



**Changing Development with Data:  
Using a Scientific Approach to End Poverty and Disease**

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At the Science of Implementation Initiative, we use data-driven methodology to reimagine the implementation of official development assistance so that it is more effective, equitable and accountable. We believe official development assistance is most transformative in addressing poverty and disease in the poorest settings when its implementation is treated as a science.

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## Acronyms

CPI: Corruption Perception Index

CPIA: Country Policy and Institutional Assessment (World Bank)

ECOSOC: United Nations Economic and Social Council

GDP: Gross Domestic Product

LDC: Least Developed Countries

MDGs: Millennium Development Goals

OECD: Organisation for Economic Co-Operation and Development

ODA: Official Development Assistance

ODI: Overseas Development Institute

PFM: Public Financial Management

SDGs: Sustainable Development Goals

SPI: Social Progress Index (Harvard University)

UNDP: United Nations Development Programme

PEFA: Public Expenditure and Financial Accountability

*“If we are charting our fates as citizens of a crowded, fragile planet, then any honest assessment must conclude that progress has been made, whether in terms of child survival or literacy or access to basic sanitation. Still, profound social disparities exist; so too does extreme poverty. And the prospects of those living on less than two dollars a day remain grim.*

*With the stakes as high as they are, the need to challenge the assumptions we make about aid is paramount. Myths and mystifications about aid persist. Whether we speak of feedback loops or best practices -- or, perhaps, simply better practices -- we have a long way to go.”*

-Paul Farmer, M.D. Ph.D

## **I. Introduction**

The Covid-19 pandemic and the Black Lives Matter movement have laid bare the structural inequality and privilege that have defined power relations for centuries. The dramatically higher rates of mortality and morbidity from Covid-19 of people of color are just one further example in a history filled with unequal access to services or treatment and unfair resource distribution. For centuries, massive amounts of resources – natural and human – have been extracted from the global south. The legacy of the dehumanizing history of slavery, colonization and imperialism has led to structural violence and inequalities that are embedded in the global power relations between donor and recipient nations. Our goal in this paper is to show that the aid industry-- the ecosystem of donors, philanthropists, aid agencies, NGOs, grants, grantees and foundations-- is rife for profound change and offer an evidenced based model for implementation.

The current model of official development assistance to the poorest countries is roughly the following: Funds mainly originate from the governments of wealthy countries, international development banks and financial institutions and are mostly channeled through international NGOs, multilateral organizations like the United Nations, and/or contractors working out of offices in cities like New York, Washington DC or Geneva. Well-credentialed and experienced experts work in these headquarters, developing programs, strategies, budgets and guidelines. Staff write requests for proposals for implementation, purchase orders for goods and services and fundraise for their organizations. These international entities often have in-country teams based in recipient countries staffed with both international and national employees. An estimated 75% of budgets is spent outside of the recipient country, on overhead such as rent and administration, staff at headquarters or international staff in-country, travel, goods and services bought outside of the recipient country,

fundraising and marketing and evaluation. Approximately 25% of the funding ends up staying in the recipient country: invested in its government, people, companies and institutions.<sup>1</sup>

Imagine for a moment that the current equation of development spending in the poorest settings could be flipped and 75% of official development assistance could be invested in-country so that it is aligned with the national strategies for which it was intended. This type of model where the funding goes primarily to national institutions and populations can work, is working, and is by far the most effective way to deliver development assistance. And the implementation model exists.

The extensive research undertaken for this paper demonstrates that despite a number of individual success stories, the \$40 billion in annual funding to the poorest settings is mostly not being invested in a way to create lasting positive systemic change. In this paper we contend that in order to be successful in fragile settings, development efforts cannot continue to follow the predominant methodology used today and described above whereby donors often undermine national and community-based leaders by bypassing them and establishing parallel systems and power structures. The evidence in this paper demonstrates that as long as donors do not invest in or align their efforts with national plans with the attendant investments in national populations and institutions, countries cannot be lifted out of poverty.

When we have seen development work, even in the most challenging circumstances, it has largely followed a set of principles originally agreed to at a summit in 2005 in Paris by both donor and recipient country leaders and reaffirmed in a number of global conferences that followed. These principles highlighted the need for donors to align their resources with national plans and invest in recipient countries in a variety of ways including channeling funds through public institutions and purchasing goods and services in-country. Unfortunately, there is a major gap between the aspirations described in these aid effectiveness principles and the actions taken by almost all investors and implementers. Adhering to the aid effectiveness principles will require a radical change in the way most international development agencies, NGOs and contractors with resources and power relate to those they are intending to support.

Since the mid 1990s, we have worked with Harvard professor, physician and UN Special Adviser to the Secretary-General Paul Farmer who has demonstrated an innovative approach to addressing

poverty and disease through the NGO he co-founded in 1987 called Partners In Health. We currently serve as the co-founders of an initiative called the Science of Implementation Initiative. Dr. Farmer long ago understood the need for a different type of development model after an early experience in Haiti where he understood that those delivering aid to the poorest communities were “socialized for scarcity”, and were not building durable institutions to provide high quality social services. Over the past three decades, he and his colleagues at Partners In Health, Harvard University and the Brigham and Women’s hospital have worked to address poverty and disease in many of the world’s poorest settings and have codified a successful framework for global health delivery. In 2006, Paul Farmer and his fellow professors Jim Kim from Harvard Medical School and Michael Porter from Harvard Business School asserted that there is an evidence based scientific model for global health that can lead to transformational results. They had a bold perspective--that there could be a “science of implementation” that could be followed to guide implementation plans for fighting poverty and disease in all settings, even the poorest.

In this paper, we contend that widely using an evidence-based model of aid delivery would indeed lead to transformational results in the effort to improve the lives of the billion people living in abject poverty including reducing the burden of disease faced by the poor around the world. We will show how the science of implementation offers a blueprint to investors and donors that follows the principles of aid effectiveness while focusing on the practical work of reducing poverty and disease. We will present data and case studies illustrating that these evidence-based approaches have led to the best development outcomes.

There are many confident claims working in concert to keep the system of development assistance to the poorest countries working the way it does today which we will discuss in this paper. We will show that by disrupting aid, poverty and disease will be radically impacted leading to positive change, not only for the poorest, but for us all.

## **II. A Consensus on Aid Effectiveness**

The aid effectiveness movement was built around a key principle: development dollars are best used when invested in the recipient country. This global conversation began in early 2000’s in meetings in Monterrey and Rome before this principle was codified as policy in the *2005 Paris Declaration on Aid Effectiveness*<sup>2</sup>. In Paris, donors agreed to align their funding with national development plans, channel it

through the systems of public institutions, and delink funding from requirements to purchase goods and services from specific countries.<sup>3</sup> These aspirations were reiterated in the *2008 Accra Agenda for Action*<sup>4</sup> and yet again in the *2011 Busan Partnership for Effective Development*.<sup>5</sup> Focusing specifically on development assistance to the poorest countries, the *2011 New Deal for Engagement in Fragile States*<sup>6</sup> included donor commitments to increase the percentage of funding channeled using national procedures for public financial management, accounting, auditing and procurement, with specific targets to be set at the country level.<sup>7</sup> The *2011 New Deal* also reevaluated the partnership between donors and recipient governments ultimately defining it as one in which donors would accept the risk of engaging in the poorest settings and recipient governments would strengthen their financial management systems.<sup>8</sup> In 2014 and 2016, high level meetings in Mexico and Kenya, reiterated the aid effectiveness principles agreed to in Paris, Accra and Busan while drawing in a more diverse group of stakeholders that included the private sector.

In this paper, we will examine 36 countries<sup>9</sup> that are considered Least Developed Countries (LDCs) by the United Nations Economic and Social Council (ECOSOC). The central questions we have set out to discuss are: 1) are the principles of aid effectiveness outlined in the 2005 Paris Declaration being implemented in the poorest settings and how does implementation or lack thereof impact development outcomes?; and 2) how can official development assistance to the countries with the highest levels of poverty and disease be reimagined so that it is more aligned with the principles of aid effectiveness and subsequently more effective and durable? <sup>10</sup>

### **A. Are the Principles of Aid Effectiveness Being Implemented in Fragile Settings?**

Our analysis shows that, on average, 76 percent of ODA from major bilateral and multilateral donors to LDCs bypasses the systems of local public institutions and flows instead to international NGOs, civil society organizations, and the private sector.<sup>11</sup> The targets set by donor countries for investing in national systems are as follows:

**2005 Paris Declaration on Aid Effectiveness:** Donors agreed to a two-third or one-third reduction in development funding bypassing country systems, depending on the quality of those systems. The Paris Declaration was signed by 166 countries, bilaterals and multilaterals.

**2008 Accra Agenda for Action:** Donors agreed “to use country systems as the first option for development programs in support of activities managed by the public sector.” The Accra Agenda for Action was signed by 166 countries, bilaterals and multilaterals.

**2011 Busan Partnership for Effective Development:** Donors committed to “use country systems as the default approach for development cooperation activities managed by the public sector.” Donors agreed that, if the full use of systems is not possible, they would discuss with the recipient government what would be required to move towards full use, including any necessary assistance or changes for the strengthening of systems. The Busan Partnership was signed by 211 countries, bilaterals and multilaterals. For the first time, the international community recognized the shift needed in the relationship between donor and recipient countries toward collective action to improve development effectiveness. Four themes were endorsed as the key principles of effective development cooperation: country ownership, a focus on results, inclusive partnerships, and mutual transparency/accountability.

**2014 High Level Meeting of the Global Partnership, Mexico:** This was the first high level meeting of the Global Partnership, which was initiated in Busan (2011) to broaden the aid effectiveness conversation to actors beyond donor and recipient nations. The Global Partnership brings together all interested actors in development – ranging from governments to the private sector – in an effort to strengthen their partnerships for development. The Global Partnership seeks to end all forms of poverty and inequality.

**2016 Nairobi Outcome Document:** The Nairobi Outcome document was designed to provide a roadmap for the implementation of the 2030 Sustainable Development Goals (SDGs) while reinforcing the principles agreed to in Paris (2005), Accra (2008), Busan (2011) and Mexico (2014). The outcome document stated “We believe that effective development cooperation can arise from inclusion, trust and innovation, founded on respect by all partners for the use of national strategies and country results frameworks.”<sup>12</sup> It was endorsed by 4.500 diverse stakeholders from 154 countries.

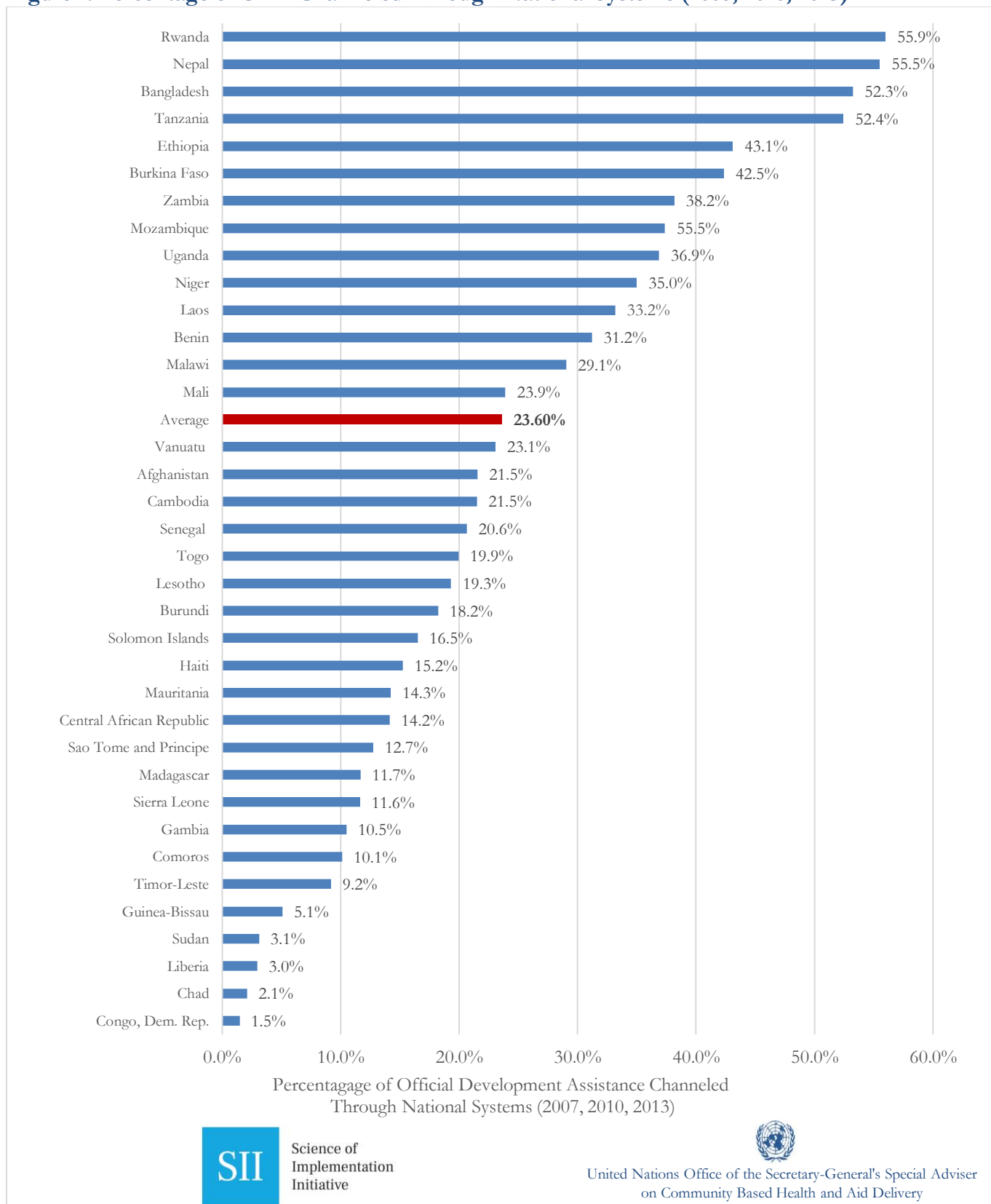
While international policies and targets are in place for donors to invest their development assistance through the public sector of recipient countries, the data gathered for this paper demonstrates that the implementation of these principles is still far behind.

Fifteen years after the Paris Declaration, donors seem to be going backwards on their commitments. In 2018, the United Nations Development Programme (UNDP) and the Organisation of Economic Co-operation and Development (OECD) conducted a survey of 86 countries covering disbursements of \$58.8 billion in development loans and grants. One of the key findings of the survey was that despite significant progress made by developing country governments in improving the quality of their national development planning, donor alignment with national priorities and country-owned results frameworks is declining. The survey data also showed that direct disbursements to the public sector decreased by 15% between 2016 and 2018.<sup>13</sup>

Since 2011, the proportion of developing countries with high-quality national development strategies has almost doubled. Meanwhile, only a third of recipient governments feel they have the necessary information to monitor donor implementation of their own plans. Recipients of ODA found that it is now “less predictable and long-term, undermining (their) efforts to plan.” The joint UNDP-OECD survey also showed that instead of consulting primarily with recipient government representatives, donors consulted the most with civil society organizations.

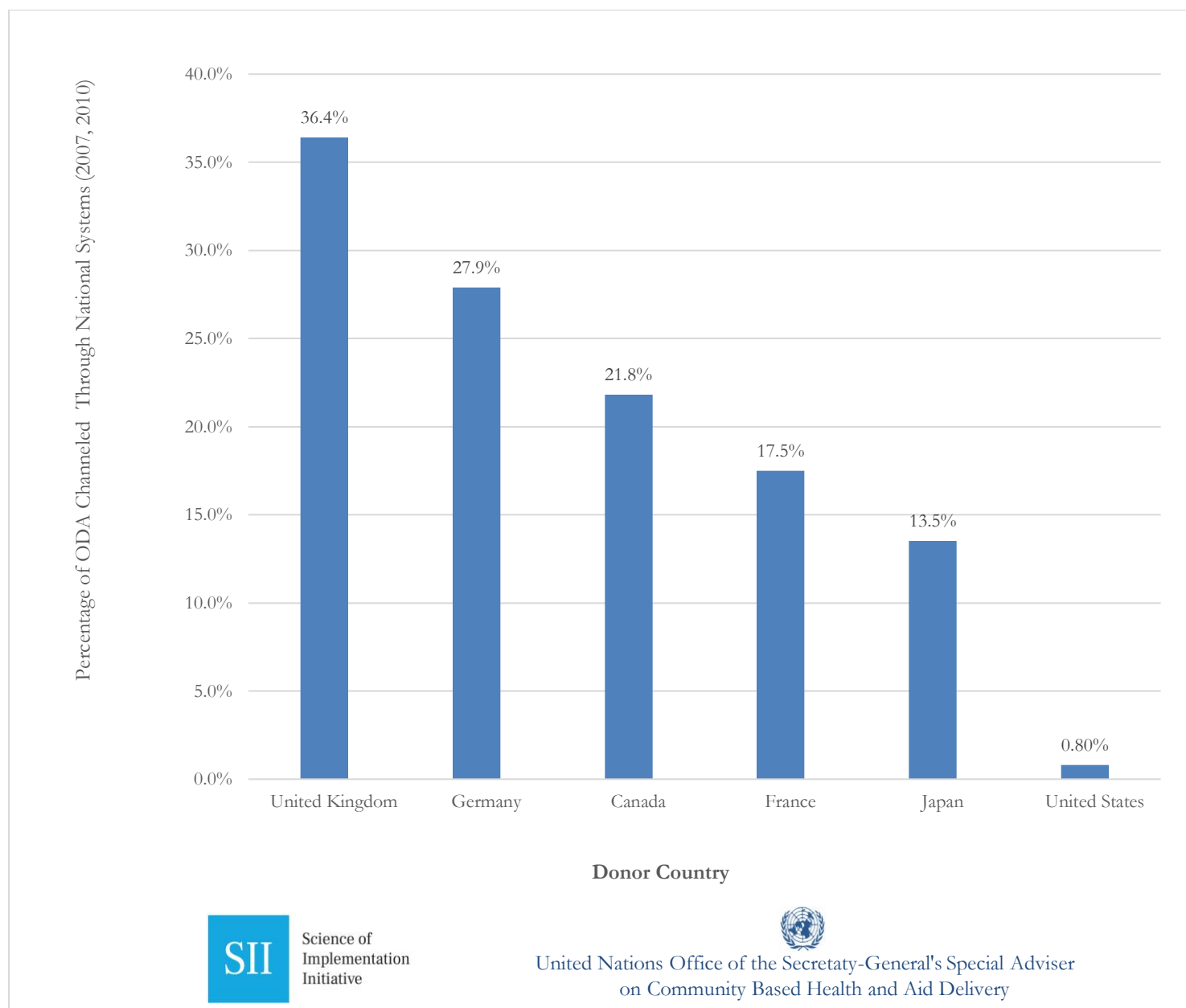
Echoing the UNDP/OECD findings, the research undertaken for this paper shows that in fragile settings, the average amount channeled through national systems is 23.6%. The list of the 36 LDCs evaluated in this paper and the amount each of them received through national systems is shown in Figure 1. Rwanda received the most through its public institutions (55.9%) while the Democratic Republic of Congo (DRC) received the least with only 1.5% of its development assistance going through its national systems.

Figure 1: Percentage of ODA Channeled Through National Systems (2007, 2010, 2013)<sup>14</sup>



There is a consensus among the aid effectiveness community that strengthening national systems is essential if development goals and targets are to be achieved. Yet as shown in Figure 2, there remains a wide disparity in the use of national systems between donor countries.

**Figure 2: Percentage of Development Assistance that Largest Bilateral Donors Invest in National Systems<sup>15</sup>**



## **B. The Implementation of Aid Effectiveness Principles Leads to Better Development Outcomes in Settings of Poverty**

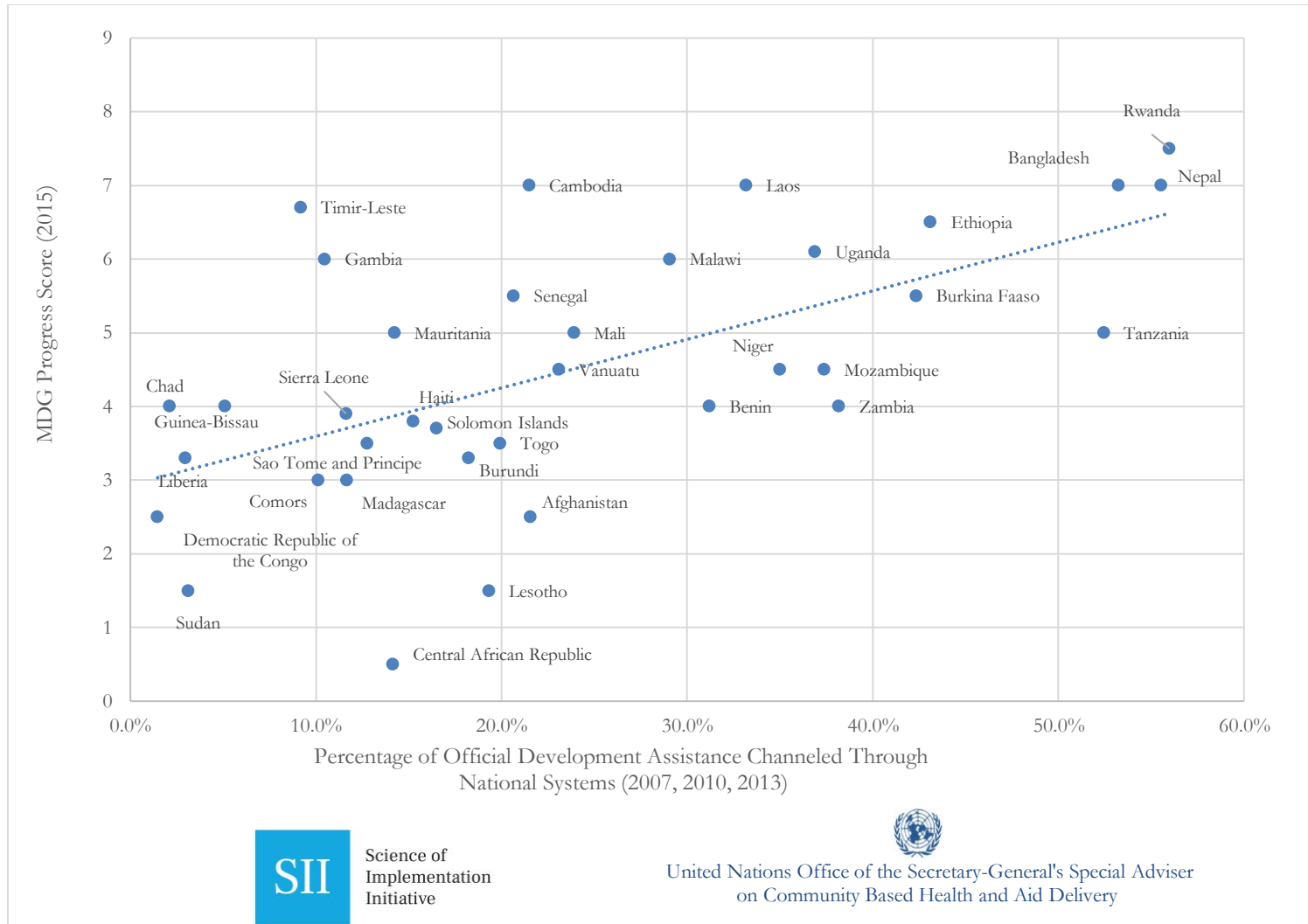
Dr. Paul Farmer's team used the Center for Global Development's (CGD)<sup>16</sup> "MDG Progress Index" to assess the correlation between investment in national systems and progress toward the MDGs. The CGD's gave scores—1 for on track, 0.5 for partially on track and 0 for off track—for the following nine key MDG targets listed below. The lowest score was zero and the highest was nine.

1. Halve extreme poverty;
2. Halve the proportion of people who suffer from hunger;
3. Ensure children everywhere complete primary schooling;
4. Eliminate gender disparity in education;
5. Reduce by two thirds child mortality;
6. Reduce by three quarters the maternal mortality ratio;
7. Halve by 2015 and begun to reverse spread of HIV/AIDS and other diseases;
8. Halve proportion of population without access to safe drinking water;
9. Halve proportion of population without access to improved sanitation facilities.<sup>17</sup>

As shown in Figure 3, when the 36 countries are placed on a scatter plot, there is a strong correlation between the percentage of ODA received through national systems and progress toward the Millennium Development Goals.

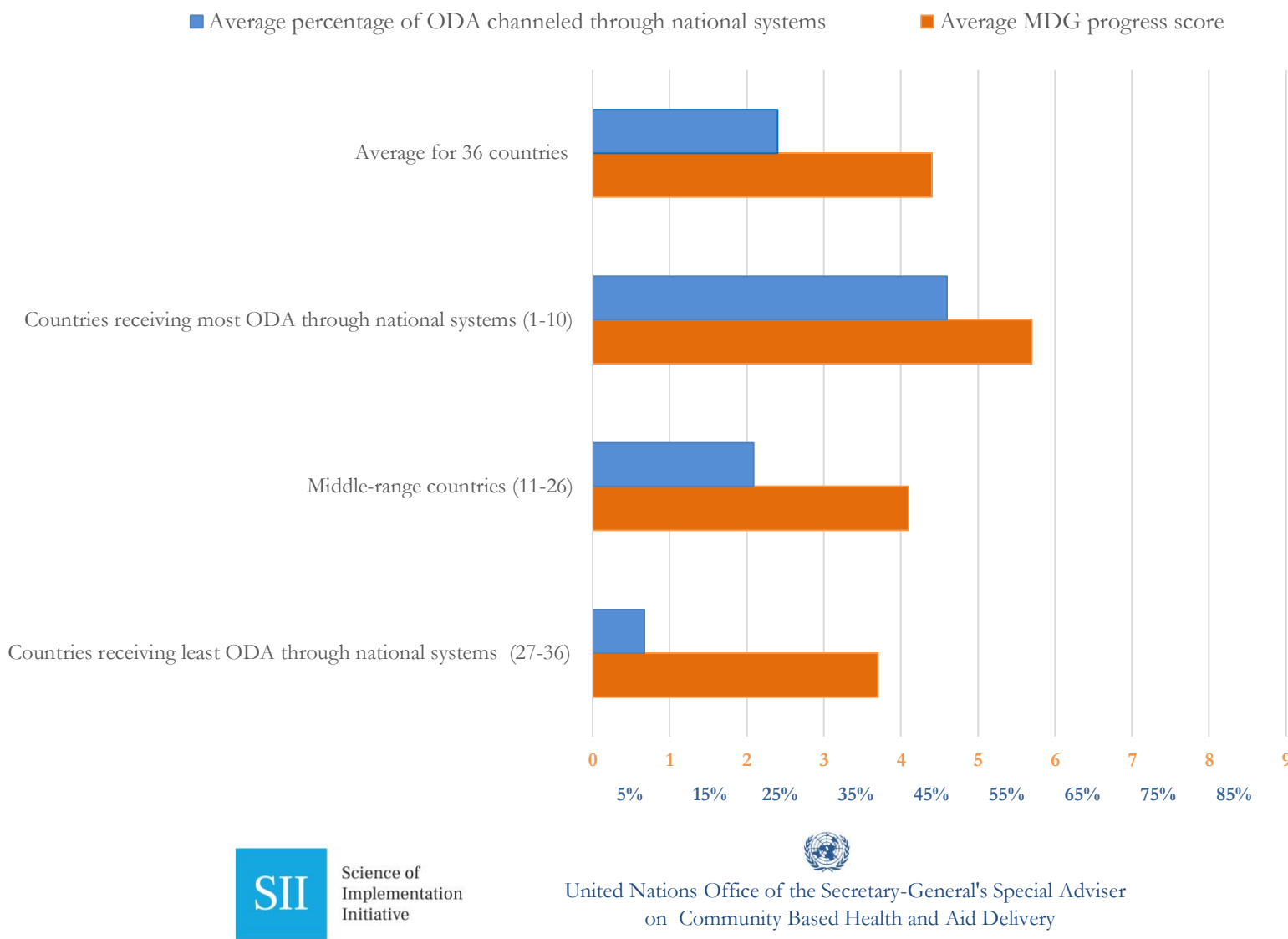
Though implementing the principles found in international agreements on aid effectiveness such as Paris and Busan has proved challenging, when donors do invest through the public sector, recipient countries have seen tremendous gains in health and overall wellbeing. For example, over the last 20 years, Rwanda, which has received 56% of its ODA through national systems, has posted some of the strongest development progress ever documented.<sup>18</sup>

**Figure 3: Least Developed Countries Receiving ODA Through Their National Systems Are Making More Development Progress<sup>19</sup>**



The ten countries receiving the highest percentages of ODA through national systems significantly outperformed the middle 16 and bottom ten in MDG progress (see Figure 4).

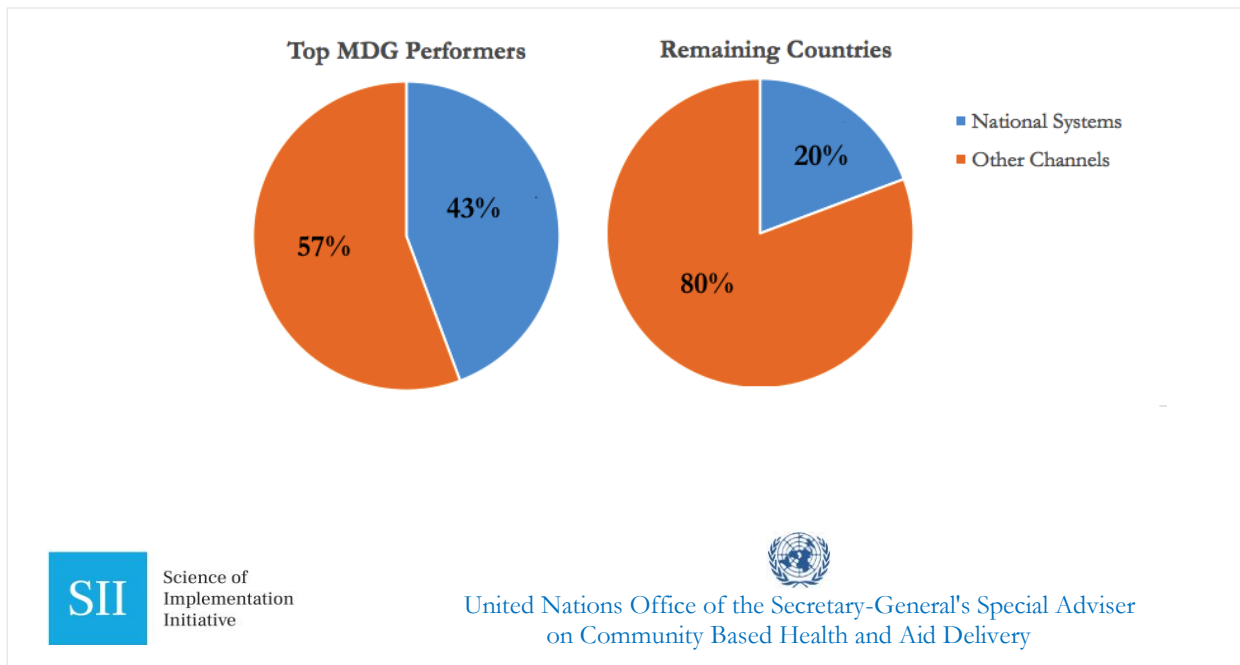
**Figure 4: Countries with Higher Investments in National Systems were Making More Progress on the Millennium Development Goals.<sup>20</sup>**



The five countries<sup>i</sup> that earned a score of seven or above on the MDG Progress Index received an average of 43 percent of ODA through national systems. The remaining countries, which averaged 4.3 on the MDG Progress Index, received an average of 20 percent of ODA through national systems (see Figure 5).

<sup>i</sup> Countries with a MDG Progress Index score of 7.0 and above include: Rwanda (7.5), Bangladesh (7.0), Cambodia (7.0), Laos (7.0) and Nepal (7.0).

**Figure 5: Percentage of ODA Through National Systems in Least Developed Countries with a Score of 7.0 or Above on the MDG Progress Index is Higher than Remainder of Countries in Analysis.**



*Percentage of ODA channeled through country systems based on estimates of the Office of Dr. Paul Farmer from the OECD’s Paris Declaration Survey and the OECD’s Creditor Reporting System. MDG progress scores are based off of UNDP’s Millennium Development Goal Indicators.*

The relationship between progress on the MDGs and investment in national institutions illustrates that ODA is most effective when it is invested in the recipient country, through public institutions. The same trend can be seen between investment in national systems and progress on the Social Progress Index (SPI), an alternative measure of country-level progress.

Conceptualized by Harvard Business School Professor Michael Porter, the SPI measures the extent to which countries’ public institutions are providing for their citizens. The SPI seeks to move beyond gross domestic product (GDP) as a given measure of progress, providing “a holistic, objective, transparent, outcome-based measure of a country’s wellbeing that is independent of economic indicators.”<sup>21</sup> The SPI is based on 52 indicators grouped into three broad conceptual dimensions defining social progress: Basic Human Needs, Foundations of Well Being, and Opportunity.<sup>22</sup>

For each dimension and component of the SPI, the 2015 Social Progress Report groups countries as either:

1. Strong performers relative to the 15 countries with most similar GDP per capita;
2. Middle performers relative to the 15 countries with most similar GDP per capita;
3. Weak performers relative to the 15 countries with most similar GDP per capita.

The first dimension, *Basic Human Needs*, includes four components—nutrition and basic medical care,<sup>ii</sup> water and sanitation,<sup>iii</sup> shelter,<sup>iv</sup> and physical safety<sup>v</sup>—each based on various indicators of wellbeing. The scores range from 0 to 100, with 100 representing the highest levels of progress. When analyzing the amount of resources strong, middle and weak performers with similar GDPs receive through their public sectors, the countries with higher percentages of ODA through their national systems are performing better on the Basic Human Needs portion of the SPI. The strong performers within the Basic Human Needs dimension receive 12 percent more ODA through national systems than middle performers and 23 percent more than weak performers.<sup>23</sup> As shown in Figure 6, similar results are found within each of the sub-components of the Basic Human Needs dimension.<sup>24</sup>

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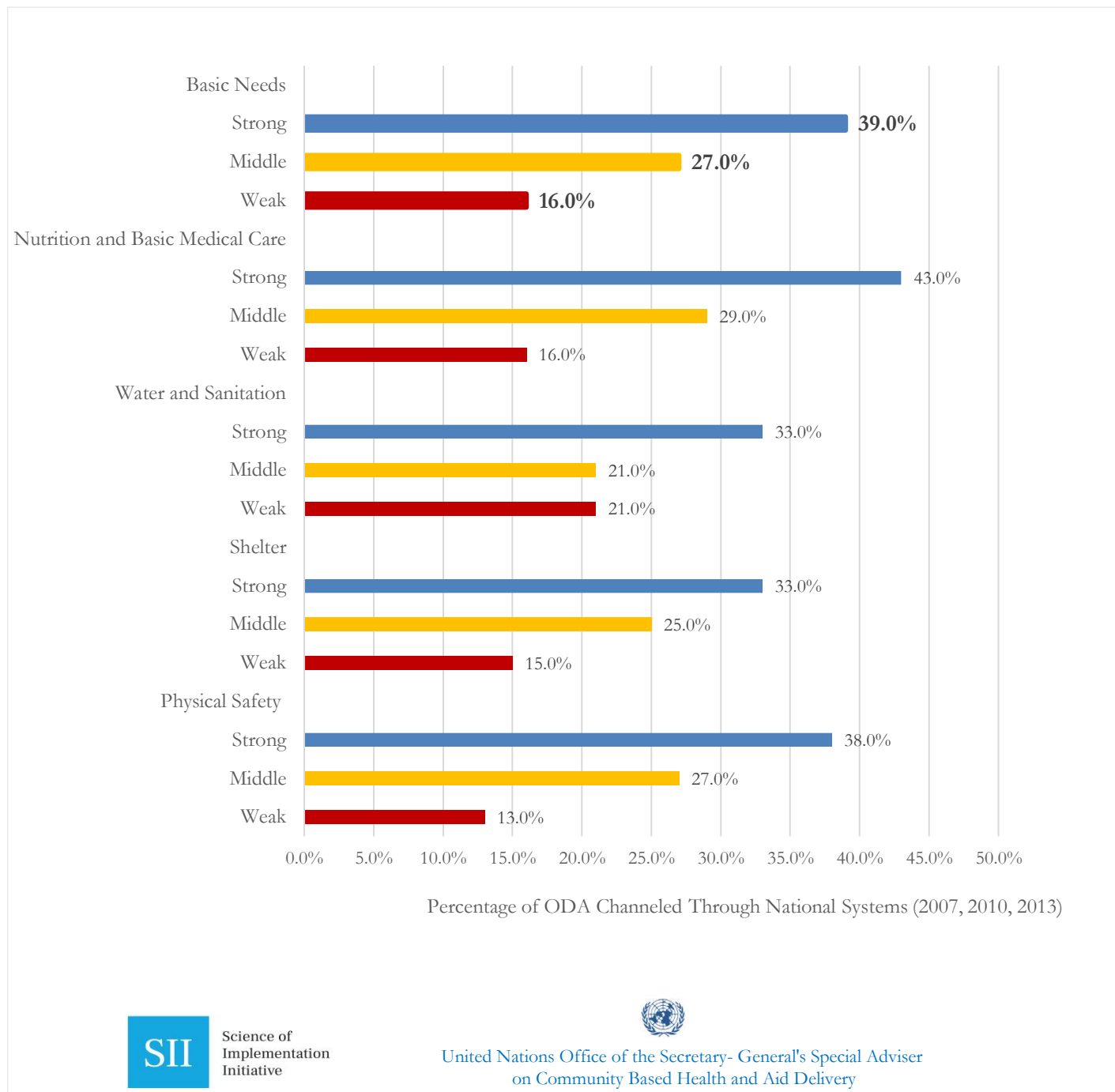
<sup>ii</sup> Indicators for Nutrition and Basic Medical Care include: Undernourishment; depth of food deficit; maternal mortality rate; child mortality rate; and deaths from infectious diseases.

<sup>iii</sup> Indicators of Water and Sanitation include: Access to piped water; rural access to improved water source; and access to improved sanitation facilities.

<sup>iv</sup> Indicators for Shelter include: Availability of affordable housing; access to electricity; quality of electricity supply; and household air pollution attributable deaths.

<sup>v</sup> Indicators for Personal Safety include: Homicide rate; level of violent crime; perceived criminality; political terror; and traffic deaths.

**Figure 6: Strong Performers According to Harvard University’s Social Progress Indicators’ Basic Human Needs Component Receive More ODA Through National Systems than Middle and Weak Performers**



*Source: Stern, Scott, Amy Wares, and Sarah Orzell. "The Social Progress Index 2015 Methodological Report." Social Progress Imperative 2015.*

### III. Why Are Donors Not Implementing the Paris Principles?

There are many reasons that the aid effectiveness principles enshrined in the Paris Principles are not implemented. Below we discuss the predominant explanations given for why donors often operate in such a way as to bypass country systems, purchase goods and services outside of recipient countries, run programs that are not aligned with national plans, or preclude paying local salaries.

As early as the 1980s, evaluations of development projects funded and implemented by donors have concluded that diverting funds from national institutions and creating parallel service delivery programs undermines the effectiveness of existing public systems.<sup>25</sup> More recent evidence reaffirmed that when ODA bypasses national systems, it risks creating a “dual public sector” that often runs in competition with state structures. A high number of fragmented projects can attract skilled personnel away from the public sector, divert attention and resources from a country’s own plans, and overwhelm local private and public institutions as they struggle to keep up with donor procedures.<sup>26</sup>

Failing to invest in national systems is a missed opportunity. In 2012, a leading British think tank on development called Overseas Development Institute (ODI) released a review of evaluations on budget support over the previous decade in their journal entitled the *Development Policy Review*. The review found that increased budget support is strongly associated with improvements in a country’s public financial management system. As the study noted, budget support “helps to improve the comprehensiveness and transparency of partner government public finance management, strengthening the basis for accountability.”<sup>27</sup>

With such clear compelling data on the value of budget support and investment in national systems why do donors instead invest their funding in alternative approaches with little to no supporting evidence showing a long-term improvement in poverty reduction? Below we examine three dominant narratives that shape donor behavior and cause them to question the aid effectiveness principles they agreed to in Paris: weak capacity makes investment in poor governments impossible; corruption is so widespread in poor governments that bypassing it is a better strategy; high quality and holistic service provision is not affordable or sustainable.

## **A. Donors bypass investing in the public sector in poor countries because of concerns about weak capacity.**

Governments in least developed countries often do not have a robust capacity to absorb funding. It is not uncommon for ministries to struggle to spend funding quickly and effectively. The question is should the solution be to find an alternative funding channel (most often through NGOs). This is certainly the fall-back approach as it can appear easier and quicker. In fact, according to the OECD, donors contribute approximately five times more of their development funding to their national NGOs than to other organizations.<sup>28</sup>

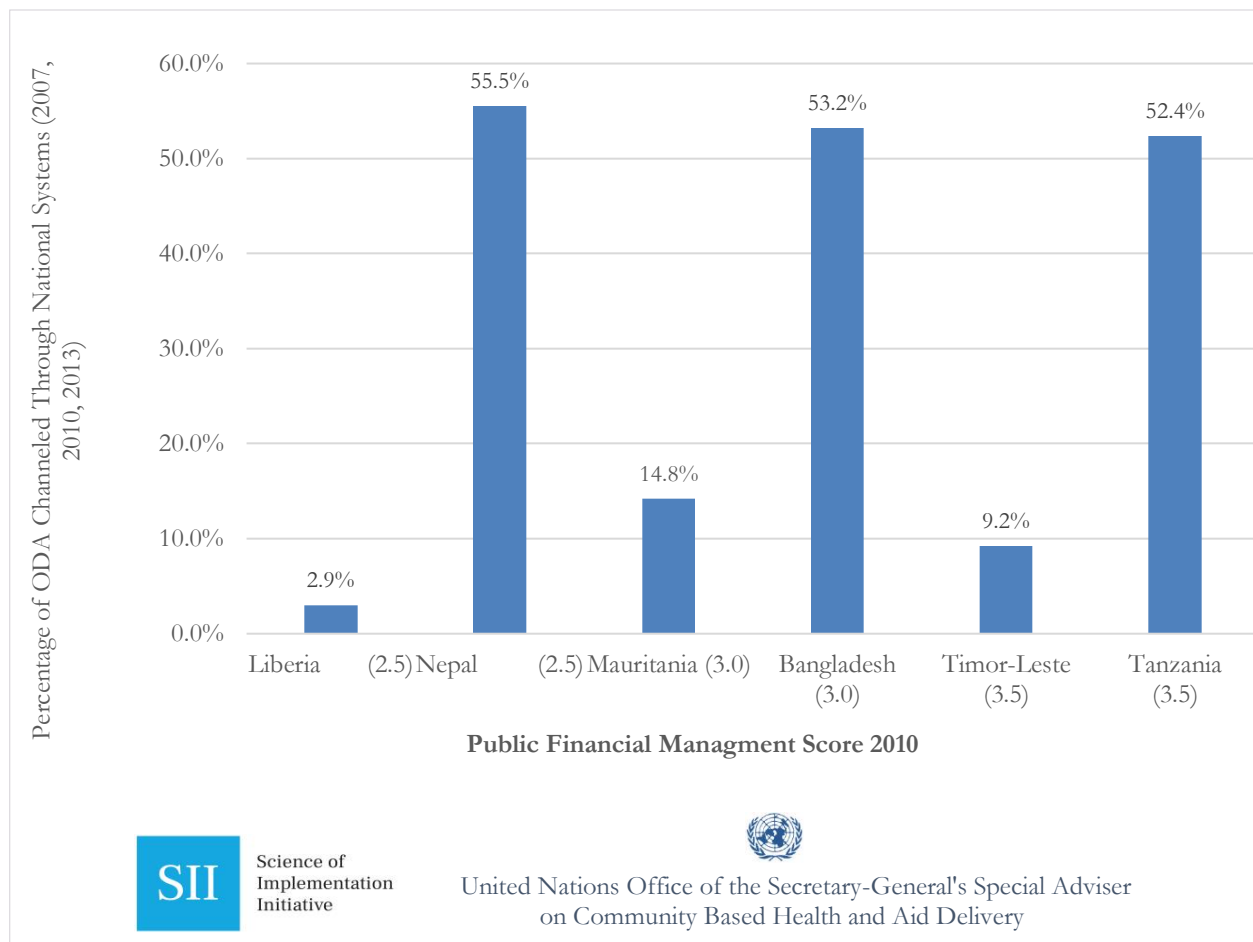
Yet the paradox before donors is that while they may have concerns about public sector capacity, the only way to strengthen that capacity is to invest in it. As the data above illustrates, countries make more progress toward improved health and well-being for their populations when they have a higher percentage of direct investment in their public sector. An examination of the poorest countries that made the most progress toward the MDGs indicates that there is a clear correlation between high rates of poverty reduction and investments in national institutions.<sup>29</sup> As we will show below, despite the strength of recipient country systems, more investment leads to more progress.

Poor public financial management in LDCs is another reason often cited by donors to justify bypassing national systems. The strength of a country's finances has historically been measured by the World Bank's Country Policy and Institutional Assessment (CPIA) framework. The CPIA evaluates public financial systems based on 31 indicators of financial health, allocating each country a score of zero to six.<sup>30,31</sup> As of 2005, donors began using the World Bank's Public Expenditure and Financial Accountability (PEFA) more frequently in assessing the quality of public financial management systems in partner countries.<sup>32</sup>

Our analysis has shown that strong public financial management systems *do not* guarantee that a recipient country will receive more ODA through its institutions. Data gathered for the OECD's 2011 Survey on the Implementation of the Paris Declaration shows a range of donor behavior toward countries with the same public financial management ratings.<sup>33</sup> This variation is especially true for low-income countries. As Figure 7 demonstrates, countries with similar scores sometimes receive different percentages of ODA through national systems. Timor-Leste, for example, has a public financial management rating of 3.5 yet receives over 46 percent less ODA through its national

systems than Nepal, which has a public financial management rating of 2.5 (Nepal was also a leader in MDG progress among LDCs).

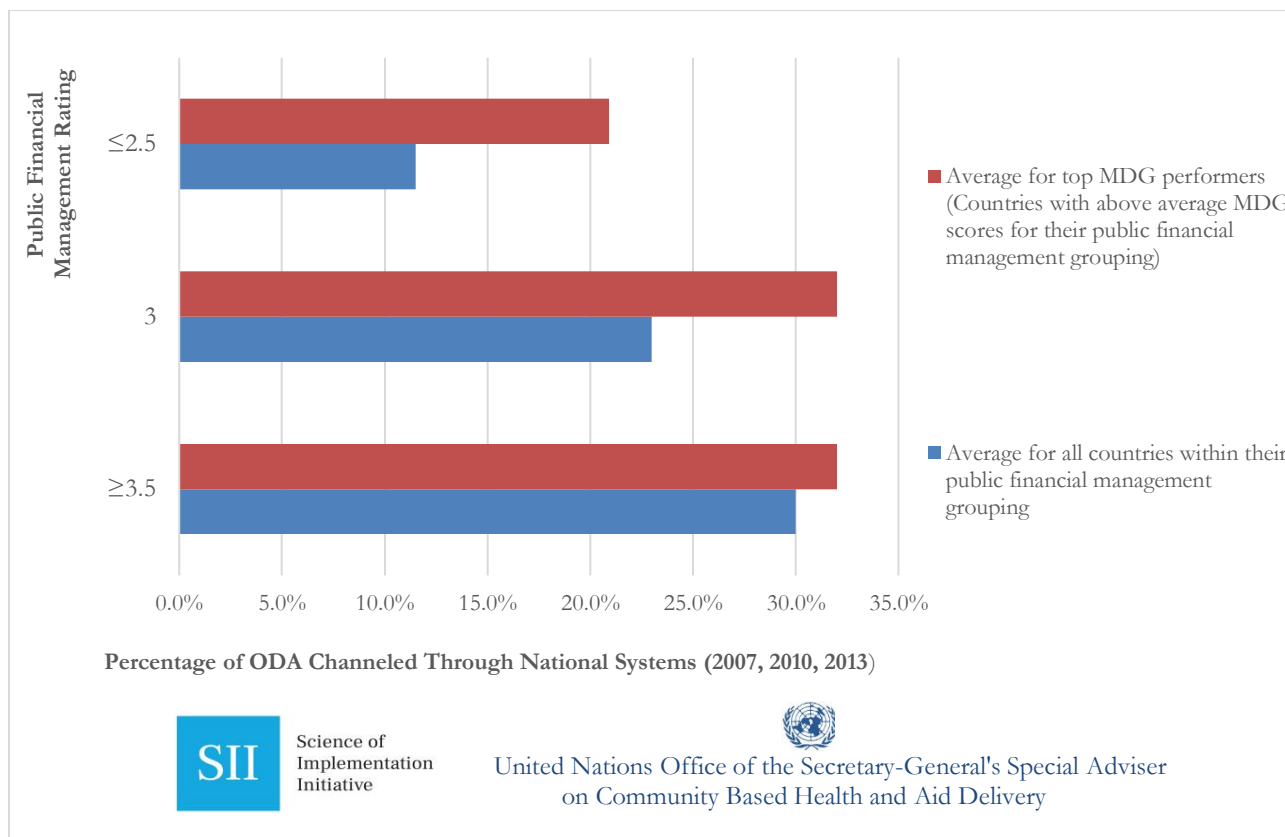
**Figure 7: Countries with Similar Public Financial Management Ratings Can Receive Significantly Different Percentages of ODA Through National Systems**



A critique of PEFA and CPIA indicators is that they do not capture how well institutions actually function, focusing instead on what they should look like according to international standards. As an ODI report notes, “Many of the indicators measure compliance with ‘good practices’ that may not be essential for the PFM [public financial management] to deliver on core functions.”<sup>34</sup> The indicators also fail to capture how well specific institutions within a country operate. In LDCs especially, “islands of excellence,” such as an outstanding ministry of health or education may exist, that are able to absorb larger amounts of ODA with lower fiduciary risk than other institutions.

As seen in Figure 8 when countries are grouped according to their public financial management ratings, the countries that did better on development indicators such as the Millennium Development Goals (MDGs) on average receive 14 percent more ODA through national systems.

**Figure 8: Link Between MDG Progress and Investment Through National Systems in Least Developed Countries with Similar Public Financial Management Capacity**

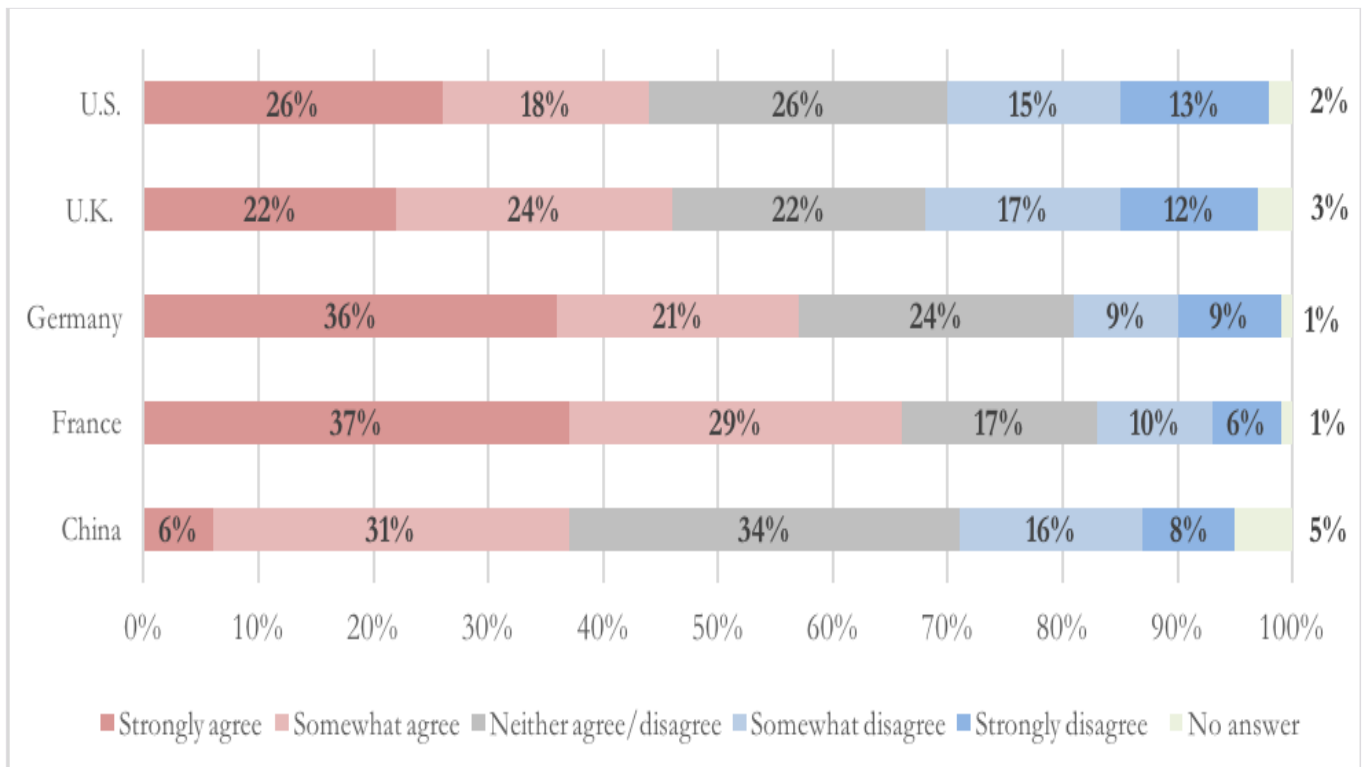


Strong public financial management systems are, of course, conducive to better development outcomes; of the LDCs included in this report, those with highly rated public financial management ratings are, on average, outperforming countries with lower ratings on the MDG Progress Index, though not in every instance. Nepal, for example, has a relatively low CPIA-based public financial management rating, yet was second only to Rwanda in MDG progress among the LDCs included in this report.

**B. Donors fear that governments in settings of poverty are so corrupt that they cannot be trusted with ODA.**

Avoiding corruption is a major reason for bypassing the public sector in LDCs.<sup>35</sup> Significant portions of the population in the major donor countries believe that ODA to poor countries does not lead to development progress (see Figure 9 below). According to Intermedia, a survey group focused on the “needs, views, and habits of people worldwide,” corruption is the most common explanation for lack of development progress in poor countries.

**Figure 9: Responses to the Statement “Most Financial Aid to Developing Countries is Wasted” Among Citizens of Donor Countries.**

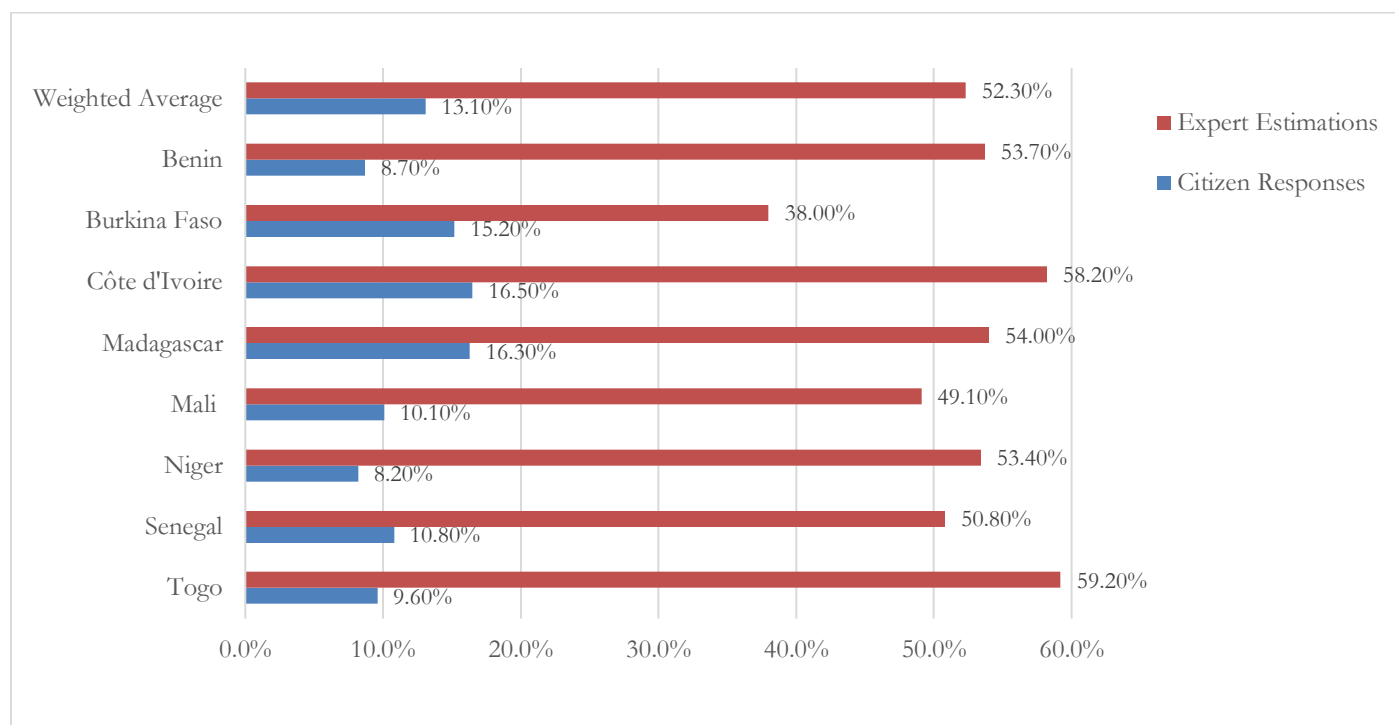


Source: Intermedia. “Building Support for International Development.” March 2012.

The Corruption Perception Index (CPI), produced by the NGO Transparency International, is the most widely cited indicator of corruption worldwide.<sup>36</sup> Transparency International’s methodology in developing the CPI is based on perceptions of experts rather than actual instances of corruption.<sup>37</sup>

The perceptions of the experts Transparency International relies on are not always aligned with the perceptions of the citizens of the country. A 2006 study by the research group Développement, Institutions et Mondialisation (DIAL) titled “Are International Databases on Corruption Reliable? A Comparison of Expert Opinion Surveys and Household Surveys in sub-Saharan Africa” compared perceptions of corruption from 329 officials, aid workers, and others involved in development work across eight Sub-Saharan countries with the perceptions of the citizens. When asked to estimate the percentage of the population that would claim to have been impacted by corruption over the previous year, those working in the development sector placed the figure at 52 percent. Yet in a mirror survey of the citizens themselves, only 13 percent claimed to have been victims of corruption (see Figure 10). On average, 94 percent of experts overestimated the level of corruption reported by citizens.<sup>38</sup>

**Figure 10: Percentage of Citizens Claiming to Have Impacted by Corruption in the Last Year Compared to Expert Estimations of Citizen Responses**





Source: Razafindrakoto, M. and Roubard, F. “Are International Databases on Corruption Reliable? A Comparison of Expert Opinion Surveys and Household Surveys in sub-Saharan Africa, 2006.” Développement, Institutions et Mondialisation.

A common assumption is that a significant portion of ODA is misappropriated due to corruption. A 2011 survey asked Americans to estimate the percentage of ODA lost to corruption; the average answer was 60 percent.<sup>39</sup> In 2013, Paul Farmer’s UN office analyzed publicly available information on how much ODA was lost to corruption or fraud for the 25 donor members of the OECD’s Development Assistance Committee. Of the 25 donors, six had published data on ODA lost to corruption or fraud: Australia, Belgium, Denmark, European Commission, United Kingdom and United States. Together, they gave an estimated \$47.8 billion in aid in 2011,<sup>40</sup> approximately 31.7 percent of all ODA reported to the OECD.<sup>41</sup> As shown in Figure 11, the percentage of ODA that these donors detected either as being lost to fraud or as being an improper payment in 2011 ranged from 0.015 to 0.16 percent. While this data must be treated with caution—as it reflects only corruption that has been detected—it is much lower than figures commonly used in the discourse surrounding corruption.

Figure 11: Estimates of ODA Lost to Fraud From Six Donors

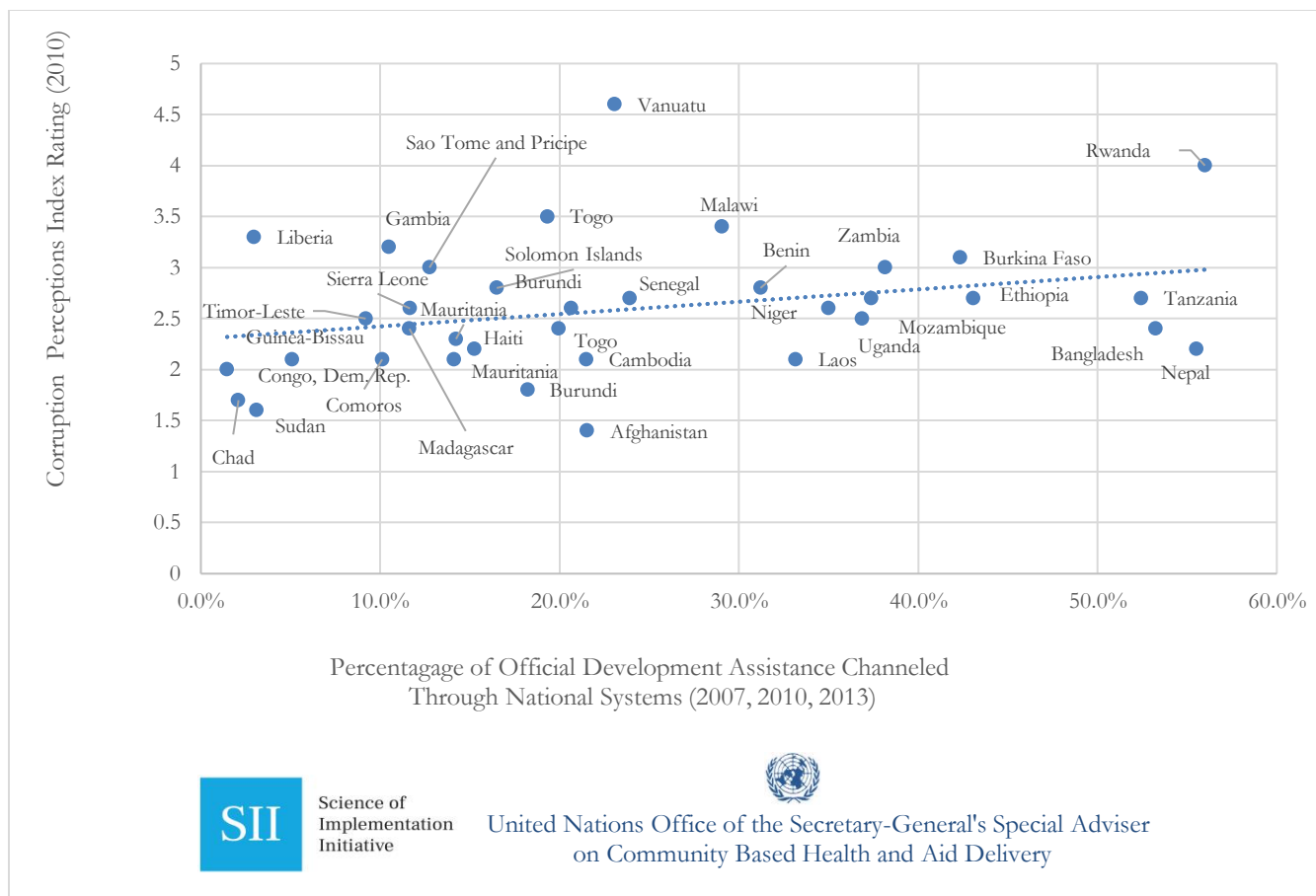
Donor	Evidence of ODA affected by fraud, corruption or improper payments <sup>42</sup>			Percent of ODA channeled through national systems in LDCs (2010) <sup>43</sup>	Percent of ODA channeled to countries defined as LDCs (2010) <sup>44</sup>
	Percent	Terminology	Timeframe		
Australia <sup>45</sup>	0.017%	Fraud	July 2004 - Dec 2010	13%	26%
Belgium <sup>46</sup>	0.038%	Financial loss	2010 - 2011	5%	53%
Denmark <sup>47</sup>	0.022%	Fraud or abuse	2007 - 2010	28%	37%
United Kingdom <sup>48</sup>	0.015%	Fraud	April 2010 - March 2011	38%	31%
European Union <sup>49</sup>	0.132%	Fraud	2007 - 2010	25%	27%
United States <sup>50</sup>	0.163%	Improper payments	Oct 2010 - Sept 2011	2%	34%

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Moreover, perceptions of corruption, as measured by Transparency International, do not appear to have any significant correlation with donor investments in public systems among the 36 LDCs included in this report. Figure 12 below shows the percentage of ODA received through national systems compared to Transparency International's Perceptions of Corruption scores (note: lower scores indicate higher perceptions of corruption). The data suggests that perceptions of weak institutional functionality and corruption are not always the primary factors influencing donor decisions.

**Figure 12: A Low Correlation Exists Between Perceived Levels of Corruption and Support to National Systems<sup>51</sup>**



**C. Donors believe that high quality and holistic service provision is not affordable or sustainable.**

Service provision planning for countries in settings of poverty is often influenced by donors and tends to be defined by budgetary concerns rather than aspirations to deliver high quality services based on scientific evidence. Too often the conversation begins and ends with the question of what donors are willing to pay in a certain time frame as opposed to the question of what is needed to address the problem. There have been countless examples of short term cost being the driving force for decision making in the areas of health, education, water and sanitation and infrastructure that have led to exacerbations of social and economic problems and even greater costs in the long-term. The history of HIV/AIDs and Ebola in Africa provides an instructive view of this critical issue.

## HIV/AIDS

By 2002, millions of people were infected with HIV, yet the dominant thinking in the development community was to focus only on prevention. A cost-effectiveness analysis published in the British medical journal *The Lancet* that year concluded that it would be 28 times more “cost-effective” to prevent new HIV infections than it would be to treat those already infected.<sup>52</sup> Using this framework, policy makers determined that providing treatment to 25 million people was unfeasible. Paul Farmer recalls a conversation with a patient in Haiti around that time who asked: “Is it true that there’s a new treatment for AIDS?” And the answer was yes, there was a new treatment, but that there was no equity plan for her to get it.

The problem with *The Lancet’s* analysis was that the authors interpreted “cost” (and therefore “cost-effectiveness”) as immutable. Within a short period of time the cost of HIV treatment was dramatically reduced from \$10,000 per patient per year to less than \$100 per patient per year.<sup>53</sup>

When presented with traditional cost-effectiveness analyses, Paul Farmer often asks: “cost-effective compared to what?” and questions whether the cost of inaction has been tallied. He often points to the examples of PEPFAR and the Global Fund for Malaria, AIDS and Tuberculosis as counterfactuals to the idea that global health equity is too costly or too difficult to deliver. By providing effective treatment to millions of people, both PEPFAR and the Global Fund challenged the notion that it was impossible to treat a chronic infection with a multi-drug regimen in settings of poverty. These two entities have, over the past fifteen years, successfully provided treatment to millions of people.

## Ebola

During the Ebola outbreak in West Africa (2014-2016) quality care (including effective measures to address deadly dehydration) was unfortunately rarely available to patients in Ebola treatment centers. While patients were being blamed for avoiding taking their loved ones to Ebola Treatment Centers, the truth is that there was little in the way of effective treatment happening in such places. A major goal of the ETUs was to stop the spread of disease by isolating sick patients and high quality treatment was not prioritized. The mortality rate was approximately 70% in the ETUs during the first year of the outbreak because international development leaders had determined that it was too expensive and difficult to provide the only effective care available at the time, intravenous fluid replacement. When IV fluid replacement was used, along with other methods of supportive care, for

the small number of Americans who contracted Ebola and were treated in U.S hospitals, the mortality rate was 10%.<sup>54</sup>

Paul Farmer explains: We often hear there's no treatment for Ebola or other hemorrhagic viruses. That's not true. What the expatriate survivors all received was excellent supportive care, most of it from nurses. In medical parlance, the term "supportive care" does not mean hand-holding but the replacement of fluids and electrolytes; treatment of secondary infections (bacteria escaping from the gut, say, or malaria); and, in some cases, renal dialysis and assisted ventilation. All of this is standard practice in countries pleased to be able to call themselves "donor nations."<sup>55</sup>

Historically, whether it was at the outset of the HIV/AIDS epidemic or the recent Ebola outbreak, the global response has prioritized prevention over quality treatment. Prevention is always critical, but prevention alone doesn't answer the question of what happens to people when they get sick.

When cost, or cost-effectiveness is the main criteria for policy making, high quality evidence-based care or services often are not considered. Paul Farmer explains in the *London Review of Books*:

In part because of deep ambivalence about services for the poor, whether they live in rich countries or poor ones, and in part because of a relentless push to privatise profits as we socialise losses, we are still asking how to pay for the staff, stuff and systems required to build the House of Yes and make it a space that can serve those most in need.<sup>56</sup>

In order to effectively address global poverty and disease, the stated goal of international development assistance, the aspirations of each initiative must be based on what works: what works to keep people healthy and cure disease, what works to educate children, what works to ensure access to clean water, what works to provide basic social services to everyone. In order to do this, programs should be planned according to the highest aspirations, and then financed using a variety of approaches including partnerships such as pooled funds or trusts, innovative financing tools such as social impact bonds or taxes dedicated to social goods. Most importantly, if ODA could be spent in the way described in this paper, where the majority of funding would be invested in recipient country structures and systems, significantly more funding would be available for such programming.

#### IV. Aid Effectiveness in Action: The Science of Implementation

As the evidence in the previous sections indicates, when implemented, the fundamental idea behind the Paris principles – that development funding be invested in strengthening institutions that provide public services – gets positive results. How then, do development entities put the Paris principles into action? How do we bridge the gap between principles and practice since we know that approximately 75% of ODA is not used in a way that is consistent with those principles in the poorest settings? Our goal is to describe an implementation model that can be used by development agencies, foundations, international NGOs or corporate philanthropy programs whereby their funding will create durable, positive change.

Paul Farmer has spent the past three decades working with colleagues and partners to determine the best way to implement development assistance to achieve durable results in global health and development. In 1987, while at Harvard Medical School, Dr. Farmer co-founded an international NGO called Partners In Health (PIH) and began working to bring high quality health care to Haiti’s central plateau. In 2006, Dr. Farmer and his colleagues set forth the concept that aid delivery could be treated as a science. If tested approaches were implemented, positive outcomes could be ensured. Case studies based on those written at Harvard Business School for the private sector could be utilized for those working to address poverty and disease.

Dr. Farmer and his colleagues at Harvard, the Brigham and Women’s Hospital and Partners In Health analyzed the data they had gathered over twenty years in twelve countries and codified a science of global health. They took their findings and turned them into a new discipline and teaching curriculum at Harvard Medical School, Harvard College for medical residents at the Brigham and Women’s Hospital, and most recently at the University of Global Health Equity in Butaro, Rwanda. The science of implementation that they teach and practice makes clear that for development assistance to be successfully delivered, programs must include the following components: practical access to high quality social services for the poor, long-term job creation and direct investment in or alignment with national plans and priorities.

Another critical component of successful implementation included in the science of implementation is a mindset that the practitioners from Harvard and PIH refer to as “accompaniment,” a term

borrowed from liberation theology. The idea of accompaniment goes further than that of partnership and requires making common cause with those representing communities, institutions, or countries that are the recipients of support, and having them define the terms of the relationship. The concept of accompaniment includes continuing to work until the project is complete from the perspective of those running the program or institution in country, and finding partners with different expertise, networks and resources whenever needed to achieve goals that are aspirational. The idea of accompaniment draws on and reinforces other development principles, including the aid effectiveness and human rights agendas, in calling for ODA to focus on better access to services and jobs, as defined by the government and its citizens in their own national plans.

### **A. The Science of Implementation Roadmap**

The science of implementation offers a roadmap to implement the principles agreed upon by donor and recipient countries at the Paris, Accra, Busan and more recently Nairobi conferences. For the past 30 years, Dr. Paul Farmer and his colleagues at Harvard Medical School, Brigham and Women's Hospital, PIH and the Science of Implementation Initiative have developed this roadmap for use in planning official development assistance. It summarizes the principles, strategies and questions required to create the most effective roadmap for the implementation of official development assistance.

## Roadmap for Official Development Assistance to Effectively Address Poverty and Disease



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<u>Evidence-based Solutions</u>	<u>Implementation Strategies</u>	<u>Supporting Context</u>
<p><b>Support the public sector to do its job.</b></p>	<div style="border: 2px solid black; padding: 5px; margin-bottom: 10px;"> <p>Design partnerships with national governments in a way that supports them to improve their ability to effectively deliver social services to their population for the long term.</p> </div> <p>Reapportion official development assistance committed to addressing poverty and disease in the poorest countries so that a higher percentage is invested in public systems.</p> <p>Whether invested directly in national systems or not, align investments with national, regional and/or municipal development plans.</p> <p>Co-invest with recipient governments in creating a strong civil service, including salary support when needed. Ensuring consistent and fair salaries should be a top priority. Providing ongoing, high-level career training for civil servants is also important, but should not be considered a substitute for ensuring stable salaries.</p> <p>Invest in technology and financial management systems and their maintenance.</p> <p>Support governments to establish or strengthen regulatory bodies for</p>	<p>The state is the only institution with the duty to provide services to its citizens. By sidestepping public institutions, donors effectively perpetuate the weakness of the one stakeholder that is both accountable to a nation's people and responsible for its development. As the ultimate goal is always a functioning state providing high quality services, efforts that unintentionally weaken state entities detract from any sustainable solution to service delivery and poverty reduction.</p> <p>While the risks of investing in public institutions are much discussed, the harm caused by not doing so is often overlooked. This is particularly so for countries dependent on ODA where domestic resources are much smaller than those available externally, making development assistance essential to expanding access to services.</p> <p>When donors give money to non-state providers that are not regulated by the state, there is no accountability, quality control and the deployment of resources may not be aligned with national priorities. This is particularly so</p>

	<p>registering and regulating all non-state providers, both international and national.</p> <p>Support ministries of planning or finance in their efforts to track donor pledges and hold donors accountable. On-going maintenance and training should be integral components of these efforts.</p>	<p>where non-state providers' budgets – and thus their potential influence over service provision - are greater than those of the state.</p> <p>It is understood that at certain moments, not all governments are the best providers of services to their populations, or to certain groups of people living in their countries. There are circumstances when it is not reasonable or even possible to disburse funds through or partner with governments. Under these circumstances, it may be necessary to find other local service providers with whom to work as partners, always keeping in mind that, in the long run, the goal is to return to working with it. It is always critical to partner with discernment.</p>
<p><b>Prioritize access to high quality social services for the poor.</b></p>	<div style="border: 2px solid black; padding: 5px; margin-bottom: 10px;"> <p>Design programs to deliver services of the highest quality that evidence supports even if it will take time and additional resources or partners to reach your goal.</p> </div> <p>Base any program or project standards on evidence showing best outcomes rather than cost.</p> <p>Always aspire to deliver the highest quality services that evidence supports. Set aspirational goals and commit to finding necessary resources over time.</p> <p>Build a preferential option for the poor into every program.</p>	<p>If evidence-based standards exist that can improve people's lives, these standards should always be the aspiration of any development program. When budgetary limitations arise, creative partnerships and innovative financing mechanisms should be considered to fill gaps.</p> <p>Applying a separate standard of care in resource-poor settings is often ineffective, and, in the long-term can be more costly.</p>

**Prioritize stimulating the local economy when development funding is invested.**

Design programs that use implementers from the country in which you are working. Build capacity of in-country partners and vendors; buy goods and services in-country and prioritize job creation.

Create long-term jobs with substantial career training appropriate for the specific role and ensure that those trained have well-paid positions with job security and opportunities for career advancement.

Buy and hire in-country.

Make long-term job creation a benchmark of success.

Support cash transfer programs, preferably those without conditionalities.

National and community investment is central to achieving broader development goals. Yet too often development funding that is intended to strengthen the delivery of basic services and infrastructure is spent without sufficient consideration of how it can be used to stimulate national economies. Donors can change this by purchasing goods and services in such a way that local individuals, families and small businesses benefit. For example, when international NGOs and/or UN entities receive funding from bilateral or multilateral sources, requests for proposals (RFPs) should indicate that the majority of funding should be spent through national or local businesses, non-profits, or individual contractors.

Overhead rates for international entities should be reviewed and reduced whenever possible, while those of national and local entities should be increased whenever possible.

Evidence has shown that cash transfers, particularly those that are unconditional, are among the most effective ways to address poverty.

**Promote an accompaniment approach to implementation.**

Make common cause with those representing communities, institutions or countries that are the recipients of support.

Have recipient implementing partners (including national governments) define the terms and duration of the relationship.

RFPs for international non-state actors should define their role as one of support towards a national or local institution's strategy or plan.

Engage international experts when needed for specific expertise that is not available in-country.

Continue to work until the project is complete from the perspective of those running the program or institution in-country.

Find partners with different expertise, networks and resources whenever needed to achieve holistic goals that may include components that fall outside of the scope of the international organization's efforts.

In the context of international development assistance, accompaniment means supporting a society, its institutions and its citizens, on their own path toward eliminating poverty and disease. Like the aid effectiveness agenda, the accompaniment approach also calls for more resources to be invested directly in a country's institutions and aligned with their national plans.

Guided by a pragmatic solidarity with the poor, the accompaniment approach seeks to listen, rather than provide solutions, not only to the goals and plans of citizens and their institutions, but also to the challenges that they face in their day-to-day operations and their perspectives on how to meet them.

With a strong emphasis on implementation through partnership, accompaniment is specifically focused on guiding international partners to transfer more resources and assets directly to national and local institutions.

## B. Science of Implementation in Practice: Mirebalais University Hospital

The need for hospitals is uncontroversial in parts of the world where there are already many – often too many – of them. But the need for improved hospital care in parts of the world where there is little or none of it is hotly contested, in large part because these places also lack the staff, stuff and systems to deliver primary and preventive care. Without such basics, ‘Third World’ hospitals, almost always in urban areas, come to consume the lion’s share of expenditure even as they provide poor quality care. Unsafe spaces, they are also epicentres of drug-resistant bacterial infections that can only be stopped by the prudent use of antibiotics and, like Ebola, by proper infection control. Development economists and public-health specialists may argue that hospitals are a bad investment, but politicians know that cutting off funding to public hospitals is politically and socially unsustainable. The debate is too rarely informed by a consideration of what it might or should cost to link hospital care to better primary care. Everyone, everywhere, is likely to need both at some point between birth and death.

The anti-hospital bias, though quietly espoused by many experts in ‘global health’, is bad news for poor people requiring hospital care. It’s really the poor who are ‘unsustainable’ if they get cancer or suffer serious injury. <sup>1</sup>

--Paul Farmer

A concrete example of a development model utilizing best practice principles of the science of implementation is Mirebalais University Hospital in Haiti. The hospital is an integral component of a larger health care network of 11 hospitals and health centers that employs thousands of community health workers. It is financed and run through a partnership between the Haitian Ministry of Health, Partners In Health (PIH) and Partners In Health’s Haitian sister organization Zanmi Lasante (ZL).

The hospital was built by PIH/ZL in partnership with Haiti’s Ministry of Health in Haiti’s Central Plateau after the 2010 earthquake. It provides primary and specialty care, advanced surgical care and emergency services, and has a level 3 bio safety laboratory (unique for a public hospital in a poor setting) and is free of cost to patients. It is a 205,000 square foot facility with 300 beds. It opened its doors in 2013 and provides care across a referral area in which 3.9 million people live, providing treatment to approximately 700 people a day. In addition, it serves as a teaching hospital. The residency program, the first in Haiti to be accredited by the Accreditation Council of Graduate

Medical Education (ACGME), is modeled on the US medical training system and includes telemedicine capacity and high-tech classrooms to train the next generation of Haitian doctors, nurses and other health care providers.

What sets Mirebalais University Hospital apart is the accompaniment philosophy underpinning its creation as well as a commitment to the provision of evidence based modern medical care. While built and financed by an international NGO it was done so at the request of the government in accordance with their national development plan as part of the national health care system. It includes a world class training program for doctors and nurses in all sub-specialties. Unlike most hospitals in developing countries it provides its patients a full range of healthcare services based on the latest scientific evidence, technology and systems. Regardless of their ability to pay, patients at Mirebalais hospital benefit from diagnostic tools and care including CT scans, biopsies, chemotherapy, neonatal intensive care unit as well as extremely rare and complicated surgeries like the separation of conjoined twins. Mirebalais University Hospital is a model for development that would improve health, education and economic conditions in any setting in which it were deployed. Below we describe the details of the hospital, its funding, its relationship to the government and the type of training and care it provides.

### **What makes Mirebalais University Hospital a development model? What differentiates it from other major development initiatives?**

- **Government investment:** The government of Haiti contributed \$8 million of the \$24 million total cost (including in-kind contributions) to build and operate the hospital in year 1.
- **Public sector facility created by NGO:** Mirebalais University Hospital an example of an NGO (PIH/ZL) creating a public teaching hospital which provides the highest standard of care in a cost-efficient manner. PIH/ZL has a ten-year agreement with the Ministry of Health in Haiti. Until such time as the ministry is ready to manage the hospital, PIH/ZL does so including raising funds and handling all finances and operations.
- **Civil servant salaries paid by NGO:** Hospital staff are paid by PIH/ZL and are part of the government health system.
- **Free care and ID card for patients provided by NGO:** Mirebalais University Hospital is free of cost for patients who cannot afford payment; there is a nominal one time fee for a

registration card that allows patients ongoing free care at all PIH/ZL supported hospitals and clinics. The ID card also has the benefit of providing an identification document for those who do not have one. Once patients are registered, their medical records are kept in the hospital system which leads to improved monitoring, follow through and ultimately better health outcomes.

- **Long-term careers for its national employees created by NGO:** 130 Haitian medical residents in the following sub-specialties: internal medicine, pediatrics, general surgery, OB/GYN, emergency medicine, family medicine, nurse anesthesiology, as well as offering a fellowship in neurology. The residents are trained by top academic physicians from Haiti, and visiting professors from the US, Canada and France.
- **Job creation a top priority:** Researchers from PIH in Haiti, and the US analyzed the economic impact of Mirebalais University Hospital and determined that for every \$1 invested in the hospital, \$1.82 was pushed into the Haitian economy.<sup>57</sup>
- **Community Health Workers:** The hospital relies on 250 community health workers, or as they are referred to by PIH, *accompagnateurs*. The community health workers are well-compensated and trained in a model that was pioneered by PIH/ZL to deliver quality health care to people living with chronic diseases, such as HIV and tuberculosis, and are part of the Haitian Ministry of Health national community health worker program.
- **High quality evidence-based care:** The hospital brings innovation and services previously unavailable in Haiti's public health system. It uses technology that is rare in resource poor settings, includes digital imaging and a portable CT scanner; an open-source electronic medical records system; and a full service on site bio safety level 3 laboratory. The hospital provides world class medical care including oncology, cardiology and neurology in addition to the typical services provided in poor settings.
- **Solar energy with future plan to provide power to national grid:** Mirebalais University Hospital is the hemisphere's largest solar powered hospital with over 1,800 solar panels. Currently 40 percent of its power is derived from solar energy. Once the solar system is fully completed, excess power will be fed into the national grid.
- **Wastewater treatment unit:** A wastewater treatment unit with the capacity to process up to 50,000 gallons of wastewater per day (an international standard) is in place at the hospital. All wastewater produced by the hospital passes through the system.

- **Botanical garden:** The hospital is surrounded by a tranquil botanical garden and boardwalk to provide a serene healing setting for patients and their families.

### C. Other Examples of Science of Implementation in Practice

There are many other examples of development initiatives that have been implemented following the science of implementation approach. Many of them have been documented at the Harvard University Global Health Delivery website:

<https://www.globalhealthdelivery.org/browse/publications>.

These case studies are part of the curriculum at the University of Global Health Equity in Rwanda.

## V. Conclusion

Official development assistance has contributed to a number of achievements – not the least of which is the distribution of public goods that have led to higher rates of child survival and reduced HIV infection, malaria and other infectious diseases. However, positive gains cannot be sustained if we fail to strengthen the public institutions that are responsible for the ongoing delivery of these goods to all citizens. How we choose to channel development dollars matters. We cannot expect institutions to strengthen and expand their reach if they do not have additional resources and support. Efforts to substitute for public, private and third sector institutions can only go so far.

Development entities have an opportunity to get it right—to leave a legacy behind that replaces vulnerability with resilience if resources are directed toward strengthening the public sector. However, this will require a bold rethinking of the business-as-usual approach by donors whereby the majority of the funding that currently bypasses the public sector would be redirected so that it is aligned with public sector strategies.

In order to create the national institutions needed to provide basic services and to ensure economic growth and social justice, the policies agreed to in Paris, Accra, Busan and Nairobi should be implemented fully wherever and whenever possible. An effective and proven model to do so exists; in order to turn it into standard practice, it is necessary to put incentives in place that reward a commitment to in-country investments. When making these in-country investments in institutions,

people and systems, it is imperative to approach implementation with a set of overarching principles discussed in this paper—accompaniment and a commitment to providing services to the poorest based on modern technology and scientific evidence. As Paul Farmer explained in an article entitled “Rethinking Foreign Aid” published in *Foreign Affairs*:

As is the case with so many plans to fix the world, the major challenges lie in implementation. Here are five recommendations that are based on the evidence collected and analyzed over the past three decades.

First, reward aid institutions and staff who localize aid dollars. Staff members of bilateral and multilateral institutions are not usually promoted for increasing in-country procurement or investment. Advancement and retention could be made contingent on increasing the proportion of aid invested locally. To this end, program staff would report on such factors as the amount of goods and services procured locally, the proportion of funding channeled through national and local institutions, and resources allocated for local job creation, including payment of civil servant salaries. When aid institutions award grants or contracts, they should be evaluated using the same criteria.

Second, prioritize implementation with national counterparts at every step of the process. It requires marrying our policy ideals to our commitment to meet the challenges of implementation on the ground.

Third, reassess how we evaluate risk. The issue of corruption and money lost to fraud is an area that merits more study and better data. But many people still -- sometimes without much analysis -- write off developing countries as hopelessly corrupt and too dysfunctional to work with. But let's not conflate weak systems with corruption. All too often we worry about the risks to ourselves and our institutions when we make decisions about how to invest in fragile settings. But those notions of risk are inverted. The risk of people living in poverty and dying needlessly should come first.

Fourth, challenge common assumptions about what is considered sustainable and cost-effective in fragile settings. These terms, although created with the best of intentions, have sometimes become a reason for policymakers to discount complex intervention. Rather than serving the poor, these development standards have at times become a blunt instrument used against them. Why, for

example, is investment in job training -- an exercise sometimes more akin to social fiction than actual professional development -- considered sustainable when it is not linked to jobs with living wages? Training is, of course, critical and needed, but it should be linked to real jobs if it is to have long-term impact.

Fifth, prioritize the transfer of aid functions to local authorities. Aid implementers should consider every decision they make within the context of a long-term plan to transfer their tasks and functions to local institutions. It is our hope that development staff will ask, before even beginning a new project, “How can we hand this over to the public sector when the time is right?” “How do we ensure the local authorities have the support they need to lead the program?” This is not meant to be an excuse for aid agencies to leave before their local counterparts are strengthened, but rather a challenge for them to stay as long as it takes until these systems can stand on their own, and possibly even beyond, if needed.

Only the power of public systems can provide health care, clean drinking water, education, and the multitude of other services all societies require to reap the benefits of modernity and escape the shackles of entrenched poverty. None of these proposals is easy. But the rewards awaiting us at the end are well worth the arduous journey of getting there.<sup>58</sup>

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<sup>1</sup> Percentage of ODA channeled through country systems based on estimates of the UN office of Dr. Paul Farmer from the OECD's Paris Declaration Survey and the OECD's Creditor Reporting System.

<sup>2</sup> Organisation of the Economic Cooperation and Development (OECD). "Paris Declaration and Accra Agenda for Action - OECD." *Oecd.Org*. 2010. <https://www.oecd.org/dac/effectiveness/34428351.pdf>.

<sup>3</sup> *Ibid*, para 15, 21 and 31.

<sup>4</sup> OECD. "Paris Declaration and Accra Agenda for Action - OECD." *Oecd.Org*. 2010. <https://www.oecd.org/dac/effectiveness/34428351.pdf>. para 12, 15 and 18.

<sup>5</sup> OECD. "Busan Partnership for Effective Development Co-operation Fourth High Level Forum on Aid Effectiveness-OECD." Busan, Republic of Korea. 2011. Available at: <https://www.oecd.org/dac/effectiveness/49650173.pdf>. para 11, 18 and 19.

<sup>6</sup> "A New Deal for Engagement in Fragile States." *International Dialogue of Peacebuilding & Statebuilding.org*. 2011. Available at: [http://www.pbsdialogue.org/media/filer\\_public/07/69/07692de0-3557-494e-918e-18df00e9ef73/the\\_new\\_deal.pdf](http://www.pbsdialogue.org/media/filer_public/07/69/07692de0-3557-494e-918e-18df00e9ef73/the_new_deal.pdf).

<sup>7</sup> *Ibid*. p. 3.

<sup>8</sup> *Ibid*.

<sup>9</sup> Out of a total of 48 countries listed as LDCs, 36 participated in the 2010 Paris Declaration Survey, which provided the data needed to accurately measure the percentage of ODA channeled through national systems and were therefore included in this report. Data from the 2007 Paris Declaration Survey and the "Making Development Co-operation More Effective 2014 Progress Report" (created by the OECD and UNDP) is also incorporated when available.

<sup>10</sup> Our methodology for reviewing aid investments to the 36 countries was to use data from the Organisation for Economic Co-Operation and Development (OECD) Creditor Reporting System, the Paris Declaration Survey, and the Global Partnership for Effective Development Co-operation. We looked at the percentage of ODA channeled through national systems in 2007, 2010, and 2013 (years in which data is available) and combined figures for the 36 LDCs to produce a total that is reflective of the support each country's public sector has received.

<sup>11</sup> Estimates of the UN office of Dr. Paul Farmer based on the OECD's Paris Declaration Survey, OECD. "Survey on Monitoring the Paris Declaration." *Oecd.Org*, 2015. See: <http://stats.oecd.org/Index.aspx?DataSetCode=SURVEYDATA> and the OECD's Creditor Reporting System, OECD. "Creditor Reporting System (CRS)." *Oecd.Org*. 2015. [stats.oecd.org/index.aspx?DataSetCode=CRS1](http://stats.oecd.org/index.aspx?DataSetCode=CRS1). See: <http://stats.oecd.org/index.aspx?DataSetCode=CRS1>

<sup>12</sup> IPU. "Nairobi Outcome Document." *Ipu.Org*, December 2016. Available at: <http://archive.ipu.org/splz-e/nairobi16/outcome.pdf>. para 2.

<sup>13</sup> UNDP/OECD Global Partnership 2018 report available at:

"2018 MONITORING RESULTS | Global Partnership for Effective Development Co-Operation." *Global Partnership for Effective Development Co-Operation*, 2019, [www.effectivecooperation.org/landing-page/2018-monitoring-results](http://www.effectivecooperation.org/landing-page/2018-monitoring-results).

<sup>14</sup> Estimates of the UN office of Dr. Paul Farmer based on the OECD's Paris Declaration Survey, OECD. "Survey on Monitoring the Paris Declaration." *Oecd.Org*, 2015. See: <http://stats.oecd.org/Index.aspx?DataSetCode=SURVEYDATA> and the OECD's Creditor Reporting System, OECD. "Creditor Reporting System (CRS)." *Oecd.Org*, 2015. [stats.oecd.org/index.aspx?DataSetCode=CRS1](http://stats.oecd.org/index.aspx?DataSetCode=CRS1). See: <http://stats.oecd.org/index.aspx?DataSetCode=CRS1>

<sup>15</sup> Estimates of the UN office of Dr. Paul Farmer based on the OECD's Paris Declaration Survey, OECD. "Survey on Monitoring the Paris Declaration." *Oecd.Org*, 2015. See: <http://stats.oecd.org/Index.aspx?DataSetCode=SURVEYDATA> and the OECD's Creditor Reporting System, OECD. "Creditor Reporting System (CRS)." *Oecd.Org*, 2015. [stats.oecd.org/index.aspx?DataSetCode=CRS1](http://stats.oecd.org/index.aspx?DataSetCode=CRS1). See: <http://stats.oecd.org/index.aspx?DataSetCode=CRS1>

<sup>16</sup> The Center for Global Development (CGD) is a non-profit think tank based in Washington, D.C, United States, that focuses on international development. It was founded in November 2001 by former senior U.S. official Edward W. Scott, director of the Peterson Institute for International Economics, C. Fred Bergsten, and Nancy Birdsall. Birdsall, the former Vice President of the Inter-American Development Bank and former Director of the Policy Research Department at the World Bank, became the Center's first President. CGD's stated mission is "to reduce global poverty and inequality by encouraging policy change in the U.S. and other rich countries through rigorous research and active engagement with the policy community. Recently, Foreign Policy Magazine's Think-Tank Index listed CGD as one of the top 15 think-tanks in the US. The Center considers itself to be a 'think and do' tank, with an emphasis on producing research that is channeled into practical policy proposals.

<sup>17</sup> The methodology is meant "to provide a digestible, yet analytically robust, measure of just how individual countries are doing on the ambitious targets." Barmeier, Julia, et al. "Who Are the MDG Trailblazers? A New MDG Progress Index - Working Paper 222." *Center for Global Development*, 2010. [www.cgdev.org/publication/who-are-mdg-trailblazers-new-mdg-progress-index-working-paper-222](http://www.cgdev.org/publication/who-are-mdg-trailblazers-new-mdg-progress-index-working-paper-222). p. 4

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- <sup>18</sup> Farmer, Paul, Cameron Nutt, and Claire Wagner. “Reduced Premature Mortality in Rwanda: Lessons from Success.” *British Medical Journal*. January 2013.
- <sup>19</sup> Percentage of ODA channeled through country systems based on estimates of the Office of Dr. Paul Farmer from the OECD’s Paris Declaration Survey and the OECD’s Creditor Reporting System. Progress scores are based off of UNDP’s Millennium Development Goal Indicators.
- <sup>20</sup> The average percentage of ODA channeled through national systems for the 36 LDCs included in this report is 23.6 percent and the average MDG Progress Index score was 4.4. The ten countries with the highest percentage of ODA channeled through national systems received 45 percent through national systems and scored 5.7 on the MDG Progress Index. Conversely, the ten countries with the lowest percent of ODA through national systems received only 6.7 percent of aid to public institutions and had an average score of 3.7 on the MDG Progress Index. The remaining 16 countries received 20.9 percent and a MDG score of 4.1. The ten countries receiving the highest percentage of ODA through national systems are therefore outperformed the bottom ten by 2.0 points and the remainder of the countries by 1.6 points on the MDG Progress Index.
- <sup>21</sup> Stern, Scott, Amy Wares and Sarah Orzell. *Social Progress Index 2015 Methodological Report*. 2015.
- <sup>22</sup> Stern, Scott, Amy Wares and Sarah Orzell. *Social Progress Index 2015 Methodological Report*. 2015.
- <sup>23</sup> Percentage of ODA channeled through country systems based on estimates of the Office of Dr. Paul Farmer from the OECD’s Paris Declaration Survey and the OECD’s Creditor Reporting System. Basic Needs scores provided by The Social Progress Imperative’s 2015 Social Progress Index.
- <sup>24</sup> Note: Though education is not included as a basic human need on the SPI, strong performing LDCs on “Access to Basic Knowledge” receive, on average, 33 percent of ODA through national systems, compared to 28 percent for middle performers and 14.5 percent for weak performers.
- <sup>25</sup> Tavakoli, Heidi, and Gregory Smith. “Back under the Microscope: Insights from Evidence on Budget Support.” *Development Policy Review*, Dec. 2012.
- <sup>26</sup> Hart, Tom, Sierd Hadley, Bryn Welham. “Use of Country Systems in Fragile Settings.” *Overseas Development Institute*. December 2015. pp. 10-11
- <sup>27</sup> Tavakoli, Heidi, and Gregory Smith. “Back under the Microscope: Insights from Evidence on Budget Support.” *Development Policy Review*, Dec. 2012. p. 67
- <sup>28</sup> OECD. “How DAC members work with civil society organisations: An Overview 2011-OECD.” *Oecd.Org*. October 3, 2011. [https://www.oecd.org/dac/peer-reviews/Final\\_How\\_DAC\\_members\\_work\\_with\\_CSOs%20ENGLISH.pdf](https://www.oecd.org/dac/peer-reviews/Final_How_DAC_members_work_with_CSOs%20ENGLISH.pdf). p. 19.
- <sup>29</sup> The countries with the greatest progress toward the MDGs have an average of 47% of aid channeled through their systems; those with the least progress receive less than 11% of their aid through their systems. Rwanda has one of the highest rates of investments through country systems, at 56%. Data collected by Dr. Farmer’s Aid Delivery Support Initiative, June 2014.
- <sup>30</sup> World Bank. “Country Policy and Institutional Assessments: 2006 Questionnaire.” *Worldbank.Org*. December 11, 2006. <http://pubdocs.worldbank.org/en/559351435159340828/cpia14-webFAQ14.pdf>. p. 34
- <sup>31</sup> The specific public financial management indicator within CPIA measures has three dimensions carrying equal weight. These are the extent to which there is: 1) A comprehensive and credible budget, linked to policy priorities; 2) Effective financial management systems to insure the budget is implemented as intended in a controlled and predictable way; Timely and accurate accounting and fiscal reporting, including timely audits of public accounts and effective arrangements for follow up.
- <sup>32</sup> Tavakoli, Heidi, and Gregory Smith. “Back under the Microscope: Insights from Evidence on Budget Support.” *Development Policy Review*, Dec. 2012. p. 34
- <sup>33</sup> For a more comprehensive overview of the evidence, see: Glennie, Jonathan, et al. *LocaLiSing Aid*. 2013.
- <sup>34</sup> Hart, Tom, Sierd Hadley, Bryn Welham. “Use of Country Systems in Fragile Settings.” *Overseas Development Institute*. December 2015. p. 16
- <sup>35</sup> Corruption is defined as by the OECD as the “active or passive misuse of the powers of Public officials (appointed or elected) for private financial or other benefits.”
- <sup>36</sup> Transparency International Corruption Perceptions Index FAQ
- <sup>37</sup> The 12 institutions are: African Development Bank Governance Ratings 2014; Bertelsmann Foundation Sustainable Governance Indicators 2015; Bertelsmann Foundation Transformation Index 2016; Economist Intelligence Unit Country Risk Ratings 2015; Freedom House Nations in Transit 2015; Global Insight Country Risk Ratings 2014; IMD World Competitiveness Yearbook 2015; Political and Economic Risk Consultancy Asian Intelligence 2015; Political Risk Services International Country Risk Guide 2015; World Bank - Country Policy and Institutional Assessment 2014; World Economic Forum Executive Opinion Survey (EOS) 2015; World Justice Project Rule of Law Index 2015
- <sup>38</sup> Razafindrakoto, Mireille, and François Roubaud. “Are International Databases on Corruption Reliable? A Comparison of Expert Opinion Surveys and Household Surveys in Sub-Saharan Africa.” *World Development*. 2006.

<sup>39</sup> Kenny, Charles. *Results Not Receipts: Counting the Right Things in Aid and Corruption*. Center for Global Development, 2017. p.10

<sup>40</sup> Estimates of the Office of Dr. Paul Farmer based on the most recent figures available from each relevant agency converted using UN exchange rates at 1 April 2013. This estimate is based on agency specific estimates for the most recent fiscal year and may cover different timeframes. (The OECD's Creditor Reporting Scheme was not used for all donors, so that agency specific contributions could be compared to the detected fraud within each agency.) The sources are:

1. AusAID (fiscal year 2011-12): available at: <https://dfat.gov.au/about-us/publications/Documents/ausaid-annual-report-2011-12.pdf>
2. Belgian Development Agency (calendar year 2011): available at [https://www.enabel.be/sites/default/files/annual\\_report\\_2011.pdf](https://www.enabel.be/sites/default/files/annual_report_2011.pdf)
3. Denmark (calendar year 2011): OECD CRS, available at: <http://stats.oecd.org/index.aspx?DataSetCode=CRS1>
4. European Commission (calendar year 2011): OECD CRS, available at: <http://stats.oecd.org/index.aspx?DataSetCode=CRS1>
5. DFID (fiscal year 2011-12): OECD CRS, available at: <http://stats.oecd.org/index.aspx?DataSetCode=CRS1>
6. USAID (fiscal year 2011-12): <https://www.usaid.gov/foia-requests/foia-annual-reports-old>

<sup>41</sup> Estimates of the Office of Dr. Paul Farmer based on the OECD's Creditor Reporting Scheme, available at: <http://stats.oecd.org/index.aspx?DataSetCode=CRS1>

<sup>42</sup> Based on a review of data made available by the 25 members of the OECD's Development Assistance Committee. For a list of members of the OECD's Development Assistance Committee, see: <http://www.oecd.org/dac/dacmembers.htm>

<sup>43</sup> Estimates of the Office of Dr. Paul Farmer based on two OECD sources. These sources are the OECD Creditor Reporter Scheme, see: <http://stats.oecd.org/index.aspx?DataSetCode=CRS1>, and the OECD Paris Declaration on Aid Effectiveness, see <http://stats.oecd.org/Index.aspx?DataSetCode=SURVEYDATA>

<sup>44</sup> Estimates of the Office of Dr. Paul Farmer based on the OECD Credit Reporting System using the list of fragile states referred to in The World Bank, Harmonized List of Fragile Settings. See <https://www.worldbank.org/en/topic/fragilityconflictviolence/brief/harmonized-list-of-fragile-situations>.

<sup>45</sup> AusAID, "Independent Review of Aid Effectiveness." *Department of Foreign Affairs and Trade*, 2011, [dfat.gov.au/about-us/publications/Pages/independent-review-of-aid-effectiveness-2011.aspx](https://dfat.gov.au/about-us/publications/Pages/independent-review-of-aid-effectiveness-2011.aspx). p. 30. Available at: <https://dfat.gov.au/about-us/publications/Pages/independent-review-of-aid-effectiveness-2011.aspx>

<sup>46</sup> Belgian Development Agency (calendar year 2011): (Brussels, June 2012), p. 65-66. Available at: [https://www.enabel.be/sites/default/files/annual\\_report\\_2011.pdf](https://www.enabel.be/sites/default/files/annual_report_2011.pdf)

<sup>47</sup> Estimates of Dr. Paul Farmer's Office based on data available on the Danish MFA website: <http://um.dk/en/danida-en/results/risk-management/>. Figures were converted from DKK to USD using UN operational exchange rates as of February 2013.

<sup>48</sup> "House of Commons – Fifty-Second Report: DfID Financial Management - Public Accounts Committee." *Parliament.Uk*, 2011, chapter 1, paragraph 8. Available at: [www.publications.parliament.uk/pa/cm201012/cmselect/cmpubacc/1398/139802.htm](http://www.publications.parliament.uk/pa/cm201012/cmselect/cmpubacc/1398/139802.htm)

<sup>49</sup> Estimates of the Office of Dr. Paul Farmer based on data in the:

1. European Commission, "The OLAF Report 2011: Twelfth Report of the European Anti-Fraud Office." *European Anti-Fraud Office*. Brussels, 2012. Available at: [https://ec.europa.eu/anti-fraud/sites/antifraud/files/docs/body/olaf\\_report\\_2011\\_en.pdf](https://ec.europa.eu/anti-fraud/sites/antifraud/files/docs/body/olaf_report_2011_en.pdf)
2. European Commission, "The OLAF Report 2010: Eleventh operational report of the European Anti-Fraud Office." *European Anti-Fraud Office*. Brussels, 2011. Available at: [https://ec.europa.eu/anti-fraud/sites/antifraud/files/docs/body/rep\\_olaf\\_2010\\_en.pdf](https://ec.europa.eu/anti-fraud/sites/antifraud/files/docs/body/rep_olaf_2010_en.pdf)
3. OECD. "CreditorReportingSystem" (CRS)." *Oecd.Org*, 2015, [stats.oecd.org/index.aspx?DataSetCode=CRS1](http://stats.oecd.org/index.aspx?DataSetCode=CRS1). <http://stats.oecd.org/index.aspx?DataSetCode=CRS1>. Note: Figures were converted from EUR to USD using UN operational exchange rates as of February 2013.

<sup>50</sup> See: <https://paymentaccuracy.gov/faq/>. Note: improper payments are defined as payments that occur when either: Federal funds go to the wrong recipient, the recipient receives the incorrect amount of funds (either an underpayment or overpayment), documentation is not available during review to discern that a payment was proper, or the recipient uses Federal funds in an improper manner.

<sup>51</sup> Based on Transparency International's "2010 Corruption Perceptions Index. September 30, 2010.", , in addition to estimates of the Office of Dr. Paul Farmer based on the OECD's Paris Declaration Survey, see: <http://stats.oecd.org/Index.aspx?DataSetCode=SURVEYDATA> and the OECD's Creditor Reporting System, see: <http://stats.oecd.org/index.aspx?DataSetCode=CRS1>

<sup>52</sup> E. Marseille, P. Hofmann, and J. Kahn. "HIV Prevention before HAART in Sub-Saharan Africa," *The Lancet* 359. no. 9320. May 2002. 1851-56.

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<sup>53</sup> Farmer, Paul. *To Repair the World: Paul Farmer Speaks to the next Generation*. Berkeley, University of California Press, 2013. Introduction by Jon Weigel, p. xxi.

<sup>54</sup> “2014-2016 Ebola Outbreak in West Africa.” *Centers for Disease Control and Prevention*. Centers for Disease Control and Prevention. 8 Mar. 2019. <http://www.cdc.gov/vhf/ebola/history/2014-2016-outbreak/index.html>.

<sup>55</sup> Farmer, Paul. “The Secret to Curing West Africa from Ebola is no Secret at All.” *Washington Post*. January 16, 2015.

<sup>56</sup> Farmer, Paul. “Who Lives and Who Dies.” *London Review of Books*. Vol. 37, No. 3, 5 February 2015.

<sup>57</sup> Pantal, Michel-Ange & Faure, Peterson & Jerome, Jean-Gregory & Von, Markus & Mugunga, Jean Claude. (2015). An Analysis of the Economic Impact of the Mirebalais University Teaching Hospital on the Haitian Economy: An Input-Output Approach. *Journal of Eastern Caribbean Studies*. 40. 234 - 250.

[https://www.researchgate.net/profile/Jean\\_Claude\\_Mugunga2/publication/320806200\\_An\\_Analysis\\_of\\_the\\_Economic\\_Impact\\_of\\_the\\_Mirebalais\\_University\\_Teaching\\_Hospital\\_on\\_the\\_Haitian\\_Economy\\_An\\_Input-Output\\_Approach/links/59fb3ca6458515d070606d45/An-Analysis-of-the-Economic-Impact-of-the-Mirebalais-University-Teaching-Hospital-on-the-Haitian-Economy-An-Input-Output-Approach.pdf?origin=publication\\_detail](https://www.researchgate.net/profile/Jean_Claude_Mugunga2/publication/320806200_An_Analysis_of_the_Economic_Impact_of_the_Mirebalais_University_Teaching_Hospital_on_the_Haitian_Economy_An_Input-Output_Approach/links/59fb3ca6458515d070606d45/An-Analysis-of-the-Economic-Impact-of-the-Mirebalais-University-Teaching-Hospital-on-the-Haitian-Economy-An-Input-Output-Approach.pdf?origin=publication_detail)

<sup>58</sup> Farmer, Paul. “Rethinking Foreign Aid.” *Foreign Affairs*, 12 December 2013.

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