policies.

8.15 The sense of a strong regional approach to security and conflict is not evident in the Caribbean RPE. Whilst the intention, as laid out in the PSA Target 3, refers to DFID, FCO and MoD working together to achieve a set of objectives expressed in terms of region, including a role in strengthening UN Conflict Management Capacity, the impact has been localised to country level with Jamaica and Guyana remaining at the centre of activity. In this respect there seems to be a mismatch between PSA targets and the way in which the programme has played out at regional/country level.

8.16 Whilst conflict and security have tended to be seen as country specific in the regions the Western Balkans experience identifies an emerging regional approach. This demands joined up planning on the part of UK government departments to ensure that DFID development strategies sit comfortably with the priorities of other parts of the UK government. The success of the approach lies in the strong commitment of DFID/FCO/MoD to work together starting with the policy level in HQ. Clear planning and priorities can then enhance opportunities for engagement at the regional level through embassies and through influencing agencies such as the UN.

## **Climate Change**

8.17 Climate change has emerged as a significant global issue since the RAPs were developed. White Paper 3 outlines DFID's commitment to engage with climate change and to push for policies which will support the engagement of developing countries in the climate change debate with the ultimate aim of long term stabilisation. Of the four regions it is only Latin America that has engaged with the climate change agenda. Initial steps included hiring a staff member for 'markets and climate change' to help develop low-carbon technologies and adaptation strategies for poor people. Impact of the initial moves in this direction has been marked with the government of Brazil keen to pursue the climate change agenda. Climate change is being addressed from the start as a policy issue with Brazil, as a BRIC, playing an increasingly strong role in global policy discourse and south-south learning.

## **A Regional Approach to Cross Cutting Policy Issues**

8.18 The evaluations also assessed the performance of other policy level objectives in the regional programmes and the mainstreaming of corporate policy in their implementation. Addressing HIV/AIDS was an objective in three of the RAPs but included as a cross cutting issue in all four regions. In practice approaches were most successful at project level. The commitment to a sub-regional strategy in CASCAM was not developed though there was greater success in the Caribbean working through regional institutions and in Latin America at sub-regional level in the Andes. However, in terms of policy a regional approach needs to complement country level approaches since this is where responsibility lies for the key public sector services. The South Africa Regional Plan points to regional impacts being more in terms of migration and the labour market and regional benefit in terms of access to lower cost retroviral drugs. It confirms that HIV/AIDS may be best addressed at the country level.

8.19 The mainstreaming of gender and social inclusion is a key cross cutting policy issue. The evaluations point to mainstreaming being ineffectively addressed, although good work in social inclusion related to rights based approaches was noted in Latin America and evidence of DFID's strong poverty and gender analysis in relation to the EU accession process found in the Western Balkans. Both have regional elements but cannot be seen as regional approaches. The question of whether the development of regional approaches to mainstreaming gender and social inclusion should be a priority given resource constraints is debatable, especially where agendas are moving towards more global agendas such as climate change, security, conflict and trade. However, with DFID's expertise and reputation for strong analysis, ensuring that gender and social exclusion remain on the agenda at the regional level is vital for meeting commitments to poverty reduction and equity.

**Box 6 Lessons for Policy Impact at the Regional Level**

- Regional institutions (e.g. CRNM and PANCAP in the Caribbean) have a critical role to play as fora for engaging with regional issues and as entry points for policy change. However, sustainability of the institutions relies on ensuring sufficient buy-in from country governments within the region. Support to regional institutions requires long term engagement on the part of DFID with a focus on institutional strengthening.
- Trade by nature is particularly relevant as a regional issue yet it is complex. The need to combine influence on regional and global trade policies with extending support to regional institutions to act as a focal point for engagement on trade, point to partnerships, particularly with multilaterals, being the most strategic approach.
- Work on conflict and security has been coherent and consistent and has developed a broader agenda through strong cross-Whitehall working and good strategic engagement, especially in Western Balkans. The success of the approach lies in the strong commitment of all departments, starting at the policy level in HQ.
- DFID's timely engagement on climate change in Latin America has the potential to provide lessons from the regional experience to support the implementation of DFID's climate change strategy and influence future climate change policy.
- Corporate policies, including gender and social inclusion, were not effectively mainstreamed, especially at the regional level. DFID's strength in this regard could be more effectively exploited to develop understandings which take account of regional aspects of gender roles and the impact of social exclusion.

## **9. Conclusions and Recommendations**

9.1 This chapter presents the conclusions and recommendations of the synthesis setting the four evaluations within the wider context of DFID's experience of managing regions and taking a regional approach. The recommendations relate to the development of regional approaches and the management of regional programmes as well as the impact on multilaterals, MICs and global policy achieved through regional engagement.

### **Taking a Regional Approach**

9.2 Within DFID the term 'region' covers a 'multitude of sins' being used to describe widely divergent geographic units, some only applicable to DFID's own structures or those of its multilateral partners (the EC but more often the World Bank), groups of countries managed together for administrative convenience, groups of small country programmes approaching closure and situations where a regional approach is being adopted to set strategic objectives beyond country level. The latter – regional approaches as the basis for strategic planning where there is a clear regional perspective and a common regional agenda – only apply in limited situations and are not simply ways of reducing transaction costs but of creating shared regional benefit through interventions where regional processes add value to what can be achieved at country level.

9.3 Regional approaches can be highly relevant when applied to geo-political groupings with a degree of integrity and identity that is widely acknowledged (e.g. the Caribbean), confirmed by the presence of regional institutions (e.g. Latin America, Southern Africa), or when there are significant common agendas (Western Balkans). They can form the basis for engaging with MICs as bilateral programmes close – with the role of key regional countries presenting particular lessons within the region and globally (e.g. South Africa, Brazil).

9.4 Balancing strong country programmes with regional agendas is challenging. At times providing opportunities for developing synergies and lesson learning, at others blocking collective action and constraining the development of accountable regional policies. However the transition to a shared regional approach is highly pertinent to emerging global policy agendas (the beyond aid issues – conflict, security, trade, migration, climate change). It presents new challenges which require increased commitment and stronger analysis.

9.5 To support the development of regional approaches it is recommended that:

- DFID's Regional Directors should make a clear distinction between situations where 'region' is being used for administrative/management convenience and where a 'regional approach' is being adopted with a definite set of regional objectives. Regional Plans<sup>46</sup> should only be developed in the latter case with analysis and planning focused at the regional level and strategic objectives that apply across the region. Where a group of country programmes are being managed together to reduce transaction costs planning should be based on individual Country Plans even though resources are managed collectively.
- The development of regional approaches by regional teams should be based on a shared analysis and engagement with other UK government departments and development partners as well as with the individual governments and regional institutions concerned. The ideal for DFID to work towards is a single UK (business) plan with strong ownership from within the region.
- The expertise and skill to undertake political and institutional analysis of regions, regional institutions, and the relevance and likely impact of regional approaches should be developed corporately drawing on lessons learnt and led by the Policy and Research Division so that regional teams are provided with practical support.

## **The Relevance and Effectiveness of Regional Strategy**

9.6 Regional strategies were relevant in Latin America, the Western Balkans and the Caribbean but not in CASCM. They have been adopted in other regions (Southern Africa) and are applicable more widely (e. g. Central Asia, East Africa). The evaluations found the four regional strategies to be effective with appropriate objectives supported by RAPs with strong descriptive contexts.

9.7 However the political and institutional analysis was weak and the programmes overambitious, stuck at activity level and inclined to be lost in project land – with project level commitments that didn't always fit the strategy and lacked the flexibility to adapt to emerging needs. Overall the RAP architecture was too complex and inflexible to facilitate effective strategic engagement at the regional level – leaner more policy savvy models are needed with more scope for flexibility to implement regional objectives. Monitoring frameworks also need to respond to policy based regional agendas. They were either absent or failed to provide adequate reporting of progress and analysis of results. Outcomes should be set at the strategic level with simpler more effective process indicators.

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<sup>46</sup> Here Country Plans and Regional Plans are those described in DFID's Country Planning Guidance which provides the current format for country and regional planning.

9.8 To improve the relevance and effectiveness of regional strategies it is recommended that:

- DFID regional teams should work towards partnership agreements as the basis for regional approaches. These should provide the basis for a strategic planning framework including long term objectives, partnership relationships, a resource envelope, agreed success criteria, and processes for lesson learning. Detailed strategic planning at operational level should be left to the regional teams.
- Regional Plans should have Results Frameworks that effectively track progress and provide feedback to improve implementation and Monitoring and Evaluation Strategies that focus attention at objective level based on measurable indicators related to specific outcomes. DFID's Finance and Corporate Performance Division should ensure that the guidance on Business Planning takes account of the particular needs of monitoring regional approaches.
- All Monitoring and Evaluation Strategies should include a set of process indicators to track DFID partner engagement and policy dialogue (influencing interventions). Guidance and technical support should be available to all regional teams to develop appropriate monitoring tools and processes.<sup>47</sup>

## **Delivery of Regional Programmes**

9.9 The critical requirement for delivering systems and policy change is human capacity rather than financial resources. Limited budgets can be effective especially when used to support small scale, flexible interventions. Larger scale aid instruments are less effective at regional level except where support is directed through multilateral partners. The evaluations indicate that small bilateral country programmes can be administered relatively efficiently but there is an economic threshold as programmes reduce in scale (the Caribbean may have reached this limit). Regional programmes seem relatively expensive and thus value for money and more focused use of human resources are critical.

9.10 It is the quality of engagement rather than the quantum of investment that makes the difference – skilled experienced and adaptive teams with a mix of SAIC and UK staff working across country, region, and HQ levels, are most effective. However, new skills, knowledge and expertise were identified as necessary for the transition to a regional approach. Skills should match objectives rather than replicating mini versions of traditional team structures – new policy based, ‘development diplomacy’ skills (e.g. political, analytic, negotiating, team working, and partnership skills including cross-Whitehall expertise) and approaches are required with the requisite experience and sophistication to apply them.

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<sup>47</sup> Current work by DFID’s Strategy Unit (Strategy Unit *Issue Identification Brief No 4*: April 2008) and the recent pilot on recording the impact of policy dialogue initiatives (Watson, S. and Pierce, J. (2008)) provides a basis for developing such tools and processes. However both focus on monitoring influencing activities rather than their contribution at output level to strategic objectives within Country and Regional Plans.

9.11 To improve the delivery of regional programmes it is recommended that:

- The planning and management of human and financial resources should be directly linked to the regional programme objectives. In particular, team skills, staffing, and structures should be based on these objectives rather than on traditional sector and management roles. This approach should inform and be reflected in the Business Plans developed by regional teams.
- DFID's Learning and Development Services Department should give high priority to further identifying and developing the skills, knowledge and expertise necessary to support regional approaches, drawing on the experience of regional teams and input from relevant heads of profession. This should include analytic, negotiating and relationship management skills, regional political and institutional analysis, team working and cross-Whitehall working.
- A strategic and flexible approach, using small scale investments which can have clear and specific impact, is particularly relevant when working regionally. The design and scaling up of such aid instruments should be a part of the strategy for planning further engagement at the regional level.

## **Achieving Impact through Multilateral Engagement**

9.12 Engagement with multilateral organisations figures strongly in all four regions, where they are significant donors, and often act as the drivers of regional integration. The evaluations provide lessons on working with multilaterals to achieve regional objectives as well as improving the impact on multilaterals themselves through regional engagement. 'Influencing' is underdeveloped as a concept and a way of working within DFID. Experience within these four regions demonstrates that the process is two-way and provides evidence that the term influencing is misunderstood by partners. The synthesis shares the view of other authors that 'policy dialogue' and 'partner engagement' are more appropriate terms.<sup>48</sup> To support such engagement there is a need for increased institutional knowledge of these key partner organisations at a deeper level, including organisational culture and working methods, improved skills and ways of working.

9.13 The synthesis highlights the effectiveness of team work and more fleet footed approaches, seizing opportunities and building on the wide range of relationships that DFID has. Planning and monitoring a range of linked interventions – secondment, engagement at HQ level, country level engagement across the region – in a flexible way, with close coordination and information sharing, is required to address policy dialogue and engagement with multilaterals in a more systematic and effective way. Engagement with the Regional Development Banks is well grounded. The World Bank remains a challenge but the EC presents the greatest opportunities, given its growing role and the UK's positional power as a major investor and often the best, and at times only, member state active in development in these regions.

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<sup>48</sup> Spicer, E. (2004); Watkins, F. (2003).

9.14 To improve engagement with and through multilaterals it is recommended that:

- International Division should draw on the experience of country and regional teams to develop a thorough institutional analysis (at a deeper level than the ISPs) of all key multilaterals – with a focus on culture, organisational systems and structures, ways of working, opportunities and entry points for collaboration and engagement – to support operational engagement.
- Skills and knowledge for engagement/policy dialogue should be the focus for staff development for all managers, programme staff and advisers in regions, countries and centrally. This should include those to be seconded to multilateral organisations and SAIC. Specific required expertise should be identified in consultation with regional/country teams and the necessary capacity building resources developed by Learning and Development Services.
- The responsibility of the International Directors Office for taking forward DFID’s ‘multilateralism with edge’ agenda should be based on the understanding that policy dialogue/‘influencing’ is a team process not an individual enterprise and needs to be planned, delivered and monitored on a team basis across divisions and departments at country, region and headquarters levels. This requires different approaches to allocating staff time and managing for ‘joined up influencing’ – planning who does what where, links within DFID and across HMG.
- The EC is an important partner, particularly in regions where the UK is one of the few member states supporting development. A new strategy for engagement should be developed, led by the Europe and Donor Relations Division and drawing on regional experience, with priority given to DFID and UK wide partnerships with the EC through joined up working at regional level and through links between HQ and Brussels.

## **Working with Middle Income Countries**

9.15 Most of the countries in the four regions are middle income countries (MICs) and as a group they represent a significant proportion of all MICs. The evaluations found evidence of good practice at individual country level with high impact, low investment bilateral programmes moving effectively towards closure. However bilateral programme closure is often seen as the end point rather than the beginning of the transition to new ‘post graduation’ relationships. Regionally based engagement around, not only the beyond aid policy agenda but also the continued significance of MICs to addressing the MDGs, requires more imaginative forms of engagement. DFID needs to develop new flexible approaches that are seen as relevant by MICs themselves and to incorporate regional entry points alongside continued UK engagement through other government departments. A particular focus for this post MIC graduation environment is the role of BRICs as regional actors and in terms of their global impact.

9.16 Lessons for such work with MICs through regional approaches are just beginning to emerge and require further work beyond the scope of this synthesis. To support the development of effective post graduation engagement with MICs it is recommended that:

- Graduation and/or bilateral programme closure should be seen as a strategic process and managed accordingly by country and regional teams. Decision making should be shared with the government concerned well in advance. This should be matched with equally strong communication with other donors. In the case of graduation the aim should be a smooth transition to new post-graduation relationships between the country and its development partners, particularly with the multilaterals.
- The experience of working with MICs through regional approaches is new – a new approach requiring a different level of analysis and understanding as well as different skills. Learning takes time and will benefit from building synergies between the country, regional and international levels. The Management Board should identify a single point of contact – management lead/champion – for policy and practice in relation to MICs to promote discussion and exchange within DFID, with other donors and with MICs themselves in order to develop post graduate scenarios for support beyond bilateral programmes to catalyze the contribution of MICs to the achievement of the MDGs.
- The MIC Strategy (including time bound targets and a monitoring and evaluation framework) should be revised based on collective experience and learning. Supportive Good Practice Guidance should be produced and disseminated and formal links between responsible divisions and departments established to ensure effective implementation.

## Policy Impact at the Regional Level

9.17 The wider international development policy agenda has a high profile within the four regional programmes that were evaluated; possibly more than is the case in larger poverty focused country programmes. Learning has emerged that can inform the implementation of DFIDs global policy agenda more widely.

9.18 Regional institutional development, conflict, and trade all featured in the RAPs and were high level objectives for DFID. Regional institutions can play a key role in promoting policy dialogue within regions but government buy-in is needed to ensure their sustainability and accountability to governments and civil society. Support to such regional institutions is a long term process and may benefit from investment and institutional incentives that continue beyond bilateral programmes. Conflict and security have been the focus of strong cross-Whitehall working and strategic engagement especially in the Western Balkans where a model for a regional approach provides lessons to inform practice elsewhere. Climate change has proved an appropriate entry point for new ways of working that has an impact at regional level and globally. Trade is the most problematic policy issue though it appears one of the most obvious to address at regional levels. The institutional and political processes are beyond the scope of traditional approaches drawing heavily on DFID's relationships and influencing skills.

9.19 From a DFID policy perspective the mainstreaming of HIV/AIDS, gender and social inclusion was ineffectively addressed though some successes were noted at project level and in regional initiatives. Developing effective strategies for mainstreaming cross cutting issues through regional approaches presents a considerable challenge.

9.20 To improve policy impact at regional levels and build on the lessons for policy engagement from regional experience it is recommended that:

- Under the growth area within DFID's new Research Strategy (2008-2013) the Policy and Research Division should commission research into trade (including policy frameworks, institutional processes, and organisational constraints) in specific regions to identify effective strategies for engagement as part of regional approaches and to inform the international policy debate around trade.
- Learning from the effective cross-Whitehall working in the Western Balkans and Latin America should be captured by ECAD and LACD and shared with DFID staff working at operational and policy level to inform regional practice and policy development.
- The mainstreaming of gender and social inclusion has become tokenistic – even as a recommendation in evaluation reports and syntheses – DFID's Policy and Research Division should give clear guidance based on learning and research to ensure effective and measurable improvements are made that embed gender and social inclusion as part of regional approaches.



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## ANNEX 1: DEVELOPMENT INDICATORS

Table 9. Development Indicators for CASC countries

	Armenia	Azerbaijan	Georgia	Kazakhstan	Kyrgyzstan	Moldova	Tajikistan	Turkmenistan	Uzbekistan
Total population (millions), 2005	3.0	8.4	4.5	15.2	5.2	3.9	6.6	4.8	26.6
Proportion living below \$1/day %, 1990-2005	<2	3.7	6.5	<2	<2	<2	7.4	- <sup>3</sup>	<2
Proportion living below \$2/day %, 1990-2005	31.1	33.4	25.3	16.0	21.4	20.8	42.8	-	<2
GDP per capita (Purchasing Power Parity - PPP \$), 2005	4,945	5,016	3,365	7,857	1,927	2,100	1,356	3,838	2,063
GDP per capita, annual growth rate (%), 1990-2005	4.4	-	0.2	2.0	-1.3	-3.5	-4.0	-6.8	0.3
ODA as % of GDP, 2005	3.9	1.8	4.8	0.4	11.0	6.6	10.4	0.4	1.2
Total Debt service (% of GDP), 2005	2.8	1.9	2.9	23.1	5.2	8.6	3.4	3.8	5.6
Remittances as % of GDP (2006) <sup>1</sup>	18.3	4.0	6.4	0.2	27.4	36.2	36.2	-	-
Population using an improved water source (%), 2004	92	77	82	86	77	92	59	72	82
Net primary enrolment rate (%), 1991	79	85	93	91	87	86	97	-	-
Human Development Indicator rank	83	98	96	73	116	111	122	109	113
Public expenditure (as % of GDP)									
on health (2004)	1.4	0.9	1.5	2.3	2.3	4.2	1	3.3	2.4
on education (2002-05)	3.2	2.5	2.9	2.3	4.4	4.3	3.5	-	-
on military (2005)	2.7	2.5	3.5	1.1	3.1	0.3	2.2	2.9	0.5
on debt servicing (2005)	2.8	1.9	2.9	23.1	5.2	8.6	3.4	3.8	5.6
Corruption Perception Index ranking, 2006 <sup>2</sup>	93	130	99	111	142	79	142	142	151

Sources: UNDP Development Report 2007/08.

**Notes**

1. Migration and Remittances Factbook. (2006). Dilip Ratha & Zhimei Xu, Migration and Remittances Team, Development Prospects Group, World Bank.
2. Transparency International; 1 = least corrupt, 163 = most corrupt.
3. A dash (-) is used where data are not available in this and all subsequent tables.

Table 10. Development Indicators for Western Balkan countries

	Albania	Bosnia & Herzegovina	Croatia	Kosovo	Serbia (inc Kosovo)	Serbia & Montenegro
Total population (millions), 2005	3.2	3.9	4.6	2.5	9.9	-
Proportion living below \$1/day %, 1990-2005	<2	-	<2	-	-	-
Proportion living below \$2/day %, 1990-2005	10	-	<2	-	-	-
GDP per capita (EC€), 2005	<b>2309</b>	<b>2309</b>	<b>2309</b>	<b>2309</b>	<b>2309</b>	-
GDP per capita, annual growth rate (%), 2006	<b>5.1</b>	<b>6.2</b>	<b>4.3</b>	-	-	<b>6.3</b>
Inflation %, 2006	<b>2.4</b>	<b>7.0</b>	<b>3.3</b>	-	<b>17.5</b>	-
Unemployment Rate %, 2006	<b>13.8</b>	<b>29.0</b>	<b>11.1<sup>1</sup></b>	<b>40.0</b>	<b>20.8</b>	-
ODA as % of GDP, 2005	3.8	5.5	0.3	-	-	-
Total Debt service (% of GDP), 2005	1.0	2.7	12.8	-	-	4.8
Population using improved water source %, 2004	96	97	100	-	93	93
Net primary enrolment rate %, 2005	94	94 <sup>b</sup>	87	95	96	96
Gini index, 2007 <sup>8</sup>	31.1	26.2	29.0	30.0	-	30.0
Refugees ('000s), by country of origin 2006	14	200	94	-	-	69
Human Development Indicator Rank	68	66	47	-	-	-
Remittances as % of GDP (2006) <sup>1</sup>	14.9	17.2	2.9	-	-	13.8
Public expenditure (as % of GDP)						
on health (2004)	3.0	4.1	6.2 <sup>4,5</sup>	-	7.3	7.3
on education (2002-05)	2.9 <sup>3</sup>	-	4.7	-	3.3	3.3
on military (2005)	1.4	1.9	1.6	-	-	2.6
on debt servicing (2005)	1.0	2.7	12.8	-	-	4.8
Corruption Perception Index ranking, 2006 <sup>2</sup>	111	93	69	-	-	90

Sources: UNDP Human Development Report 2007/08; Except: **Red / Italicised = DG Enlargement, European Commission.**

## Notes

1. Migration and Remittances Factbook. (2006). Dilip Ratha & Zhimei Xu, Migration and Remittances Team, Development Prospects Group, World Bank
2. Transparency International; 1 = least corrupt, 163 = most corrupt.
3. National or UNESCO Institute for Statistics estimate.
4. Data differs from the standard definition or refers to only part of the country.
5. No wage data are available. For calculating estimated female/male earned income, 0.75 was used for the ratio of the female to male non-agricultural wage.
6. UN Statistics, 2003.
7. United Nations Economic Commission for Europe.
8. World Bank 2005.

Table 11. Development Indicators for Caribbean countries

	Antigua & Barbuda	Bahamas	Barbados	Belize	Bermuda	Cayman Islands	Cuba	Dominica	Dominican Republic	Grenada	Guyana	Haiti	Jamaica	Montserrat	St Kitts-Nevis	St Lucia	St Vincent & Grenadines	Suriname	Trinidad & Tobago	Turks & Caicos	Virgin Islands
Total population (millions), 2005	0.1	0.3	0.3	0.3	-	-	11.3	0.1	9.5	0.1	0.7	9.3	2.7	-	-	0.2	0.1	0.5	1.3	-	-
Proportion living below \$1/day %, 1990-2005	-	-	-	-	-	-	-	-	2.8	-	-	53.9	<2	-	-	-	-	-	12.4	-	-
Proportion living below \$2/day %, 1990-2005	-	-	-	-	-	-	-	16.2	-	-	-	78.0	14.4	-	-	-	-	-	39.0	-	-
GDP per capita (PPP \$), 2005	12,500	18,380	17,297	7,109	-	-	6000	6,393	8,217 <sup>5</sup>	7,843 <sup>5</sup>	4,508	1,663 <sup>5</sup>	4,291	-	13,307 <sup>3</sup>	6,707 <sup>4</sup>	6,568	7,722	14,603	-	-
GDP per capita, annual growth rate (%), 1990-2005	1.5	0.4	1.5	2.3	-	-	3.5	1.3	3.9	2.5	3.2	-2	0.7	-	2.9	0.9	1.6	1.1	4.3	-	-
ODA as % of GDP, 2005	0.8	-	-0.1	1.2	-	-	-	5.3	0.3	9.5	17.4	12.1	0.4	-	0.8	1.3	1.1	3.3	-	-	-
Total Debt service (% of GDP), 2005	-	-	3.1	20.7	-	-	-	6.0	3.0	2.6	4.2	1.4	10.1	-	10.6	4.0	5.5	-	2.6	-	-
Remittances as % of GDP (2006) <sup>1</sup>	1.1	-	4.5	5.4	-	-	-	1.3	10.0	4.8	24.3	21.6	18.5	-	0.6	0.2	1.1	0.1	0.5	-	-
Population using an improved water source (%), 2004	91	97	100	91	-	-	91	97	95	95	83	54	93	-	100	98	..	92	91	-	-
Net primary enrolment rate (%), 1991	-	91	98	94	-	-	97	84	88	84	-	-	90	-	93	97	90	94	90	-	-
Human Development Indicator rank	57	49	31	80	-	-	51	71	79	82	97	146	101	-	54	72	93	85	59	-	-
Public expenditure (as % of GDP)																					
on health (2004)	3.4	3.4	4.5	2.7	-	-	5.5	4.2	1.9	5.0	4.4	2.9	2.8	-	3.3	3.3	3.9	3.6	1.4	-	-
on education (2002-05)	3.8	3.6	6.9	5.4	-	-	9.8	5.0	1.8	5.2	8.5	-	5.3	-	9.3	5.8	8.2	-	4.2	-	-
on military (2005)	-	0.7	0.8	-	-	-	-	-	0.5	-	-	-	0.6	-	-	-	-	-	-	-	-
on debt servicing (2005)	-	-	3.1	20.7	-	-	-	6.0	3.0	2.6	4.2	1.4	10.1	-	10.6	-	5.5	-	2.6	-	-
Corruption Perception Index ranking, 2006 <sup>2</sup>	-	-	24	66	-	-	66	53	99	66	121	163	61	-	-	-	-	90	79	-	-

Sources: UNDP Human Development Report 2007/08.

## Notes

1. Migration and Remittances Factbook. (2006). Dilip Rathu & Zhimei Xu, Migration and Remittances Team, Development Prospects Group, World Bank.
2. Transparency International; 1 = least corrupt, 163 = most corrupt.
3. Data are from the Secretariat of the Caribbean Community, based on national sources.
4. Data refer to a year other than that specified.
5. World Bank estimate based on regression.

Table 12. Development Indicators for Latin American countries

	Argentina	Bolivia	Brazil	Chile	Colombia	Costa Rica	Ecuador	El Salvador	Guatemala	Honduras	Mexico	Nicaragua	Panama	Paraguay	Peru	Uruguay	Venezuela
Total population (millions), 2005	38.7	9.2	186.8	16.3	44.9	4.3	13.1	6.7	12.7	6.8	104.3	5.5	3.2	5.9	27.3	3.3	26.7
Proportion living below \$1/day %, 1990-2005	6.6	23.2	7.5	<2	7.0	3.3	17.7	19.0	13.5	14.9	3.0	45.1	7.4	13.6	10.5	<2	18.5
Proportion living below \$2/day %, 1990-2005	17.4	42.2	21.2	5.6	17.8	9.8	40.8	40.6	31.9	35.7	11.6	79.9	18.0	29.8	30.6	5.7	40.1
GDP per capita (PPP \$), 2005	14,280	2,819	8,402	12,027	7,304	10,180	4,341	5,255	4,568	3,430	10,751	3,674	7,605	4,642	6,039	9,962	6,632
GDP per capita, annual growth rate (%), 1990-2005	1.1	1.3	1.1	3.8	0.6	2.3	0.8	1.6	1.3	0.5	1.5	1.8	2.2	-0.6	2.2	0.8	-1.0
ODA as % of GDP, 2005	0.1	6.2	-	0.1	0.4	0.1	0.6	1.2	0.8	8.2	(.)	15.1	0.1	0.7	0.5	0.1	(.)
Total Debt service (% of GDP), 2005	5.8	5.7	7.9	6.7	8.3	3.0	11.4	3.8	1.5	4.6	5.7	3.5	13.5	6.7	7.0	13.3	4.0
Remittances as % of GDP (2006) <sup>1</sup>	0.3	5.5	0.4	0.0 <sup>3</sup>	2.9	2.3	7.2	18.2	10.3	25.6	2.9	12.2	0.9	4.7	2.0	0.5	0.1
Population using an improved water source (%), 2004	96	85	90	95	93	97	94	84	95	87	97	79	90	86	83	100	83
Net primary enrolment rate (%), 1991	99	95	95	90	87	-	98	93	94	91	98	87	98	88	96	93	91
Human Development Indicator rank	38	117	70	40	75	48	89	103	118	115	52	110	62	95	87	46	74
Public expenditure (as % of GDP)																	
on health (2004)	4.3	4.1	4.8	2.9	6.7	5.1	2.2	3.5	2.3	4.0	3.0	3.9	5.2	2.6	1.9	3.6	2.0
on education (2002-05)	3.8	6.4	4.4	3.5	4.8	4.9	1.0	2.8	-	-	5.4	3.1	3.8	4.3	2.4	2.6	-
on military (2005)	1.0	1.6	1.6	3.8	3.7	0.0	2.6	0.6	0.3	0.6	0.4	0.7	1.0	0.7	1.4	1.3	1.2
on debt servicing (2005)	5.8	5.7	7.9	6.7	8.3	3.0	11.4	3.8	1.5	4.6	5.7	3.5	13.5	6.7	7.0	13.3	4.0
Corruption Perception Index ranking, 2006 <sup>2</sup>	93	105	70	20	59	55	138	57	111	121	70	111	84	111	70	28	138

Sources: UNDP Human Development Report 2007/08

**Notes**

1. Migration and Remittances Factbook. (2006). Dilip Ratha & Zhimei Xu, Migration and Remittances Team, Development Prospects Group, World Bank.
2. Transparency International; 1 = least corrupt, 163 = most corrupt.
3. The actual percentage for Chile is 0.002 which rounds to 0.0 when considered to 1 decimal place.
4. (.) Greater than zero but small enough to be rounded off to zero at the displayed number of decimal points.

## ANNEX 2: AID FLOWS

Table 13. Total Net Official Development Assistance Disbursements 2000–2006

Donor	Region (\$ millions)		CASCIM		W. Balkans		Caribbean		Latin America	
	Total <sup>1</sup>	% of Total	Total*	% of Total	Total*	% of Total	Total*	% of Total	Total*	% of Total
CDB	70.4	0.6	28.4	0.2	214.8	3.9				
EBRD	870.2	7.8	3688.7	23.1	796.9	14.8			2464.6	8.1
EC	1605.2	14.3	1313.8	8.2	91.1	1.7			1728.6	5.7
IDA					384.0	7.1			1041.8	3.4
IDB Spec. Fund	40.4	0.4	437.5	2.7						
Austria	12.9	0.1			64.6	1.2			380.1	1.2
Belgium					397.9	7.4			641.1	2.1
Canada	172.8	1.5	615.3	3.9	289.8	5.4			1002.4	3.3
France	798.7	7.1	1598.7	10.0	66.2	1.2			2616.8	8.6
Germany	39.3	0.4	489.5	3.1						
Greece	5.5	0.0			-35.9	-0.7			68.9	0.2
Ireland	18.0	0.2	421.4	2.6						
Italy	1704.4	15.2	374.3	2.3	218.1	4.0			3340.6	10.9
Japan	79.7	0.7			8.5	0.2			98.2	0.3
Korea	167.8	1.5	554.0	3.5	176.8	3.3			1250.2	4.1
Netherlands	134.4	1.2	462.2	2.9	48.9	0.9			400.6	1.3
Norway	67.7	0.6	312.6	2.0	461.1	8.5			3151.2	10.3
Spain	84.2	0.8	524.0	3.3	23.1	0.4			876.2	2.9
Sweden	245.8	2.2	508.8	3.2	51.2	1.0			492.2	1.6
Switzerland	136.8	1.2	894.1	5.6	464.3	8.6			480.9	1.6
United Kingdom	2951.1	26.3	2385.4	14.9	298.0	5.5			7830.5	25.7
United States	1961.2	17.5	1363.9	8.5	1379.9	25.6			2668.9	8.7
Other Donors	11216.6	100%	15972.1	100%	5398.9	100%			30533.7	100%

Source: OECD Stat. Data extract 24/06/08.

**Note**

1. The sum of grants, capital subscriptions and net loans (loans extended minus repayments of loan principal and offsetting entries for debt relief).



## ANNEX 3: DFID ALLOCATIONS

Table 14. DFID Allocations to CASC, Western Balkans, Latin America and Caribbean compared against ECAD, Americas, EMAAD and DFID Country and Regional Programme Totals

Outturn (£ Thousands)	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
CASC	10.8	10.8	12.3	14.2	15.0	19.0	20.1
Western Balkans	25.3	28.8	18.6	20.3	19.4	15.7	14.9
Latin America	27.9	35.1	33.2	25.9	23.5	18.5	22.5
Caribbean	36.8	32.5	33.9	29.6	29.7	23.8	22.9
<b>Total Spend by DFID in all Four Regions</b>	<b>100.8</b>	<b>107.2</b>	<b>97.9</b>	<b>90.0</b>	<b>87.5</b>	<b>76.9</b>	<b>80.5</b>
Total Europe and Central Asia (ECAD)	82.8	86.2	82.9	68.5	55.8	46.6	42.9
Total Americas	81.9	91.6	87.3	74.1	76.0	53.2	54.8
<b>Total EMAAD</b>	<b>221.0</b>	<b>247.0</b>	<b>227.0</b>	<b>446.0</b>	<b>259.0</b>	<b>218.0</b>	<b>185.0</b>
<b>Total DFID Country and Regional Programmes</b>	<b>1095.0</b>	<b>1141.0</b>	<b>1341.0</b>	<b>1623.0</b>	<b>1753.0</b>	<b>2063.0</b>	<b>1967.0</b>
<b>Regional Outturns as % of Departmental Totals</b>							
Four regions as % of DFID	9.2%	9.4%	7.3%	5.6%	5.0%	3.7%	4.1%
CASC as % of ECAD	13.0%	13.0%	15.0%	21.0%	27.0%	41.0%	47.0%
CASC as % of EMAAD	4.9%	4.4%	5.4%	3.2%	5.8%	8.7%	10.9%
CASC as % of DFID	1.0%	1.0%	0.9%	0.9%	0.9%	0.9%	1.0%
Western Balkans as a % of ECAD	30.6%	33.4%	22.4%	29.7%	34.7%	33.8%	34.8%
Western Balkans as % of EMAAD	11.5%	11.7%	8.2%	4.6%	7.5%	7.2%	8.1%
Western Balkans as % of DFID	2.3%	2.5%	1.4%	1.3%	1.1%	0.8%	0.8%
Latin America as % of Americas <sup>1</sup>	34.0%	38.0%	38.0%	35.0%	31.0%	35.0%	41.0%
Latin America as % of EMAAD	12.6%	14.2%	14.6%	5.8%	9.1%	8.5%	12.3%
Latin America as % of DFID	2.6%	3.1%	2.5%	1.6%	1.3%	0.9%	1.1%
Caribbean as % of Americas	45.0%	35.0%	39.0%	40.0%	39.0%	45.0%	42.0%
Caribbean as % of EMAAD	16.7%	13.2%	14.9%	6.6%	11.3%	10.9%	12.4%
Caribbean as % of DFID	3.4%	2.9%	2.5%	1.8%	1.7%	1.2%	1.2%

Source: For 2000/01, 2001/02 Bilateral Data: SID 2005 Tables 12.2, 12.3, 12.4. DFID Country and Regional Programmes ECAD and EMAAD spend: Annual

Department Report 2006 Table 4. For 2002/03 – 2006/07 DFID Country and Regional Programmes ECAD and EMAAD spend: Tables A3.2, A3.3 Annex 1 in

DFID Department Report 2007/2008. SID 2007 (Outturns based on Bilateral data). Based on totals (rounded to 1 decimal place) of country tables below in Annex 4 of this Synthesis Report (Tables 14, 15, 16, 17).

Note

1. For DFID, Americas includes Latin America, the Caribbean and Overseas Territories Departments.



## ANNEX 4: DFID BILATERAL AND IMPUTED MULTILATERAL AID

Table 15. DFID Bilateral Aid and Imputed Multilateral Share to CASC M Countries 2002/03 to 2006/07

Country	2002/03		2003/04		2004/05		2005/06		2006/07	
	Total	% of UK Bilateral Aid to CASC M	Total	% of UK Bilateral Aid to CASC M	Total	% of UK Bilateral Aid to CASC M	Total	% of UK Bilateral Aid to CASC M	Total	% of UK Bilateral Aid to CASC M
<b>Kazakhstan</b>										
Total DFID Bilateral Programme	716	5.8%	1,230	8.7%	672	4.5%	802	4.2%	37	0.2%
of which, Technical Cooperation	685		1,222		649		301		37	
Imputed UK Multilateral Share of Total Net ODA <sup>1</sup>	105		457		1,130		1,278		1,129	
<b>Kyrgyz Republic</b>										
Total DFID Bilateral Programme	3,456	28.1%	4,200	29.7%	4,537	30.2%	7,271	38.3%	5,455	27.1%
of which, Technical Cooperation	3,067		3,875		3,902		3,702		3,049	
Imputed UK Multilateral Share of Total Net ODA	3,227		1,000		1,699		2,929		5,967	
<b>Tajikistan</b>										
Total DFID Bilateral Programme	358	2.9%	688	4.9%	1,359	9.0%	2,766	14.6%	3,288	16.4%
of which, Technical Cooperation	41		513		891		1,021		457	
Imputed UK Multilateral Share of Total Net ODA	3,732		3,954		4,312		5,872		7,170	
<b>Turkmenistan</b>										
Total DFID Bilateral Programme	161	1.3%	36	0.3%	28	0.2%	20	0.1%	0	0.0%
of which, Technical Cooperation	118		0		0		0		0	
Imputed UK Multilateral Share of Total Net ODA	27		143		298		559		354	
<b>Uzbekistan</b>										
Total DFID Bilateral Programme	490	4.0%	559	4.0%	613	4.1%	277	1.5%	11	0.1%
of which, Technical Cooperation	448		561		564		276		11	
Imputed UK Multilateral Share of Total Net ODA	842		553		2,007		1,302		3,257	
<b>Armenia</b>										
Total DFID Bilateral Programme	1,178	9.6%	2,746	19.4%	3,453	23.0%	3,887	20.5%	4,089	20.3%
of which, Technical Cooperation	790		1,788		2,351		1,784		1,776	
Imputed UK Multilateral Share of Total Net ODA	3,786		1,320		3,465		3,700		6,450	

Country	2002/03		2003/04		2004/05		2005/06		2006/07	
	Total	% of UK Bilateral Aid to CASCAM	Total	% of UK Bilateral Aid to CASCAM	Total	% of UK Bilateral Aid to CASCAM	Total	% of UK Bilateral Aid to CASCAM	Total	% of UK Bilateral Aid to CASCAM
<b>Azerbaijan</b>										
Total DFID Bilateral Programme	259	2.1%	159	1.1%	49	0.3%	14	0.1%	0	0.0%
of which, Technical Cooperation	246		111		13		0		0	
Imputed UK Multilateral Share of Total Net ODA	7,401		1,168		2,668		2,645		8,274	
<b>Georgia</b>										
Total DFID Bilateral Programme	2,349	19.1%	2,087	14.8%	1,741	11.6%	2,438	12.9%	3,883	19.3%
of which, Technical Cooperation	1,643		1,216		1,407		1,993		1,519	
Imputed UK Multilateral Share of Total Net ODA	3,744		1,282		5,387		3,529		10,887	
<b>Moldova</b>										
Total DFID Bilateral Programme	3,354	27.2%	2,433	17.2%	2,576	17.1%	1,505	7.9%	3,336	16.6%
of which, Technical Cooperation	2,072		1,625		1,289		1,205		945	
Imputed UK Multilateral Share of Total Net ODA	3,023		4,159		875		6,091		3,908	
<b>Total DFID Bilateral Aid CASCAM countries</b>	<b>12,321</b>	<b>100%</b>	<b>14,138</b>	<b>100%</b>	<b>15,028</b>	<b>100%</b>	<b>18,980</b>	<b>100%</b>	<b>20,099</b>	<b>100%</b>
<b>of which, total Technical Cooperation</b>	<b>9,110</b>		<b>10,911</b>		<b>11,066</b>		<b>10,282</b>		<b>7,794</b>	
<b>Total UK Multilateral Share of Total Net ODA</b>	<b>25,887</b>		<b>14,036</b>		<b>21,841</b>		<b>27,905</b>		<b>47,396</b>	

Source: Bilateral and Technical Cooperation SID 2007 Table 14.4, Multilateral data Table A.6 DFID Annual Report 2008.

#### Note

- For all tables in Annex 4 UK funding to multilateral organisations cannot be directly attributed to any country; the estimates above are imputed shares based on each multilaterals distribution of Official Development Assistance and the UK's total core funding for each organisation. For further details see DFID Annual Report 2008.

Table 16. DFID Bilateral Aid and Imputed Multilateral Share to Western Balkans 2002/03 – 2006/07

Country	2002/03		2003/04		2004/05		2005/06		2006/07	
	Total	% of UK Bilateral Aid to Western Balkans	Total	% of UK Bilateral Aid to Western Balkans	Total	% of UK Bilateral Aid to Western Balkans	Total	% of UK Bilateral Aid to Western Balkans	Total	% of UK Bilateral Aid to Western Balkans
<b>Albania</b>										
Total DFID Bilateral Programme	2,582	13.9%	2,321	11.4%	2,183	11.3%	1,795	11.4%	2,537	17.0%
of which, Technical Cooperation	1,828		1,806		1,662		1,258		1,592	
Imputed UK Multilateral Share of Total Net ODA	8,034		6,150		10,100		6,671		6,269	
<b>Bosnia and Herzegovina</b>										
Total DFID Bilateral Programme	6,647	35.8%	6,754	33.2%	5,224	27.0%	3,282	20.9%	3,975	26.6%
of which, Technical Cooperation	3,195		6,130		4,545		2,548		3,482	
Imputed UK Multilateral Share of Total Net ODA	14,361		10,262		11,181		6,919		8,499	
<b>Croatia</b>										
Total DFID Bilateral Programme	1,605	8.7%	1,222	6.0%	984	5.1%	674	4.3%	71	0.5%
of which, Technical Cooperation	915		787		738		640		71	
Imputed UK Multilateral Share of Total Net ODA	12,758		6,749		9,375		9,341		11,461	
<b>Macedonia</b>										
Total DFID Bilateral Programme	1,791	9.7%	1,440	7.1%	1,529	7.9%	1,325	8.4%	65	0.4%
of which, Technical Cooperation	1,620		1,255		1,331		1,282		65	
Imputed UK Multilateral Share of Total Net ODA	4,702		4,688		7,231		3,738		5,171	
<b>Serbia (inc Kosovo)</b>										
Total DFID Bilateral Programme	5,872	31.7%	7,542	37.1%	6,431	33.2%	6,069	38.6%	5,842	39.1%
Serbia					(3,971)	(20.5%)	(3149)	(20.0%)	(2,652)	(17.8%)
Kosovo					(2,460)	(12.7%)	(2,920)	(18.6%)	(3,190)	(21.4%)
of which, Technical Cooperation	5,099		6,620		4,906		4,184		4,242	
Imputed UK Multilateral Share of Total Net ODA	49,776		41,257		45,735		34,770		31,036	
<b>Balkans Regional</b>										
Total DFID Bilateral Programme	53	0.3%	1,034	5.1%	3,004	15.5%	2,587	16.4%	2,438	16.3%
of which, Technical Cooperation	0		739		1,616		1,197		696	
Imputed UK Multilateral Share of Total Net ODA	0		0		0		0		0	
<b>Total DFID Bilateral Aid Western Balkans</b>	<b>18,550</b>	<b>100%</b>	<b>20,313</b>	<b>100%</b>	<b>19,355</b>	<b>100%</b>	<b>15,732</b>	<b>100%</b>	<b>14,938</b>	<b>100%</b>
of which, Total Technical Cooperation	12,657		17,337		14,798		11,109		10,148	
Total UK Multilateral Share of Total Net ODA	89,631		69,106		83,622		61,439		62,436	

Source: Bilateral and Technical Cooperation SID 2007 Table 14.4, Multilateral data Table A.6 DFID Annual Report 2008.

**Note**

1. Kosovo's bilateral spend is not routinely extracted by DFID, data is from a parliamentary question on 18th Feb 2008.



Table 17. DFID Bilateral Aid and Imputed Multilateral Share to Caribbean Countries 2002/03 to 2006/07

Country	2002/03		2003/04		2004/05		2005/06		2006/07	
	Total	% of Total UK Bilateral Aid to Caribbean	Total	% of Total UK Bilateral Aid to Caribbean	Total	% of Total UK Bilateral Aid to Caribbean	Total	% of Total UK Bilateral Aid to Caribbean	Total	% of Total UK Bilateral Aid to Caribbean
<b>Antigua &amp; Barbuda</b>										
Total DFID Bilateral Programme	233	0.7%	4	0.0% <sup>1</sup>	3	0.0% <sup>1</sup>	3	0.0% <sup>1</sup>	2	0.0% <sup>1</sup>
of which, Technical Cooperation	30		1		0		0		0	
Imputed UK Multilateral Share of Total Net ODA	28		504		45		212		0	
<b>Bahamas</b>										
Total DFID Bilateral Programme	20	0.1%	1	0.0% <sup>1</sup>	0	0.0%	0	0.0%	0	0.0%
of which, Technical Cooperation	20		1		0		0		0	
Imputed UK Multilateral Share of Total Net ODA	0		0		0		0		0	
<b>Barbados</b>										
Total DFID Bilateral Programme	190	0.6%	41	0.0% <sup>1</sup>	8	0.0% <sup>1</sup>	7	0.0% <sup>1</sup>	7	0.0% <sup>1</sup>
of which, Technical Cooperation	73		3		0		0		0	
of which, Debt Relief	21		0		0		0		0	
Imputed UK Multilateral Share of Total Net ODA	4		150		1374		6		206	
<b>Belize</b>										
Total DFID Bilateral Programme	2,775	8.2%	1,670	5.6%	1,642	5.5%	1,198	5.0%	991	4.3%
of which, Technical Cooperation	175		58		15		155		26	
of which, Debt Relief	1,458		1,458		1,458		958		958	
Imputed UK Multilateral Share of Total Net ODA	374		376		475		984		814	
<b>Dominica</b>										
Total DFID Bilateral Programme	1,473	4.3%	1,287	4.4%	1,087	3.7%	1,078	4.5%	543	2.4%
of which, Technical Cooperation	317		432		401		279		0	
of which, Debt Relief	541		541		541		541		541	
Imputed UK Multilateral Share of Total Net ODA	1,031		663		682		503		378	
<b>Dominican Republic</b>										
Total DFID Bilateral Programme	75	0.2%	72	0.2%	279	0.9%	75	0.3%	0	0.0%
of which, Technical Cooperation	0		0		0		0		0	
Imputed UK Multilateral Share of Total Net ODA	1,159		687		9,149		1,967		10,352	

Country	2002/03			2003/04			2004/05			2005/06			2006/07		
	% of Total UK Bilateral Aid to Caribbean		Total	% of Total UK Bilateral Aid to Caribbean		Total	% of Total UK Bilateral Aid to Caribbean		Total	% of Total UK Bilateral Aid to Caribbean		Total	% of Total UK Bilateral Aid to Caribbean		Total
	Total	% of Total UK Bilateral Aid to Caribbean	Total	Total	% of Total UK Bilateral Aid to Caribbean	Total	Total	% of Total UK Bilateral Aid to Caribbean	Total	Total	% of Total UK Bilateral Aid to Caribbean	Total	Total	% of Total UK Bilateral Aid to Caribbean	Total
<b>Grenada</b>															
Total DFID Bilateral Programme	495	1.5%	566	1.9%	5,997	20.2%	330	1.4%	534	2.3%	534	2.3%			
of which, Technical Cooperation	392		498		433		174		176		176				
of which, Debt Relief	56		56		56		56		154		154				
Imputed UK Multilateral Share of Total Net ODA	288		292		473		1,489		638		638				
<b>Guyana</b>															
Total DFID Bilateral Programme	11,986	35.3%	17,098	57.8%	8,717	29.4%	8,715	36.6%	10,536	45.9%	10,536	45.9%			
of which, Technical Cooperation	4,011		2,667		1,136		1,055		417		417				
of which, Debt Relief	4,387		4,211		4,036		4,042		7,788		7,788				
Imputed UK Multilateral Share of Total Net ODA	1,489		132		4,003		771		1,190		1,190				
<b>Jamaica</b>															
Total DFID Bilateral Programme	8,223	24.2%	5,133	17.3%	6,421	21.6%	6,323	26.6%	5,778	25.2%	5,778	25.2%			
of which, Technical Cooperation	3,295		1,475		925		968		27		27				
of which, Debt Relief	3,274		2,139		3,672		3,446		2,931		2,931				
Imputed UK Multilateral Share of Total Net ODA	6,470		626		6,222		583		2,476		2,476				
<b>St Kitts-Nevis</b>															
Total DFID Bilateral Programme	18	0.1%	35	0.1%	1	0.0% <sup>1</sup>	1	0.0% <sup>1</sup>	1	0.0% <sup>1</sup>	1	0.0% <sup>1</sup>			
of which, Technical Cooperation	18		34		0		0		0		0				
Imputed UK Multilateral Share of Total Net ODA	2		334		56		0		252		252				
<b>St Lucia</b>															
Total DFID Bilateral Programme	682	2.0%	441	1.5%	362	1.2%	422	1.8%	169	0.7%	169	0.7%			
of which, Technical Cooperation	305		95		0		0		0		0				
of which, Debt Relief	333		333		333		333		166		166				
Imputed UK Multilateral Share of Total Net ODA	1,199		937		1,001		2,739		514		514				
<b>St Vincent &amp; Grenadines</b>															
Total DFID Bilateral Programme	2,686	7.9%	9	0.0% <sup>1</sup>	12	0.0% <sup>1</sup>	341	1.4%	265	1.2%	265	1.2%			
of which, Technical Cooperation	61		2		0		0		0		0				
of which, Debt Relief	2,596		0		0		263		263		263				
Imputed UK Multilateral Share of Total Net ODA	887		1,329		784		418		351		351				

Annex 4: DFID Bilateral and Imputed Multilateral Aid

Country	2002/03			2003/04			2004/05			2005/06			2006/07		
	Total	% of Total UK Bilateral Aid to Caribbean	Total	% of Total UK Bilateral Aid to Caribbean	Total	% of Total UK Bilateral Aid to Caribbean	Total	% of Total UK Bilateral Aid to Caribbean	Total	% of Total UK Bilateral Aid to Caribbean	Total	% of Total UK Bilateral Aid to Caribbean	Total	% of Total UK Bilateral Aid to Caribbean	
<b>Trinidad &amp; Tobago</b>															
Total DFID Bilateral Programme	145	0.4%	91	0.3%	59	0.2%	55	0.2%	46	0.2%	46	0.2%	0	0.2%	
of which, Technical Cooperation	74		28		0		0		0		0		0		
Imputed UK Multilateral Share of Total Net ODA	624		454		939		2,460		2,416		2,416		2,416		
<b>Windward Islands</b>															
Total DFID Bilateral Programme	289	0.9%	870	2.9%	1,455	4.9%	836	3.5%	928	3.5%	928	4.0%	501	4.0%	
of which, Technical Cooperation	219		611		791		754		501		501		0		
Imputed UK Multilateral Share of Total Net ODA	0		0		0		0		0		0		0		
<b>Caribbean Regional Programmes</b>															
Total DFID Bilateral Programme	4,631	13.7%	2,277	7.7%	3,641	12.3%	4,411	18.5%	3,148	18.5%	3,148	13.7%	0	13.7%	
Total DFID Bilateral Aid Caribbean	33,921	100%	29,595	100%	29,684	100%	23,795	100%	22,948	100%	22,948	100%	2,211	100%	
of which, total Technical Cooperation	11,857		6,446		4,294		3,959		2,211		2,211		12,801		
of which, Debt Relief	12,666		8,738		10,096		9,639		12,801		12,801		19,587		
Total UK Multilateral Share of Total Net OD A	13,555		6,484		25,203		12,132		19,587		19,587		19,587		

Source: Bilateral and Technical Cooperation SID 2007 Table 14.2, Multilateral data Table A.6 DFID Annual Report 2008 (Excluding Anguilla, Cuba, Haiti, Montserrat).

**Note**

1. Insignificant Percentage - recorded as zero when rounded to 1 decimal place.



Table 18. Bilateral Aid and Imputed Multilateral Share to Latin American Countries 2002/03 to 2006/07

Country	2002/03			2003/04			2004/05			2005/06			2006/07		
	Total	% of Total UK Bilateral Aid Latin America	% of Total UK Bilateral Aid Latin America	Total	% of Total UK Bilateral Aid Latin America	% of Total UK Bilateral Aid Latin America	Total	% of Total UK Bilateral Aid Latin America	% of Total UK Bilateral Aid Latin America	Total	% of Total UK Bilateral Aid Latin America	% of Total UK Bilateral Aid Latin America	Total	% of Total UK Bilateral Aid Latin America	% of Total UK Bilateral Aid Latin America
<b>Costa Rica</b>															
Total DFID Bilateral Programme	70	0.2%	0.5%	122	0.5%	0.1%	17	0.1%	0.0% <sup>1</sup>	6	0.0% <sup>1</sup>	0	0.0%	0	0.0%
of which, Technical Cooperation	18			0			0			0		0		0	
Imputed UK Multilateral Share of Total Net ODA	146			1,284			29			1,013		768			
<b>El Salvador</b>															
Total DFID Bilateral Programme	338	1.0%	0.4%	107	0.4%	0.3%	75	0.3%	0.0% <sup>1</sup>	5	0.0% <sup>1</sup>	0	0.0%	0	0.0%
of which, Technical Cooperation	76			0			0			0		0		0	
Imputed UK Multilateral Share of Total Net ODA	1,593			487			42			4,585		842			
<b>Guatemala</b>															
Total DFID Bilateral Programme	289	0.9%	0.9%	237	0.9%	0.8%	196	0.8%	0.5%	85	0.5%	119	0.5%	119	0.5%
of which, Technical Cooperation	4			40			0			0		0		0	
Imputed UK Multilateral Share of Total Net ODA	1,948			3,340			1,552			882		3,225			
<b>Honduras</b>															
Bilateral	1,181	3.6%	3.5%	910	3.5%	4.1%	960	4.1%	7.1%	1,302	7.1%	867	3.9%	867	3.9%
of which, Technical Cooperation	246			453			359			484		0		0	
of which, Debt Relief	93			93			93			671		866		866	
Imputed Multilateral Share of Total Net ODA	5,508			6,481			6,383			8,486		4,258			
<b>Mexico</b>															
Total DFID Bilateral Programme	561	1.7%	0.3%	71	0.3%	0.4%	97	0.4%	0.1%	12	0.1%	0	0.0%	0	0.0%
of which, Technical Cooperation	338			0			16			0		0		0	
Imputed UK Multilateral Share of Total Net ODA	816			3,296			1,396			108		7,112			
<b>Nicaragua</b>															
Total DFID Bilateral Programme	1,386	4.2%	5.0%	1,293	5.0%	11.1%	2,593	11.1%	22.5%	4,160	22.5%	5,098	22.7%	5,098	22.7%
of which, Technical Cooperation	162			504			328			296		469		469	
of which, Debt Relief	0			0			0			339		549		549	
Imputed UK Multilateral Share of Total Net ODA	2,929			6,167			6,233			2,123		14,803			
<b>Panama</b>															
Total DFID Bilateral Programme	35	0.1%	0.0%	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0	0.0%	0	0.0%
of which, Technical Cooperation	3			0			0			0		0		0	
Imputed UK Multilateral Share of Total Net ODA	21			1,627			26			182		483			



Annex 4: DFID Bilateral and Imputed Multilateral Aid

Country	2002/03			2003/04			2004/05			2005/06			2006/07		
	Total	% of Total UK Bilateral Aid Latin America	Total	% of Total UK Bilateral Aid Latin America	Total	% of Total UK Bilateral Aid Latin America									
<b>Peru</b>															
Total DFID Bilateral Programme	3,225	9.7%	2,807	10.8%	3,990	17.0%	1,604	8.7%	4,962	22.1%					
of which, Technical Cooperation	1,352		1,054		533		38		7						
of which, Debt Relief	295		447		518		586		3,845						
Imputed UK Multilateral Share of Total Net ODA	1,135		3,177		2,089		1,151		4,184						
<b>Uruguay</b>															
Total DFID Bilateral Programme	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%					
of which, Technical Cooperation	0		0		0		0		0						
Imputed UK Multilateral Share of Total Net ODA	149		983		361		1066		424						
<b>Venezuela</b>															
Total DFID Bilateral Programme	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%					
of which, Technical Cooperation	0		0		0		0		0						
Imputed UK Multilateral Share of Total Net ODA	1,954		137		286		358		223						
<b>Latin America Regional Programmes</b>															
Total DFID Bilateral Programme	1,450	4.4%	1,369	5.3%	1,929	8.2%	3,625	19.6%	5,623	25.0%					
of which, Technical Cooperation	351		148		300		947		1,343						
<b>Central America Regional Programmes</b>															
Total DFID Bilateral Programme	4,361	13.1%	4,144	16.0%	2,041	8.7%	807	4.4%	607	2.7%					
of which, Technical Cooperation	651		1,298		78		152		83						
<b>Total DFID Bilateral Aid Latin America</b>	<b>33,238</b>	<b>100%</b>	<b>25,922</b>	<b>100%</b>	<b>23,431</b>	<b>100%</b>	<b>18,488</b>	<b>100%</b>	<b>22,465</b>	<b>100%</b>					
of which, Total Technical Cooperation	<b>12,870</b>		<b>10,019</b>		<b>6,578</b>		<b>4,354</b>		<b>3,541</b>						
of which, Debt Relief	<b>388</b>		<b>540</b>		<b>611</b>		<b>4,074</b>		<b>6,306</b>						
<b>Total UK Multilateral Share of Total Net ODA</b>	<b>24,756</b>		<b>49,321</b>		<b>39,451</b>		<b>34,153</b>		<b>55,228</b>						

Source: Bilateral and Technical Cooperation SID 2007 Table 14.2, Multilateral data Table A.6 DFID Annual Report 2008.

Note

1. Insignificant percentage; recorded as zero when rounded to 1 decimal place.

Table 19. Summary DFID Bilateral Aid and Imputed Multilateral 2002/03 to 2006/07

Amount (£ millions) Region	2002/03	2003/04	2004/05	2005/06	2006/07
	Total	Total	Total	Total	Total
<b>CASCM</b>					
Total DFID Bilateral Programme	12	14	15	19	20
of which, Technical Cooperation	9	11	11	10	8
of which, Debt Relief	-	-	-	-	-
Imputed UK Multilateral Share of Total Net ODA	26	14	22	28	47
<b>Western Balkans</b>					
Total DFID Bilateral Programme	19	20	19	16	15
of which, Technical Cooperation	13	17	15	11	10
of which, Debt Relief	-	-	-	-	-
Imputed UK Multilateral Share of Total Net ODA	84	71	78	58	46
<b>Caribbean</b>					
Total DFID Bilateral Programme	34	30	30	24	23
of which, Technical Cooperation	12	6	4	4	2
of which, Debt Relief	13	9	10	10	13
Imputed UK Multilateral Share of Total Net ODA	14	6	25	12	19
<b>Latin America</b>					
Total DFID Bilateral Programme	33	26	23	18	22
of which, Technical Cooperation	13	10	7	4	4
of which, Debt Relief	0.4	0.5	0.6	4	6
Imputed UK Multilateral Share of Total Net ODA	25	49	39	34	55
<b>All Four Regions</b>					
Total DFID Bilateral Aid All Four Regions	97	90	88	77	80
of which, Technical Cooperation	46	45	37	30	24
of which, Debt Relief	13	9	11	14	19
Total UK Multilateral Share of Total Net ODA	148	141	164	132	168
<b>Total DFID Spend on Country &amp; Regional Programmes</b>	<b>1,341</b>	<b>1,623</b>	<b>1,753</b>	<b>2,063</b>	<b>1,967</b>

Source: Bilateral and Technical Cooperation SID 2007 Table 14.2, 3 & 4; Multilateral data Table A.6 DFID Annual Report 2008; DFID Country & Regional Programmes Spend Table 4 DFID Annual Report 2007.

## ANNEX 5: ADMINISTRATIVE COST ANALYSIS

**Table 20. Administrative Costs for CASC M Programme 2006/07**

The table shows administration costs for 2006/07 for each of the CASC M countries including notional salary costs for the London based team of programme managers and advisors; and apportioning non salary administrative costs between countries and London. The amount spent on the specific regional programme was only 6.5% of the total expenditure including country related expenditures. Hence it was not treated as a separate programme budget head.

Administration Costs	Moldova	Armenia	Georgia	Tajikistan	Kyrgyz Republic	Total
Salaries - Advisors <sup>1</sup>	£56,136	£21,876	£39,581	£97,553	£91,641	£306,786
Salaries - London CASC M Team <sup>1</sup>	£58,934	£57,666	£57,666	£50,199	£50,199	£274,664
Office Costs – London <sup>2</sup>	£234,914	£229,861	£229,861	£200,096	£200,096	£1,094,827
Office costs - in-country <sup>3</sup>	£84,896	£123,071	£86,651	£206,744	£265,653	£766,925
<b>Total</b>	<b>£434,879</b>	<b>£432,474</b>	<b>£413,759</b>	<b>£554,592</b>	<b>£607,589</b>	<b>£2,443,202</b>
Spend on Projects	£2,978,117	£1,776,201	£3,733,051	£3,188,062	£5,129,932	£17,705,115 <sup>4</sup>
<b>Total (Projects + Admin)</b>	<b>£3,412,996</b>	<b>£2,208,675</b>	<b>£3,732,961</b>	<b>£3,742,654</b>	<b>£5,737,520</b>	<b>£20,148,317</b>
Proportion of Total spent on Admin	13%	20%	11%	15%	11%	12%
Proportion of London Admin Costs <sup>5</sup>	21%	21%	21%	18%	18%	100%
Proportion of Total CASC M Admin	18%	18%	17%	23%	25%	100%

### Notes

1. Calculations based on annual salary divided between countries based on estimates of time spent working in each.
2. London costs include a) CASC M Team, b) regional costs, and c) 37% of admin in London (based on size of CASC M Team).
3. Costs of administering country offices, including salaries of staff appointed in country (SAIC).
4. The total spend includes £1,313,511 spent regionally in addition to spend in country.
5. Percentage used to apportion administrative costs of London CASC M Team to individual country programmes.

Table 21. Administrative Costs for Western Balkans Programme 2006/07

The Regional Programme spend was 13% and covers expenditures beyond the country programmes and so is shown as a separate programme budget head.

Administration Costs	Albania	BiH	Kosovo	Serbia	Regional <sup>1</sup>	Total
Salaries - Advisors <sup>2</sup>	£37,330	£59,123	£62,048	£56,167	£69,994	£284,662
London Costs	£144,062	£144,062	£144,062	£144,062	£144,062	£720,310
Office costs - in-country <sup>3</sup>	£110,637	£225,123	£347,525	£272,215		£955,500
<b>Total</b>	<b>£292,029</b>	<b>£428,308</b>	<b>£553,635</b>	<b>£472,444</b>	<b>£214,056</b>	<b>£1,960,472</b>
Spend on Projects	£2,536,905	£3,974,962	£3,190,000 <sup>4</sup>	£2,651,818 <sup>4</sup>	£2,438,067	£14,791,752
<b>Total (Projects + Admin)</b>	<b>£2,828,934</b>	<b>£4,403,270</b>	<b>£3,743,635</b>	<b>£3,124,262</b>	<b>£2,652,123<sup>5</sup></b>	<b>£16,752,224</b>
Proportion of Total spent on Admin	10.3%	9.7%	14.8%	15.1%	8.1%	12.0%
Proportion of London Admin Cost <sup>6</sup>	20%	20%	20%	20%	20%	100%
Proportion of Total West Balkans Admin	15%	22%	28%	24%	11%	100%

## Notes

1. Spend includes HIV/AIDs and Trade regional projects plus support to EBRD and GCPP work.
2. Salary of 8 advisers divided between countries based on estimates of time spent working in each.
3. Costs of administering country offices, including salaries of staff appointed in country (SAIC).
4. Kosovo figures from Parliamentary Question, House of Commons, Feb 2008 (<http://www.theyworkforyou.com/wrans/?id=2008-02-18a.180830.h>); Serbia figure is DFID total for Serbia and Kosovo (£5,841,818), less the Parliamentary Question figure.
5. The total spend includes £2,438,067 spent regionally and £64,779 on Macedonia in addition to spend in each country.
6. Percentage used to apportion administrative costs of London Western Balkans Team to individual programmes.

Table 22. Administrative Costs for Caribbean Programme 2006/07

The Caribbean Programme is mainly a Regional Programme with some residual country spend but only Country Programmes in Guyana and Jamaica so three programme heads apply.

Administration Costs	Guyana	Jamaica	Regional Programme (Barbados)	Total
Salaries – Advisors	£53,211	£53,211	£251,335	£357,756
Salaries - UK Regional Team <sup>1</sup>	£47,860	£11,825	£219,302	£278,986
Office costs - UK <sup>2</sup>	£117,312	£137,497	£252,783	£507,592
Office costs - in-country <sup>3</sup>	£544,920	£638,680	£1,174,187	£2,357,787
<b>Total</b>	<b>£763,303</b>	<b>£841,213</b>	<b>£1,897,607</b>	<b>£3,502,123</b>
Spend on Projects <sup>4</sup>	£2,748,000	£2,847,000	£3,155,000	£8,750,000
<b>Total Spend (Projects + Admin)</b>	<b>£3,511,303</b>	<b>£3,688,213</b>	<b>£5,052,607</b>	<b>£12,252,123</b>
Proportion of Total spent on Admin <sup>5</sup>	22%	23%	38%	29%
Proportion of UK Regional Salary Costs <sup>6</sup>	23%	27%	50%	100%
Proportion of Total Caribbean Admin	22%	24%	54%	100%

## Notes

1. Calculations based on annual salary divided between countries based on estimates of time spent working in each.
2. London costs include a) Regional team b) regional costs and c) 10% of amount spent on staff training in London.
3. Costs of administering country offices, including salaries of staff appointed in country (SAIC).
4. Total Bilateral Spend minus Debt Relief. Includes Barbados bilateral programme of £7000.
5. Proportion of total (projects and admin) spent on admin.
6. Percentage used to apportion administrative costs of UK Regional team to individual countries.

Table 23. Administrative Costs for Latin America Programme 2006/07

Latin America is a single Regional Programme with one Country Programme in Nicaragua. However there is some residual bilateral spend which is grouped together and shown as a separate budget head.

Administration Costs	Nicaragua	Regional Programme	Residual Bilateral Programme	Total
Salaries – Advisors	£99,121	£437,653	£44,645	£581,418
Salaries - UK Regional Unit Team <sup>1</sup>	£29,562	£161,333	£23,649	£214,543
Office costs - UK <sup>2</sup>	£69,940	£381,700	£55,952	£507,592
Office costs - in-country <sup>3,4</sup>	£376,334	£184,240	£617,125	£1,177,699
<b>Total</b>	<b>£574,957</b>	<b>£1,164,926</b>	<b>£741,371</b>	<b>£2,481,252</b>
Spend on Projects <sup>5,6</sup>	£4,549,000	£5,623,000	£4,937,000	£15,109,000
<b>Total Spent (Projects + Admin)</b>	<b>£5,123,957</b>	<b>£6,787,926</b>	<b>£5,678,371</b>	<b>£17,590,252</b>
Proportion of Total spent on Admin <sup>7</sup>	11%	18%	13%	14%
Proportion of UK Regional salary Costs <sup>8</sup>	14%	75%	11%	100%
Proportion of Total Latin America Admin	23%	47%	30%	100%

## Notes

1. Calculations based on annual salary divided between countries based on estimates of time spent working in each.
2. London costs include a) Regional team b) regional costs and c) 10% of admin in London.
3. Costs of administering country offices, including salaries of staff appointed in country (SAIC).
4. Regional In-Country Office Costs representing proportion of SAIC staff salaries. No Admin costs included.
5. Total Bilateral Spend minus Debt Relief.
6. Residual Bilateral Programme includes Bolivia, Brazil and Peru (country offices).
7. Proportion of total spent on Admin for Residual Bilateral Programme calculated as 12.5% of total Bilateral Programme of Bolivia, Brazil and Peru.
8. Percentage used to apportion administrative costs of UK Regional team to individual countries.



## DFID STATEMENT OF PURPOSE

DFID, the Department for International Development: leading the British Government's fight against world poverty. One in six people in the world today, around 1 billion people, live in poverty on less than one dollar a day. In an increasingly interdependent world, many problems – like conflict, crime, pollution and diseases such as HIV and AIDS – are caused or made worse by poverty.

DFID supports long-term programmes to help tackle the underlying causes of poverty. DFID also responds to emergencies, both natural and man-made.

DFID's work forms part of a global promise to:

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

Together, these form the United Nations' eight 'Millennium Development Goals', with a 2015 deadline. Each of these Goals has its own, measurable, targets.

DFID works in partnership with governments, civil society, the private sector and others. It also works with multilateral institutions, including the World Bank, United Nations agencies and the European Commission.

DFID works directly in over 150 countries worldwide, with a budget of some £5.3 billion in 2006/07. Its headquarters are in London and East Kilbride, near Glasgow.

LONDON	GLASGOW
1 Palace Street	Abercrombie House
London	Eaglesham Road
SW1E 5HE	East Kilbride
UK	Glasgow
	G75 8EA
	UK

Tel: +44 (0) 20 7023 0000 Fax: +44 (0) 20 7023 0016

Website: [www.dfid.gov.uk](http://www.dfid.gov.uk)

E-mail: [enquiry@dfid.gov.uk](mailto:enquiry@dfid.gov.uk)

Public Enquiry Point: 0845 300 4100

If calling from abroad: +44 1355 84 3132

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